

3.13 Population and Housing

This section provides background information regarding existing and projected population, employment, and housing conditions in Menlo Park. In addition, it estimates changes to the city's demographics that would result from the Proposed Project. The analysis is based on population, employment, and housing data estimates published by the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC), buildout assumed under the General Plan and M-2 Area Zoning Update (ConnectMenlo)¹, and demographic information from the Demographic Research Unit of the California Department of Finance (DOF), the U.S. Census Bureau, and the 2015–2023 Housing Element of the City of Menlo Park (City) General Plan. The analysis also incorporates information from the Housing Needs Analysis (HNA) for the Proposed Project prepared by Keyser Marston Associates (Appendix 3.13).² Although not required by the California Environmental Quality Act (CEQA), the HNA was prepared pursuant to the terms of the 2017 settlement agreement between the cities of Menlo Park and East Palo Alto (refer to Chapters 1 and 3 for additional discussion). The information in the HNA is used in this draft environmental impact report (EIR) to provide context for the evaluation of potential impacts of the Proposed Project related to population and housing as well as data for decision-makers during the entitlement process.

The purpose of this section is to characterize the potential for Proposed Project-induced population, housing, and employment changes to trigger physical environmental effects; these potential environmental impacts are examined further in other sections of this draft EIR (e.g., Sections 3.3, *Transportation*; 3.4, *Air Quality*; and 3.7, *Noise*; 3.14, *Public Services*).

Issues identified in response to the Notice of Preparation (NOP) (Appendix 1) were considered in preparing this analysis. Applicable comments concerned the sources for the population and growth projections for the EIR analysis, including the ConnectMenlo and ABAG projections; the jobs-housing balance; population-induced traffic; housing needs; the displacement of people; and general population impacts from new offices and housing.

Existing Conditions

Environmental Setting

The following discussion provides a basic foundation for understanding population and housing issues within Menlo Park as well as the Bay Area. Population and housing data for East Palo Alto, which is close to the Project Site (0.1 mile away), are included where relevant. The information presented in this section is based on data, research, and growth projections drawn from census data, the HNA prepared for the Proposed Project, and forecasts from ABAG and MTC in Plan Bay Area Projections 2040.³

¹ City of Menlo Park. 2016. *ConnectMenlo General Plan EIR*.

² Keyser Marston Associates. 2021. *Draft Willow Village Master Plan Project Housing Needs Assessment*. July.

³ Note that although Plan Bay Area 2050 was adopted by ABAG and MTC in October 2021, as of March 2022, ABAG projections have not been updated at a city or local jurisdiction level; therefore, projections discussed in this section use Projections 2040.

Population

Menlo Park is in the southern portion of San Mateo County and bound by San Francisco Bay to the north, East Palo Alto to the east, Palo Alto to the east and south, Woodside and Portola Valley to the southwest, and Redwood City to the west. The city encompasses approximately 19 square miles, including nearly 12 square miles of San Francisco Bay and wetlands. The city's jurisdictional population was estimated to be 34,825 as of January 1, 2021. The DOF estimates that the city currently averages approximately 2.60 persons per household (pph).⁴

Table 3.13-1 presents population estimates and projections for 2020 through 2040⁵ pertaining to Menlo Park (i.e., the sphere of influence),⁶ San Mateo County, and the Bay Area (i.e., Marin, Sonoma, Napa, Solano, Contra Costa, Alameda, Santa Clara, San Mateo, and San Francisco Counties). The data indicate that population growth in Menlo Park from 2020 to 2040 (23.3 percent) will be greater than that of the county and the Bay Area as a whole (about 15.0 and 21.9 percent, respectively).⁷

Table 3.13-1. Population Trends in Menlo Park, San Mateo County, and the Bay Area, 2020–2040

	2020	2030	2040	Growth (2020–2040)
Menlo Park	44,530	52,865	54,920	10,390 (23.3%)
San Mateo County	796,925	853,260	916,590	119,665 (15.0%)
Bay Area	7,920,230	8,689,440	9,652,950	1,732,720 (21.9%)

Source: ABAG and MTC, 2018.

⁴ California Department of Finance. 2021. *E-5 Population and Housing Estimates for Cities, Counties, and the State, 2011–2021 with 2010 Census Benchmark*. Available: <https://www.dof.ca.gov/forecasting/demographics/estimates/e-5/>. Accessed: February 2, 2022.

⁵ Full buildout of the Proposed Project is expected to occur in 2026. However, consistent with full buildout of ConnectMenlo by 2040, this analysis compares the Proposed Project with the projections for 2040. In addition, the ABAG projections assume that the majority of the ConnectMenlo growth would occur between 2035 and 2040. Therefore, to account for all growth under ConnectMenlo in the ABAG projections, the horizon year of 2040 is used in this analysis.

⁶ Several additional unincorporated areas adjoining the city are recognized as being within the city's sphere of influence and, therefore, included in the City General Plan. In California, *sphere of influence* has a legal meaning (i.e., a plan for the probable physical boundaries and service area of a local agency). Spheres of influence at California local agencies are regulated by Local Agency Formation Commissions that recognize the unincorporated communities that would be best and most likely served by the city agencies. Hence, the spheres of influence represent areas with the greatest potential for annexation by a city. In most cases, ABAG provides more detailed demographic and employment projections for a large city's sphere of influence rather than that of a small city, such as Menlo Park. Consequently, unless otherwise specifically noted, all city data represent the city sphere of influence because only limited demographic data are available for the city's incorporated area. The sphere-of-influence designation for the city includes unincorporated West Menlo Park, Stanford Weekend Acres, Menlo Oaks, as well as the Stanford Linear Accelerator Center. With the exception of the Stanford Linear Accelerator Center, these areas are zoned residential and are substantially developed. All ABAG projections in these areas of the city include the sphere of influence.

⁷ Association of Bay Area Governments and Metropolitan Transportation Commission. 2018. *Plan Bay Area Projections 2040*. November.

Housing

According to the DOF, the estimated number of housing units in the city (jurisdictional boundary) as of January 1, 2021, was 14,124, with an average household size of 2.60 pph and a vacancy rate of 7.4 percent.⁸

Table 3.13-2 presents ABAG projections for households in the Bay Area, the county, and the city between 2020 and 2040. According to ABAG, the number of households in the county is projected to grow from approximately 284,260 in 2020 to 317,965 in 2040, an increase of approximately 11.9 percent. The number of households in the city is projected to grow from approximately 15,390 in 2020⁹ to 17,680 in 2040, an increase of approximately 14.9 percent. Overall, the household growth rate in the city (14.9 percent) is expected to be greater than the household growth rate for the county (11.9 percent) but less than that of the Bay Area as a whole (18.9 percent).¹⁰

Table 3.13-2. Household Trends in Menlo Park, San Mateo County, and the Bay Area, 2020–2040

	2020	2030	2040	Growth (2020–2040)
Menlo Park	15,390	17,265	17,680	2,290 (14.9%)
San Mateo County	284,260	302,520	317,965	33,705 (11.9%)
Bay Area	2,881,965	3,142,015	3,426,700	544,735 (18.9%)

Source: ABAG and MTC, 2018.

Housing prices in the Bay Area are among the highest in the country, and San Mateo County has several of the most expensive residential communities in the Bay Area. Menlo Park is one of the more desirable communities in the county; as a result, home prices in the city exceed county levels. The median single-family home price in Menlo Park from December 2019 through December 2020 was \$2.35 million.¹¹ This represents an almost 50 percent increase since 2012 when the median single-family home price in Menlo Park was approximately \$1.47 million.¹²

The HNA prepared for the Proposed Project (Appendix 3.13) includes data on real estate market trends for two communities in proximity to the Proposed Project: East Palo Alto and the Belle Haven neighborhood in Menlo Park. As of 2020, the median sales price in East Palo Alto (\$748 per square foot) was roughly 80 percent of the county median (\$980 per square foot), while the price per square foot in Belle Haven approached or exceeded the county median over the past 5 years and was \$951 per square foot in 2020. Overall, median prices for single-family homes in East Palo Alto have increased by approximately 180 percent since 2000, approaching the cumulative percent increase in the county median home price of 190 percent over the same timeframe. Median prices for single-family homes in Belle Haven increased 227 percent and outpaced county prices. Some of the factors that contributed to

⁸ California Department of Finance. 2021. *E-5 Population and Housing Estimates for Cities, Counties, and the State, 2011–2021 with 2010 Census Benchmark*. Available:

<https://www.dof.ca.gov/forecasting/demographics/estimates/e-5/>. Accessed: February 2, 2022.

⁹ As discussed, the growth forecasts are based on ABAG Projections 2040, which were released in 2018, and not the actual number of households in the city in 2020. For sake of consistency, the analysis includes comparison of projections for 2020 with projections for 2040, rather than the actual 2020 numbers provided by DOF.

¹⁰ Association of Bay Area Governments and Metropolitan Transportation Commission. 2018. *Plan Bay Area Projections 2040*. November.

¹¹ Keyser Marston Associates, Inc. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. July.

¹² City of Menlo Park. 2014. *City of Menlo Park General Plan, Housing Element*. April 14.

rising home prices over the period include strong economic growth and housing demand, limited construction of new housing, favorable interest rates and credit terms, and confidence in the Bay Area economy and housing market.¹³

Employment

The employment profile for an area provides an indication of the composition of an area's economy as well as present and future demand for employees. Employment growth is an important driver of housing demand, both regionally and locally. Employment growth over the past several years in the Bay Area and the city has most likely contributed to significant upward pressure on the housing market, as evidenced in rent and housing price increases. Approximately 95 percent of workers living in San Mateo County commute to jobs in San Mateo, Santa Clara, and San Francisco Counties, based on census data.¹⁴

San Mateo County is a productive economic area, led by technology, bioscience, and service industries. Approximately 66 percent of Menlo Park residents aged 16 and older were in the work force in 2020, slightly lower than the county rate (69 percent) but higher than the state rate (63 percent). Most city residents who are in the workforce are in management or business, science, or art-related occupations (69 percent), which is significantly higher than the county rate (47 percent) and the state rate (38 percent). The next most common employment categories for the city are sales and office occupations (14 percent), followed by service occupations (11 percent).¹⁵

San Mateo County was affected by the housing mortgage/financial crisis of late 2008 with a decrease in available jobs and employed residents. However, between 2010 and 2019, approximately 591,000 jobs were added in San Mateo, Santa Clara, and San Francisco Counties. More than half of the total job growth occurred in high-wage sectors, which are generally defined as professions where average annual employee compensation is above \$100,000 (as of 2016). Over the past decade, high-wage industries posted an annual job growth rate of 4.6 percent, versus 3.4 percent for all industries. The job growth rate for the longer period from the peak of the previous boom in 2000 until 2019 is less because of the significant job losses between 2000 and 2004, which offset the more recent job growth.

The 2020 economic recession, caused by the coronavirus pandemic, eliminated a portion of the jobs added over the past decade. Although 2020 data are not available from the Quarterly Census of Employment and Wages for the entire year, the data for the first three quarters of 2020 show a significant decline in total employment in the three-county area. In the second quarter of 2020, total employment in the three-county area declined by 12 percent in all sectors and by 3 percent in high-wage sectors compared to the prior quarter. Although some jobs were recovered in the third quarter of the year, total employment remained 6 percent less than the first quarter in all sectors and 1 percent less in high-wage sectors.¹⁶ More recent data (as of January 2022) from the U.S. Bureau of Labor Statistics show that total unemployment in San Mateo County declined by 2.2 percent between November 2020 and November 2021; the national unemployment rate declined by 2.5 percent during the same period.¹⁷

¹³ Keyser Marston Associates. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. July.

¹⁴ Ibid.

¹⁵ Association of Bay Area Governments and Metropolitan Transportation Commission. 2018. *Plan Bay Area Projections 2040*. November.

¹⁶ Keyser Marston Associates. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. July.

¹⁷ U.S. Department of Labor, Bureau of Labor Statistics. 2022. *San Francisco Area Economic Summary*. Available: https://www.bls.gov/regions/west/summary/blssummary_sanfrancisco.pdf. Accessed: March 16, 2022.

Plan Bay Area Projections 2040 predicts steady employment growth between 2020 and 2040 for the city, county, and Bay Area as a whole. Table 3.13-3 presents ABAG employment projections, which are used throughout the analysis presented below.

Table 3.13-3. Employment Trends in Menlo Park, San Mateo County, and the Bay Area Region, 2020–2040 (Total Number of Jobs)

	2020	2030	2040	Growth (2020–2040)
Menlo Park	36,410	37,195	42,475	6,065 (16.6%)
San Mateo County	399,415	423,005	472,340	72,770 (18.2%)
Bay Area Region	4,136,190	4,405,125	4,698,375	562,185 (13.6%)

Source: Association of Bay Area Governments and Metropolitan Transportation Commission. 2018. *Plan Bay Area Projections 2040*.

Note: ABAG projections for 2040 incorporate full buildout of ConnectMenlo.

As indicated in Table 3.13-3, ABAG projections for 2020 to 2040 show a steady increase in employment in the Bay Area (13.6 percent). The projections for the City of Menlo Park identify a higher employment gain (16.6 percent) compared to the Bay Area region and a lower employment gain than San Mateo County. For comparison and informational purposes, the projections for East Palo Alto show a slighter lower employment gain (12.7 percent) compared with both the county (18.2 percent) and the city (16.6 percent).

Table 3.13-4, below, compares the projected number of employed residents in the city with the projected number of jobs available in the city. According to ABAG projections, the number of employed residents in the city is currently 62.4 percent of the number of jobs in the city. In the next 20 years, the number of employed residents is expected to remain relatively constant, decreasing only slightly to 61.7 percent.¹⁸

Table 3.13-4. Comparison of Number of Jobs to Employed Residents in Menlo Park, 2020–2040

	2020	2040
Jobs	36,410	42,475
Employed Residents ^a	22,735	26,205
Percent of Employed Residents to Total Number of Jobs	62.4	61.7

Source: Association of Bay Area Governments and Metropolitan Transportation Commission. 2018. *Plan Bay Area Projections 2040*.

^a The number of jobs and employed residents is based on the city's sphere of influence, which also includes unincorporated areas of San Mateo County.

The average median income (AMI) in San Mateo County for a family of four was approximately \$149,600 as of 2021. Because the city's housing prices are high, many people who work in the city cannot afford to live in the city. Consequently, people who work in the community often must commute long distances. All levels of income, including above-moderate income households, face challenges regarding affordable housing in Menlo Park as well as in the broader Bay Area. In fact, because of the high cost of housing, housing affordability challenges extend to households that earn more than 150 percent of the AMI.¹⁹

¹⁸ Association of Bay Area Governments and Metropolitan Transportation Commission. 2018. *Plan Bay Area Projections 2040*. November.

¹⁹ Keyser Marston Associates. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. July.

The difference between what the workforce and the community can pay for housing, based on household income and the prices for homes in the community, is referred to as an *affordability gap*.²⁰ Housing production has not kept pace with job growth in San Mateo County and adjacent counties. The ratio of jobs to housing units has steadily increased in San Mateo, Santa Clara, and San Francisco Counties since 2010 when the ratio was approximately 1.35. In 2019, the jobs/housing ratio for the three counties averaged approximately 1.75. This ratio of more jobs in the area than houses leads to longer commutes for employees living outside of the three counties and an increase in housing prices and rents for houses within the three counties. However, in 2020, the jobs-housing ratio declined as a result of job losses associated with the pandemic.²¹

According to the U.S. Census Bureau's 2015–2019 American Community Survey (ACS), 5.9 percent of those who currently work in Menlo Park also live in Menlo Park. That number has declined since the 2000 census, which showed that 7.2 percent of those who worked in Menlo Park lived in Menlo Park. This percentage is low compared with most other cities in the Bay Area and attributable to a range of factors, such as affordability constraints, which already limit a worker's ability to find housing within the city, and the large number of jobs in Menlo Park relative to the housing stock. Another contributing factor is the location and boundary configuration of the city, making many other jurisdictions within a short commute.²²

Project Site Setting

Main Project Site/Meta Campuses. Currently, the existing Meta East and West campuses (which are Meta-owned and occupied) can accommodate approximately 17,340 seated workers (i.e., the number of physical seats in a building or on a campus), as follows:

- East Campus (not part of the Project Site): approximately 6,600 seated workers
- West Campus (not part of the Project Site): approximately 10,740 seated workers²³

The main Project Site accommodates approximately 3,570 seated workers and is owned by a Meta affiliate. The main Project Site is on the site of the Menlo Science and Technology Park. In 2015, a Meta affiliate purchased the main Project Site and occupied several of the buildings for a variety of uses, including office space, research-and-development (R&D) space, worker amenities, and a health clinic. In total, the main Project Site currently accommodates approximately 3,570 seated workers, consisting of approximately 3,500 Meta seated workers plus approximately 70 workers from the other onsite tenants and approximately 96 building services employees.²⁴ In total, approximately 3,666 people work at the main Project Site.

The share of Meta employees at the company's Menlo Park campuses and leased offices who also live in Menlo Park is approximately 7.4 percent,²⁵ slightly higher than the overall average of 5.9 percent of Menlo Park workers who both live and work in the city. Many factors influence how people select where to live, including, but not limited to, weather, family, community and cultural factors, housing affordability, quality of schools, access to employment, and unit type.

²⁰ City of Menlo Park. 2014. *City of Menlo Park General Plan, Housing Element*. April 1.

²¹ Keyser Marston Associates, Inc. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. July.

²² Ibid.

²³ Although Building 22 has received a temporary occupancy permit for a capacity of 3,000, it is not currently occupied because of COVID-19.

²⁴ Includes security, janitorial, and maintenance employment.

²⁵ Based on data provided by Meta applicable to employees at its existing Menlo Park facilities as of March 2020.

Hamilton Avenue Parcels North and South. Under existing conditions for all shifts, approximately 126 employees work at the retail/restaurant uses on Hamilton Avenue Parcel North and approximately four employees work at the service station on Hamilton Avenue Parcel South. In total, approximately 130 employees currently work at Hamilton Avenue Parcels North and South.

Regulatory Setting

State

State Housing Element Law. The Regional Housing Needs Allocation (RHNA) is a process established under the State Housing Element Law that requires cities in California to plan for future development of new housing units to meet their share of regional housing needs. Housing needs for each region in the state are determined by the State Department of Housing and Community Development and submitted to Councils of Government for allocation to local jurisdictions. ABAG is ultimately responsible for determining the share of the regional housing need to be met by each city in the Bay Area.

State Housing Element Law has established three housing affordability categories. The categories are based on the region's median income and take into account household sizes, ranging from one to six people. The three affordability categories used by ABAG in allocating regional housing needs are:

- Very Low: 0 to 50 percent of the area's median income
- Low: 51 to 80 percent of the area's median income
- Moderate: 81 to 120 percent of the area's median income

The current RHNA, adopted December 16, 2021, identifies housing needs for the 2023 to 2031 planning period. As shown in Table 3.13-5, ABAG determined that 2,946 units (defined by income category) is Menlo Park's fair share of the regional housing need for the 2023 to 2031 period.²⁶ The City updated its Housing Element in April 2014 and is currently in compliance with respect to designating enough appropriately zoned land to accommodate its allocated housing units for the 2014–2022 RHNA reporting period. However, with adoption of the 2023–2031 RHNA, which incorporates Plan Bay Area 2050, the City is in the process of updating the Housing Element for the current RHNA cycle. The 2023–2031 Housing Element will be submitted to the State Department of Housing and Community Development by January 2023.²⁷

Sustainable Communities Strategy and Senate Bill 375. Senate Bill (SB) 375, adopted in 2008, requires preparation of a Sustainable Communities Strategy (SCS) as part of the Regional Transportation Plan (RTP) for the Bay Area. Plan Bay Area, the first SCS for the region, was jointly approved in July 2013 by ABAG and the MTC. Plan Bay Area 2040, an updated SCS for the region, was jointly approved in July 2017 by ABAG and MTC. Plan Bay Area 2040 was the strategic update to the original Plan Bay Area, approved in 2013, which represented a transportation and land use/housing strategy for how the Bay

²⁶ Association of Bay Area Governments. 2021. *Regional Housing Need Plan for the San Francisco Bay Area: 2023–2031*. December 2021. Available: https://abag.ca.gov/sites/default/files/documents/2021-12/proposed%20Final_RHNA_Allocation_Report_2023-2031.pdf. Accessed: March 16, 2022.

²⁷ City of Menlo. 2021. *Notice of Preparation of an Environmental Impact Report for Updates to the City of Menlo Park General Plan Sixth Cycle Housing Element Update, Safety Element Update, and a New Environmental Justice Element and Announcement of a Public Scoping Meeting*. Available: <https://beta.menlopark.org/files/sharedassets/public/community-development/documents/projects/housing-element-update-nop.pdf>. Accessed: February 8, 2022.

Table 3.13-5. ABAG Regional Housing Need Allocation for Menlo Park for 2023–2031

Income Level	Menlo Park Need	Regional Need
Very Low	740	114,442
Low	426	65,892
Moderate	496	72,712
<i>Subtotal of Affordable Units</i>	<i>1,662</i>	<i>253,046</i>
Above Moderate ^a	1,284	188,130
Total	2,946	441,176

Source: Association of Bay Area Governments. 2021.

a. Above Moderate: Households with incomes greater than 120 percent of county median family income. ABAG does not use the Above Moderate category. This category is included in the RHNA and the analysis below to provide decision-makers with more information regarding housing impacts for a broad spectrum of the new worker households associated with the Proposed Project.

Area will address its transportation mobility and accessibility needs, land development issues, and greenhouse gas emissions reduction requirements through 2040. Plan Bay Area 2040 builds on earlier work to develop an efficient transportation network, provide more housing choices, and grow in a financially and environmentally responsible way. SB 375 requires the RHNA to be consistent with the SCS and establishes an 8-year cycle for the RHNA. The 2014–2022 RHNA has been incorporated into Plan Bay Area and Plan Bay Area 2040.

Plan Bay Area 2050 was adopted by ABAG and MTC in October 2021. Menlo Park is included in the forecasting for South San Mateo County Atherton, Redwood City, Woodside, East Palo Alto, Portola Valley, and San Carlos are also included in the forecasting for South San Mateo County. The forecasts are designed to be realistic assessments of growth in the region through 2050. The strategies in Plan Bay Area 2050 for housing are designed to 1) protect and preserve affordable housing, 2) spur housing production for residents of all income levels, and 3) create inclusive communities.²⁸ Plan Bay Area 2050 estimates that, between now and 2050, the Bay Area’s population will increase from nearly 8 million to more than 10 million. Plan Bay Area 2050 also forecasts significant and continuing increases in the number of housing units and jobs in South San Mateo County through 2050.²⁹ The 2023–2031 RHNA has been incorporated into Plan Bay Area 2050. However, as of March 2022, ABAG projections have not been updated at a city- and local jurisdiction-level; therefore, projections discussed in this section use Projections 2040.

Regional

Jobs Housing Connection Strategy Methodology for 2013–2040, Plan Bay Area. The Jobs Housing Connection Strategy was adopted by ABAG and MTC as part of Plan Bay Area in July 2013. The Jobs Housing Connection Strategy reflects the preferred land use pattern, which was selected from a series of land use alternatives and based on input from the public, cities and counties, and transportation agencies. The preferred scenario aims to concentrate growth near transit-served employment centers in

²⁸ Association of Bay Area Governments and Metropolitan Transportation Commission. 2021. *Plan Bay Area 2050*. Chapter 2: Housing. Available: <https://www.planbayarea.org/digital-library/plan-bay-area-2050-chapter-2-housing>. Accessed: March 16, 2022.

²⁹ Association of Bay Area Governments and Metropolitan Transportation Commission. 2021. *Plan Bay Area 2050*. Available: https://www.planbayarea.org/sites/default/files/documents/Plan_Bay_Area_2050_October_2021.pdf. Accessed: March 16, 2022.

the inner Bay Area. For the SCS, the methodology used for assigning household growth to local jurisdictions considered multiple factors, including housing development capacity, base housing unit growth, vehicle miles traveled/transit service adjustments, as well as other growth factors.

Local

City of Menlo Park General Plan. All California cities and counties are required to include a Housing Element in their general plans to establish housing objectives, policies, and programs in response to community housing conditions and needs. The City updated and adopted its Housing Element on April 1, 2014, which was prepared to respond to current and near-term future housing needs in Menlo Park. The Housing Element is currently expected to be updated and finalized in 2023 to reflect the upcoming RHNA cycle.³⁰

The Housing Element provides a framework for the community's longer-term approach to addressing its housing needs. It contains goals, updated information, and strategic directions (e.g., policies and implementing actions) that the City is committed to undertaking.³¹

State Housing Element Law requires the general plan of a city to have an updated Housing Element that provides for a specified number of housing units, based on an allocation of regional housing needs. The allocation process is now set to occur every 8 years, as discussed above. ABAG is responsible for the allocation in the Bay Area.

The following goals and policies within the Housing Element of the City's General Plan adopted to avoid or mitigate environmental impacts are relevant to the Proposed Project:

Goal H1: Implementation Responsibilities. Continue to build local government institutional capacity and monitor accomplishments to effectively respond to housing needs.

Policy H1.7: Local Funding for Affordable Housing. Seek ways to reduce housing costs for lower-income workers and people with special needs by developing ongoing local funding resources and continuing to utilize other local, state, and federal assistance to the fullest extent possible. The City will also maintain the below-market-rate (BMR) housing program requirements for residential and nonresidential developments.

Goal H2 Existing Housing and Neighborhoods. Maintain, protect, and enhance existing housing and neighborhoods.

Policy H-2.5: Maintenance and Management of Quality Housing and Neighborhoods. Encourage good management practices, rehabilitation of viable older housing, and long-term maintenance and improvement of neighborhoods.

Goal 4: New Housing. Use land efficiently to meet housing needs for a variety of income levels, implement sustainable development practices, and blend well-designed new housing into the community.

³⁰ City of Menlo. 2021. *Notice of Preparation of an Environmental Impact Report for Updates to the City of Menlo Park General Plan Sixth Cycle Housing Element Update, Safety Element Update, and a New Environmental Justice Element and Announcement of a Public Scoping Meeting*. Available: <https://beta.menlopark.org/files/sharedassets/public/community-development/documents/projects/housing-element-update-nop.pdf>. Accessed: February 8, 2022.

³¹ City of Menlo Park. 2014. *City of Menlo Park General Plan, Housing Element*. April 1, 2014. Available: https://beta.menlopark.org/files/sharedassets/public/community-development/documents/adopted-housing-element-2015-2023_201412021857153619.pdf. Accessed: January 31, 2022.

Policy H4.3: Housing Design. Review proposed new housing in order to achieve excellence in development design through an efficient process and encourage infill development on vacant and underutilized sites that is harmonious with the character of Menlo Park residential neighborhoods. New construction in existing neighborhoods shall be designed to emphasize the preservation and improvement of the stability and character of the individual neighborhood. The City will also encourage innovative design that creates housing opportunities that are complementary to the location of the development. It is the City's intent to enhance neighborhood identity and sense of community by ensuring that all new housing will 1) have a sensitive transition with the surrounding area, 2) avoid unreasonably affecting the privacy of neighboring properties, or 3) avoid impairing access to light and air of structures on neighboring properties.

Policy H-4.4 Variety of Housing Choices. Strive to achieve a mix of housing types, densities, affordability levels and designs in response to the broad range of housing needs in Menlo Park. Specific items include:

- a) The City will work with developers of non-traditional and innovative housing approaches in financing, design, construction and types of housing that meet local housing needs.
- b) Housing opportunities for families with children should strive to provide necessary facilities nearby or on site.
- c) The City will encourage a mix of housing types, including: owner and rental housing, single and multiple-family housing, housing close to jobs and transit, mixed use housing, work force housing, special needs housing, single-room occupancy (SRO) housing, shared living and cohousing, mobile-homes, manufactured housing, self-help or "sweat-equity" housing, cooperatives and assisted living.
- d) The City will support development of affordable, alternative living arrangements such as co-housing and "shared housing" (e.g., the Human Investment Project's — HIP Housing — shared housing program).

Policy H-4.5: Density Bonuses and Other Incentives for Affordable Housing Development. Use density bonuses and other incentives to help achieve housing goals while ensuring that potential impacts are considered and mitigated. This will include affordable housing overlay zoning provisions as an alternative to State Density Bonus Law.³²

Policy H-4.6: Mixed Use Housing. Encourage well-designed mixed-use developments (residential mixed with other uses) where residential use is appropriate to the setting and to encourage mixed-use development in proximity to transit and services, such as at shopping centers and near to the downtown to support Downtown businesses (consistent with the El Camino Real/Downtown Specific Plan).

³² State density bonus law, Government Code Section 65915, was first enacted in 1979. The law requires local governments to provide density bonuses and other incentives to developers of affordable housing who commit to providing a certain percentage of dwelling units to persons whose incomes do not exceed specific thresholds. Cities also must provide bonuses to certain developers of senior housing and, in response to certain donations of land, the inclusion of child care centers in some developments. Essentially, state density bonus law establishes that a residential project of five or more units that provides affordable or senior housing at specific affordability levels may be eligible for a "density bonus" to allow more dwelling units than otherwise allowed on the site by the applicable general plan land use map and zoning. The density bonus may be approved only in conjunction with a development permit (i.e., tentative map, parcel map, use permit, or design review). Under state law, a jurisdiction must provide a density bonus. Concessions and incentives will be granted at the applicant's request, based on specific criteria.

Policy H-4.7: Redevelopment of Commercial Shopping Areas and Sites. Encourage the development of housing in conjunction with the redevelopment of commercial shopping areas and sites when it occurs as long as adequate space for retail services remain.

Policy H-4.8: Retention and Expansion of Multi-Family Sites at Medium and Higher Density. Strive to protect and expand the supply and availability of multi-family and mixed-use infill housing sites for housing. When possible, the City will avoid re-designating or rezoning multi-family residential land for other uses or lower densities without re-designating equivalent land for multi-family development and ensure that adequate sites remain at all times to meet the City's share of the region's housing needs.

ConnectMenlo. ConnectMenlo, which updated the Land Use Element and Circulation Element of the City General Plan, was adopted in November 2016. The following goals and policies from ConnectMenlo adopted to reduce or mitigate environmental impacts are relevant to the Proposed Project:³³

Goal LU-2: Maintain and enhance the character, variety, and stability of Menlo Park's residential neighborhoods.

Policy LU-2.9: Compatible Uses. Promote residential uses in mixed-use arrangements and the clustering of compatible uses such as employment centers, shopping areas, open space, and parks within easy walking and bicycling distance of each other and transit stops.

Goal LU-3: Retain and enhance existing and encourage new neighborhood-serving commercial uses, particularly retail services, to create vibrant commercial corridors.

Policy LU-4.4: Community Amenities. Require mixed-use and nonresidential development of a certain minimum scale to support and contribute to programs that benefit the community and the city, including education, transit, transportation infrastructure, sustainability, neighborhood-serving amenities, childcare, housing, job training, and meaningful employment for Menlo Park youth and adults.

City of Menlo Park Below-Market-Rate Housing Program. The City's BMR Housing Program (Menlo Park Municipal Code Chapter 16.96) is intended to increase the supply of affordable housing in Menlo Park. As part of the program, qualifying residential and other developers are required to contribute BMR housing units and/or BMR housing in-lieu fees. These units may be available for rent at low-income levels (or an equivalent alternative) or purchase for very low-, low-, or moderate-income households. The BMR Housing Program is administered under the BMR Housing Program Guidelines (Guidelines). Residential developments of five or more units are subject to the requirements of the BMR Housing Program and must submit a BMR Housing Agreement and comply with the program before a building permit or land use authorization can be issued. For developments of five to 19 units, the developer shall provide not less than 10 percent of the units below market rates to very low-, low-, and moderate-income households. For 20 or more units, no fewer than 15 percent of the units shall be below market rates to very low-, low-, and moderate-income households, in compliance with the BMR Guidelines. Non-residential projects, of 10,000 square feet or more, are required to provide BMR units or pay an affordable housing impact fee.³⁴

³³ City of Menlo Park. 2016. *City of Menlo Park General Plan, Land Use and Circulation Elements*. November 29. Available: https://www.menlopark.org/DocumentCenter/View/15013/Land-Use-and-Circulation-Element_adopted-112916_final_figures?bidId=. Accessed: March 16, 2022.

³⁴ City of Menlo Park. 2021. *Menlo Park Municipal Code*. Chapter 16.96, Below-Market-Rate Housing Program. Available: <https://www.codepublishing.com/CA/MenloPark/html/MenloPark16/MenloPark1696.html>. Accessed: March 16, 2022.

Environmental Impacts

This section describes the impact analysis related to population and housing for the Proposed Project. It describes the methods used to determine the impacts of the Proposed Project and lists the thresholds used to conclude whether an impact would be significant. A summary of the ConnectMenlo EIR impacts and mitigation measures is then provided. As previously discussed in Chapter 1, *Introduction*, the analysis below makes reference to, and tiers from, the ConnectMenlo Final EIR, where appropriate. This section identifies potential impacts of the Proposed Project and, if necessary, any mitigation measures.

Thresholds of Significance

In accordance with Appendix G of the CEQA Guidelines, the Proposed Project would have a significant effect if it would result in any of the conditions listed below.

- Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through the extension of roads or other infrastructure).
- Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere.

Methods for Analysis

This analysis considers whether population and household growth would occur with implementation of the Proposed Project and whether this growth would be within the forecasts for the city and/or considered substantial with respect to remaining growth potential in the city. This section uses ABAG projections to analyze the impacts of the Proposed Project.

An HNA prepared by Keyser Marston Associates (Appendix 3.13) has informed the analysis in the Draft EIR.³⁵ U.S. Census Bureau, U.S. Bureau of Labor Statistics, and California Employment Development Department data were used in preparation of the HNA. The HNA presents the anticipated housing needs associated with the Proposed Project. Issues related to both increased demand for housing and the regional housing needs allocation are addressed. The HNA is part of a range of analyses that will be used in the decision-making and entitlement process for the Proposed Project. Preparation of the HNA is required under the terms of the 2017 settlement agreement between Menlo Park and East Palo Alto (refer to Chapter 1, *Introduction*). In addition to providing an analysis of the housing supply and housing demand impacts of the Proposed Project, the HNA also evaluates the Proposed Project's potential to contribute to the displacement of existing residents within East Palo Alto and the Belle Haven neighborhood of Menlo Park, which both have risk factors for displacement. However, indirect displacement, as analyzed in the HNA, is provided for informational purposes and is not a requirement of CEQA. Please refer to Appendix 3.13 for an evaluation of the Proposed Project's potential to contribute to the existing residents as well as neighborhood change in the two communities.

Indirect or secondary impacts are those that are caused by a project and later in time or farther removed in distance but still reasonably foreseeable. Indirect or secondary effects may include growth-inducing effects and other effects related to induced changes in the pattern of land use, population density, or growth (CEQA Guidelines, Section 15358[a][2]). Specifically, growth-inducing effects include the ways in which a project could foster economic or population growth or the construction of additional housing, either directly or indirectly. Projects that would remove obstacles to population growth (e.g., a major expansion of a

³⁵ Keyser Marston Associates. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. July.

wastewater treatment plant) might allow development to occur in an area that was not previously considered feasible for development because of infrastructure limitations (CEQA Guidelines, Section 15126.2[d]). As such, indirect population growth is a secondary impact and therefore considered below.

Summary of Analysis in the ConnectMenlo EIR

As described in Chapter 1, *Introduction*, the ConnectMenlo EIR provided a program-level analysis of the development potential envisioned for the entire city, including the increased development potential in the Bayfront Area. The Land Use Element specifically identifies new development potential in the Bayfront Area of up to 2.3 million gross square feet (gsf) of non-residential space, 400 hotel rooms, and 4,500 residential units. The ConnectMenlo EIR further studied maximum office, life sciences, and commercial gross square footages within the 2.3 million gsf maximum. The program level EIR also studied a maximum of 3,000 unrestricted dwelling units and 1,500 corporate housing units (that could be located on the Meta East Campus).

- The ConnectMenlo EIR determined that, at full buildout, implementation of ConnectMenlo would result in an additional 11,570 residents, for a total city-wide population of 50,350, and 5,500 new employees, for a total city-wide employee population of 53,250. This topic was analyzed in the ConnectMenlo EIR as Impact POP-1 (pages 4.11-5 to 4.11-18) and determined to be less than significant. Within the ConnectMenlo EIR Study Area, future development would be guided by existing and proposed goals, policies, and programs, and zoning regulations, which would provide a long-term planning framework for orderly development consistent with regional planning initiatives for the Bay Area and focus future growth into transit-oriented and infill development opportunity areas within existing communities and encourage new development in areas where there is already the infrastructure to support it. No mitigation measures were recommended.
- The ConnectMenlo EIR found that buildout of ConnectMenlo would not displace a substantial number of housing units or people, nor would it require the construction of replacement housing elsewhere. This topic was analyzed in the ConnectMenlo EIR as Impact POP-2 (pages 4.11-18 to 4.11-20) and POP-3 (page 4.11-20) and determined to be less than significant. Within the ConnectMenlo EIR Study Area, existing policies would ensure that adequate housing would remain and that the potential for any displacement of existing housing and people would be limited. No mitigation measures were recommended.
- The ConnectMenlo EIR found that buildout of ConnectMenlo would result in a significant and unavoidable cumulative impact related to direct and previously unplanned population growth in the region. (Impact POP-4, at pages 4.11-20 to 4.11-21). Buildout of ConnectMenlo would result in population and housing levels that were not in alignment with ABAG's Projections 2013. However, the City found that future ABAG projections would take into account buildout of ConnectMenlo, and Menlo Park's growth would no longer contribute to a cumulative exceedance of regional projections. Since certification of the ConnectMenlo EIR, ABAG updated its population growth projections. The most recent regional projections (Plan Bay Area Projections 2040)³⁶ incorporate full buildout of ConnectMenlo.

³⁶ Association of Bay Area Governments and Metropolitan Transportation Commission. 2018. *Plan Bay Area Projections 2040*. November.

Impacts and Mitigation Measures

Impact POP-1: Unplanned Population Growth. The Proposed Project would not induce substantial unplanned direct or indirect population growth. (LTS)

At the main Project Site, the Proposed Project would include construction of up to approximately 1.8 million gsf of nonresidential uses at the main Project Site in the form of up to approximately 1.6 million gsf of office and accessory space and up to approximately 200,000 gsf of commercial/retail space. The Proposed Project would also include the construction of up to 1,730 multi-family housing units and an up to 193-room hotel. The Proposed Project at full buildout would accommodate approximately 7,964 employees at the main Project Site, 6,950 of whom would be seated workers within the Office Campus.³⁷ The total 7,964 employees, inclusive of the seated workers, would be a net increase of 4,298 on the main Project Site compared with the current number of onsite employees (3,666). For purposes of this analysis, seated workers and employees are referred to as employees (whether direct or indirect Meta employees, support staff, retail workers, etc.).³⁸ In addition, at full buildout at Hamilton Avenue Parcels North and South, approximately 164 employees would work at the retail and commercial uses, a net increase of approximately 34 employees. In total, the entire Project Site at full buildout would employ a total of 8,128 employees for a net increase of 4,332 employees compared to existing conditions. Table 3.13-6 presents existing and proposed employment and the number of residents at the Project Site at full buildout.

Construction

Construction of the Proposed Project, including demolition, grading, utility work, grading/excavation, landscaping, building and parking construction, and finishing work, would temporarily increase construction employment. Given the relatively common nature and scale of the construction associated with the Proposed Project (when compared to proposed development projects throughout the Bay Area), the demand for construction employment would most likely be met with the existing and future labor market in the Bay Area. The size of the construction workforce would vary during the different phases of construction, but it is anticipated that construction of the Proposed Project would require between 15 and 1,531 construction workers per day. The minimum number of construction workers onsite would be 15 during the demolition and grading/utility work required for each phase as well as the landscaping for Phase 2. The maximum number of construction workers onsite would range between 1,125 and 1,837 in 2024 and 2025 when Residential/Shopping District and Campus District construction in Phase 2 overlap. It is anticipated that construction workers would be hired from Bay Area sources. Although some would commute from outside the Bay Area, because of the temporary nature of construction, these workers would not be expected to relocate permanently. Therefore, impacts related to indirect population growth during construction of the Proposed Project would be *less than significant*.

³⁷ Seated workers are workers with assigned physical seats (desks). Seated workers include both Meta employees (i.e., workers employed by a Meta entity) and contract workers (i.e., workers employed by a third party who provides workers to perform services pursuant to a contract with a Meta entity). The number of seated workers is a good proxy for the number of workers actually present in a given Meta building or campus on a typical day (referred to as “onsite workers”). The number of onsite workers typically is less than or equal to the number of seated workers. This balance occurs because, on any given day, a certain number of seated workers are not present onsite (as a result of time off, offsite meetings, remote work, sick leave, etc.), while a certain number of contract workers without assigned seats (e.g., security, culinary, transportation personnel) are present onsite. The 17,340 seated workers are in existing Bayfront Area Meta-owned East and West Campuses and not in other Meta-leased buildings in the area (e.g., former Intuit campus, Menlo Gateway, Commonwealth Corporate Center, and other buildings in the Bayfront Area that Meta occupies). However, employees, vendors/contractors, and interns within the East and West Campuses are included.

³⁸ Note that not all seated workers are Meta employees; on a given day, not all Meta employees connected with a particular site are seated in Meta offices on that site.

Table 3.13-6. Project Activity and Employment by Use

	Area/Quantity	Employees	Residents
Main Project Site			
Residential	1,730 units	35	3,520
Dining	23,000 gsf	160	—
Grocery	36,000 gsf	75	—
Hotel	193 rooms	210	—
Shops	141,000 gsf	130	—
Office and Accessory	1,600,000 gsf	7,354 ^a	—
Total Main Project Site	—	7,964	3,520
Existing	—	3,666	—
(Net New Employees)		(4,298)^b	
Hamilton Avenue Parcels			
Hamilton Avenue Parcel North	22,400 gsf	160	—
Hamilton Avenue Parcel South	5,760 gsf	4	—
Total (Hamilton Avenue Parcels)	—	164	—
Existing		130	—
(Net New Employees)		(34)^b	
Total Project Site		8,128	3,520
Net New Employees and Residents		(4,332)	(3,520)

Source: Peninsula Innovation Partners, LLC. 2021.

a. Seated workers account for 6,950 of the 7,964 total employees. Seated workers are employees with assigned physical seats (desks). Seated workers include both Meta employees (i.e., workers employed by a Meta entity) and contract workers (i.e., workers employed by a third party who provides workers to perform services pursuant to a contract with a Meta entity).

b. () denotes net increase compared with existing conditions.

Operation

The Proposed Project would have impacts on both the supply and demand for housing. New residential units would increase the supply of housing; non-residential components would increase employment and result in a demand for additional housing within commuting distance for workers. Table 3.13-7 includes a summary regarding employment as well as the housing supply and demand directly and indirectly induced by the Proposed Project. The numbers provided in the table are described and analyzed in more detail below. As shown in this table, the Proposed Project would result in added housing supply and housing demand, as follows:

- **Added Housing Supply:** The Proposed Project would increase housing supply through the construction of up to 1,730 units at the Project Site.
- **Added Housing Demand:** New jobs added by the Proposed Project would result in new worker households that would need housing somewhere within commuting distance to Menlo Park. The approximately 4,332 jobs added onsite under the Proposed Project at full buildout would create a demand for an estimated 2,545 additional housing units, along with an estimated demand for 277 housing units for workers in offsite services (e.g., restaurants or retail, educational, medical, or other facilities). The number of jobs can be translated into an estimate of worker housing demand, based on an average of 1.91 workers per housing unit.³⁹

³⁹ The San Mateo County average is 1.9077 workers per housing unit. For calculations throughout this section, 1.9077 is used for accuracy. However, for rounding purposes, 1.91 is used in the text.

Table 3.13-7. Summary of Employment and Housing Induced by the Proposed Project

	Onsite	Offsite Due to Induced Employment ^a	Total
Regional Totals			
Net New Employment	4,332 ^b	523	4,855 employees
Number of Households	2,271	274	2,545 households
Housing Units Constructed	1,730	n/a	1,730 housing units
Net Decrease in Housing Availability in Region ^c	-541	-274	-815 housing units
Menlo Park Share			
Estimated Menlo Park Share of Housing Need ^d	161	16	177 housing units
Housing Units Constructed in Menlo Park	1,730	n/a	1,730 housing units
Net Increase in Housing Availability in Menlo Park	1,569	-16	1,553 housing units
Estimated Population Added in Menlo Park	3,520	n/a ^e	3,520 persons

Source: Keyser Marston Associates. 2022. *Housing Needs Assessment*. Menlo Park, CA.

- a. Estimated offsite employment would be induced by the demand of the residents of the new onsite housing for additional retail, restaurant, medical, and other services.
- b. The net new employment at the Project Site includes seated workers in Office Campus and onsite employees to support seated workers, in the hotel, retail, and support for residential.
- c. Housing units constructed under the Proposed Project minus number of households induced by the Proposed Project.
- d. The estimated Menlo Park share of housing need is based on commute data from Meta that 7.4 percent of its employees live and work in Menlo Park and commute data from the U.S. Census that an average of 5.9 percent of Menlo Park employees also live in the city.
- e. As discussed in more detail below, onsite employment could result in 419 new Menlo Park residents; offsite induced employment could result in 42 new Menlo Park residents. However, because the onsite units added by the Proposed Project could accommodate these employment-induced residents, they are included in the total Menlo Park population as a result of the Proposed Project.

The following analysis describes employment growth as a result of the Proposed Project as well as indirect population growth. Direct population growth from onsite residences is also described. The analysis also describes the housing demand and growth resulting from direct and indirect population increases under the Proposed Project.

Employment Growth

Operation of the Proposed Project would generate up to 4,332 net new jobs onsite. In addition, the Proposed Project would induce approximately 523 offsite jobs that would serve residents of the proposed housing. Job creation, which is driven by increased demand for products and services, was projected for each industry that would serve the new households. Spending by residents is estimated to generate 642 jobs. Of that total, 119 are estimated to be captured as part of the onsite employment totals for grocery, retail, and dining uses. Although residents are anticipated to meet a significant share of the need within the onsite uses, not all retail categories would be available onsite. Services such as medical care and others would be located offsite. Furthermore, onsite retail and dining would also serve a wider customer base that would include local residents, workers, and hotel guests, in addition to new residents of the Proposed Project.⁴⁰ Using the assumption that 5.9 percent of people who live in Menlo Park also work in the city, this would equate to approximately 31 new offsite jobs in Menlo Park.

⁴⁰ Keyser Marston Associates. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. July.

As shown in Table 3.13-3, above, ABAG estimates that the number of jobs in the city's sphere of influence will grow by approximately 6,065 between 2020 and 2040. Therefore, the number of direct and indirect employees generated by the Proposed Project in Menlo Park would equal approximately 72 percent⁴¹ of the anticipated employment growth in the city from 2020 to 2040, which is within the anticipated employment growth forecasts. Therefore, the number of employees generated by the Proposed Project would not exceed ABAG projections, and the Proposed Project would not result in an increase in city population or demand for housing that would exceed ABAG projections, as explained in more detail below.

Indirect Population Growth from Project Employment

Operation of the Proposed Project would generate up to 4,332 net new jobs at the Project Site. Using an average of approximately 1.91 workers per housing unit in San Mateo County, the Proposed Project would generate the equivalent of approximately 2,271 new households regionally.⁴² On average, approximately 5.9 percent of the city's workforce both work and reside in the city; however, at the existing Menlo Park Meta campuses, approximately 7.4 percent of the Meta employees also live in Menlo Park. For the total net employment at the Project Site, including Office Campus, retail, restaurant, hotel, and employees at Hamilton Avenue Parcels North and South, a commute share of 7.1 percent is used.⁴³ This number reflects a blend of data from the different types of employment at the Project Site.⁴⁴ Assuming that 7.1 percent of workers who work at the Project Site would also live in Menlo Park, approximately 161 new households would be generated in the city.⁴⁵ With an average 2.60 pph, the Proposed Project's onsite employment could generate approximately 419 residents in Menlo Park.⁴⁶

In addition, the residential uses of the Proposed Project would result in an indirect demand for 523 new offsite employees throughout the region. Using an average of 1.91 workers per housing unit in San Mateo County, the Proposed Project would generate the equivalent of approximately 274 new households regionally.⁴⁷ Assuming the city average of 5.9 percent of employees who work in the city would also be living in the city, approximately 16 new households would be generated.⁴⁸ With an average 2.60 pph, the Proposed Project's offsite induced employment could generate approximately 42 residents in Menlo Park.⁴⁹

In total, onsite and offsite employment induced by onsite residents would result in indirect population growth (i.e., approximately 461 new Menlo Park residents). As shown in Table 3.13-1, approximately 44,530 residents lived within the city's sphere of influence in 2020. According to ABAG projections, the population is projected to increase to approximately 54,920 by 2040. This represents 10,390 additional

⁴¹ $4,332 \text{ net jobs at the Project Site} + 31 \text{ new jobs in the city induced by the onsite residents} / 6,065 \text{ new jobs in the city between 2020 and 2040} \times 100 = 72 \text{ percent of anticipated employment growth in the city's sphere of influence.}$

⁴² $4,332 \text{ new jobs} / 1.9077 \text{ workers per housing unit} = 2,271 \text{ total households.}$

⁴³ For informational purposes, the HNA also includes a goal-based commute share estimate of 20 percent, based on the 2000 nexus study. This is not reflective of existing conditions and therefore not analyzed further here. For more details, please refer to Appendix 3.13.

⁴⁴ Keyser Marston Associates. 2022. *Housing Needs Assessment*. Menlo Park, CA.

⁴⁵ $2,271 \text{ regional households} \times 7.1 \text{ percent of people who work and live in Menlo Park} = 161 \text{ new households in Menlo Park.}$

⁴⁶ $161 \text{ new households} \times 2.60 \text{ pph} = 419 \text{ residents in Menlo Park.}$

⁴⁷ $523 \text{ new jobs} / 1.9077 \text{ workers per housing unit} = 274 \text{ total households.}$

⁴⁸ $274 \text{ regional households} \times 5.9 \text{ percent of people who work and live in Menlo Park} = 16 \text{ new households in Menlo Park.}$

⁴⁹ $16 \text{ new households} \times 2.60 \text{ pph} = 42 \text{ residents in Menlo Park.}$

residents over 20 years. The addition of up to 461 new residents in the city as a result of the Proposed Project's onsite employment as well as indirect offsite employment would represent approximately 4.4 percent of the anticipated population growth within the city between 2020 and 2040.⁵⁰

Direct Population Growth from Onsite Residences

The Proposed Project would provide up to 1,730 residential units. As shown in Table 3.13-8, the residential uses at the Project Site would provide a mix of studios as well as 1-, 2-, and 3-bedroom units. At full buildout of the proposed units, at least 15 percent (260 of the 1,730 units), and possibly up to 17.8 percent (308 of the 1,730 units) would be BMR rental units, which would be located throughout the Residential/Shopping District of the main Project Site. The BMR units would include a dedicated senior housing community (up to 120 units). Because of the proposed unit sizes, estimates for the onsite population reflect a lower average household size than the city average of 2.60 pph.⁵¹ Across all units, it is expected that the average household size would be approximately 2.03 pph. This would result in a total onsite population of approximately 3,520.⁵² Table 3.13-8 summarizes the onsite population by unit size.

Table 3.13-8. Onsite Population by Unit Size

	Number of Units	Estimated Household Size ^a	Total Number of People
Studio	501	1	501
1-Bedroom Unit	719	2	1,438
2-Bedroom Unit	459	3	1,377
3-Bedroom Unit	51	4	204
Total	1,730	2.03	3,520

Source: Keyser Marston Associates. 2022. *Housing Needs Assessment*. Menlo Park, CA.

^a. Reflects the standard for relating unit size to household size specified in California Health and Safety Code Section 50052.5.

Based on ABAG projections, the residential population in Menlo Park is expected to increase by 10,390 over the next 20 years. The addition of up to 3,520 new onsite residents in the city as a result of the Proposed Project would represent approximately 33.9 percent of the anticipated population growth within the city between 2020 and 2040.⁵³

Housing Demand and Growth

As discussed above, the Proposed Project at full buildout would induce a demand for 2,271 housing units in the region as a result of onsite employment. In addition, approximately 274 households would be induced in the region by offsite employment, creating a total demand for 2,545 housing units across the region. Although the Proposed Project would add up to 1,730 new residential units to the housing supply, because of the regional housing demand from the Proposed Project's onsite and induced employment, there would be a 815-unit deficit in housing supplied by the Proposed Project in Menlo

⁵⁰ Up to 461 new residents in the city's sphere of influence/10,390 anticipated new residents in the city's sphere of influence between 2020 and 2040 = 4.4 percent of anticipated population growth in the city's sphere of influence.

⁵¹ Keyser Marston Associates. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. July.

⁵² Keyser Marston Associates. 2022. *Housing Needs Assessment*. Menlo Park, CA.

⁵³ Up to 3,520 new residents in the city's sphere of influence/10,390 anticipated new residents in the city's sphere of influence between 2020 and 2040 = 33.9 percent of anticipated population growth in the city's sphere of influence.

Park compared to demand created by the Proposed Project in the region.⁵⁴ Therefore, the Proposed Project is estimated to result in a net decrease in available housing in the region (i.e., approximately 815 units).⁵⁵ However, the approximately 815-unit decrease across the region as a result of the Proposed Project, induced by onsite and offsite employment, could be accommodated within other allowable construction in the Bayfront Area and housing in the rest of the region. Under ConnectMenlo, approximately 2,770 additional units would be allowable.

According to ABAG projections, the number of households in the Bay Area is expected to grow by 544,735 between 2020 and 2040. Therefore, the 815-unit demand deficit represents only a small fraction of the anticipated housing growth in the region between 2020 and 2040. Furthermore, only 5.9 to 7.4 percent (for a weighted average of 7.1 percent) of the employees who would be induced by the Proposed Project would live in the city; therefore, the rest would seek housing elsewhere in the Bay Area. Within Menlo Park, onsite and offsite induced employment would generate a demand for 177 housing units within the city. However, the net increase in housing availability in Menlo Park as a result of the Proposed Project would amount to 1,569 units. Therefore, the proposed housing at the Project Site would offset the housing demand from onsite and offsite induced employees who would both live and work in Menlo Park. In addition, the Proposed Project was considered as part of the growth analyzed in the ConnectMenlo EIR and accounted for in regional planning efforts and projections. Therefore, the Proposed Project's induced housing demand in the city, county, and region was also accounted for. The ConnectMenlo Land Use Element identifies an allowable increase in the number of residential units in the Bayfront Area (i.e., of approximately 4,500 units).⁵⁶ The development of the up to 1,730 housing units at the Project Site would be within the increase analyzed in the ConnectMenlo EIR. The remaining employees who would not live in Menlo Park would very likely find housing throughout the region, with the majority living in San Mateo, Santa Clara, Alameda, and San Francisco Counties.

Out of the 2,545 households induced by the Proposed Project, is anticipated that approximately 36.1 percent of the Proposed Project's induced employees at full buildout would live in Santa Clara County (919 employees), approximately 29.6 percent would live in San Mateo County (754 employees), 17.1 percent would live in Alameda County (436 employees), 13.0 percent would live in San Francisco County (331 employees), and the remainder would live in other nearby counties.⁵⁷ The cities adjacent to Menlo Park are also expected to house potential employees, as follows:⁵⁸

- East Palo Alto: 1.0 percent (26 employees)
- Palo Alto: 4.0 percent (102 employees)
- Atherton: 0.3 (8 employees)
- Redwood City: 8.3 percent (212 employees)
- Woodside: 0.2 percent (5 employees)

ABAG projections are considered the benchmark for foreseeable housing growth (i.e., built housing) in each area. As shown in Table 3.13-2, ABAG projects that the number of households will grow by 18.9 percent in the Bay Area, 11.9 percent in San Mateo County, and 14.9 percent in the city between

⁵⁴ Project demand for 2,545 units minus the Proposed Project's provision of 1,730 units = 815-unit deficit.

⁵⁵ Keyser Marston Associates. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. July.

⁵⁶ The 4,500 total units includes 3,000 unrestricted units with 1,500 corporate housing units.

⁵⁷ "Commute shed" percentages for estimate of Proposed Project employees are based on a weighted average for all Menlo Park workers and all Meta workers.

⁵⁸ Keyser Marston Associates. 2021. *Willow Village Master Plan Project Housing Needs Assessment*. Table 6-5. July.

2020 and 2040. For that same period, the indirect housing demand generated by the Proposed Project would be 0.47 percent of the projected household growth in the Bay Area and 7.5 percent of that in San Mateo County. On a regional basis, the Proposed Project's demand for housing would not represent a significant share of the total housing growth projected by ABAG.

Conclusion

ConnectMenlo's Land Use Element identifies an allowable increase in net new development potential of up to 2.3 million gsf for non-residential uses, up to 4,500 residential units,⁵⁹ and up to 400 hotel rooms in the Bayfront Area. Because the Proposed Project's land uses were accounted for in ConnectMenlo, the population increases associated with the level of development under the Proposed Project would therefore also be accounted for under ConnectMenlo. The up to 1,730 additional residential units, as well as associated population growth, assuming 1.91 workers per housing unit, with full buildout of the Proposed Project represents approximately 38 percent of the 4,500 residential units⁶⁰ assumed under full buildout of ConnectMenlo. The 193-room hotel portion of the Proposed Project represents approximately 48 percent of the 400 hotel rooms assumed under full buildout of ConnectMenlo. The net increase in the number of employees (including seated workers) at the Project Site under the Proposed Project (i.e., 4,332) represents approximately 79 percent of the 5,500 employees assumed under full buildout of ConnectMenlo. Therefore, the Proposed Project would be consistent with the intensity of residential development, hotel development, job development, and associated population increases considered by ConnectMenlo and would not result in residential or employment growth beyond that already analyzed in the ConnectMenlo EIR.

Although it is not known exactly where the offsite generation of approximately 523 jobs would occur as a result of the Proposed Project at full buildout, some of which may occur within the Bayfront Area and thus within the ConnectMenlo Study Area, it can be assumed that the majority of the jobs would be dispersed throughout San Mateo County and not just within Menlo Park, given the proximity of the Project Site to other jurisdictions within the county. As discussed above, according to ABAG, San Mateo County is expected to experience continued employment growth, with approximately 72,770 jobs by 2040. The offsite jobs increase under the Proposed Project would therefore represent a small percentage of the employment growth expected in San Mateo County by 2040 and would fall within the range of expected employment growth accounted for by ABAG.

The Proposed Project is an infill development within an already-developed area of the city. The employment growth under the Proposed Project is accounted for in ConnectMenlo and regional growth plans, such as ABAG projections. The Proposed Project would increase the supply of housing in Menlo Park by providing new housing. However, non-residential Proposed Project components would increase employment and result in the demand for additional housing within commuting distance for workers, causing a net decrease in housing availability in the region. The anticipated housing demand in the city can be accommodated in the city and the anticipated housing demand in the region has been anticipated in regional growth plans. The Project Site is an urban infill site and is served by existing infrastructure and services. The Proposed Project would not induce a substantial level of unplanned population growth, either directly or indirectly, resulting in *less-than-significant* impacts.

⁵⁹ The 4,500 total units includes 3,000 unrestricted units with 1,500 corporate housing units.

⁶⁰ The up to 1,730 additional residential units, as well as associated population growth, assuming 1.91 workers per housing unit, with full buildout of the Proposed Project represents approximately 38 percent of 4,500 unrestricted units under the ConnectMenlo General Plan.

Impact POP-2: Displacement of People or Housing. The Proposed Project would not displace substantial numbers of people or housing, necessitating the construction of replacement housing elsewhere. (LTS)

Meta (through an affiliate) currently owns the main Project Site and occupies several of the buildings for a variety of uses, including office space, R&D, worker amenities, and a health clinic. Some of the space is occupied by other onsite business tenants include as well as tenants with existing warehousing and industrial uses. In total, the main Project Site currently accommodates approximately 3,666 employees, consisting of approximately 3,500 Meta seated workers, approximately 96 building services employees, and approximately 70 workers from other onsite tenants. The Proposed Project would demolish all existing uses and redevelop the Project Site into a mixed-use neighborhood with residences, a hotel, retail establishments, office campus space, accessory uses, and open space. During development of the main Project Site, existing Meta workers would be temporarily relocated to other locations within Menlo Park and other Bay Area Meta campuses. Any remaining third-party tenants would relocate off the main Project Site.

The Proposed Project would accommodate approximately 8,128 employees (inclusive of the 6,950 seated workers within the Campus District). This represents a net increase in the number of employees at the Project Site (i.e., 4,332 additional employees). The Proposed Project would therefore accommodate substantially more employees at the Project Site than existing (about 53 percent more). Meta has not finalized occupancy plans for the Proposed Project, but it is anticipated that all Meta's seated and non-seated workers (plus support staff) at the existing main Project Site would be accommodated within Meta's existing campuses and/or the main Project Site and therefore would not be permanently displaced. During the redevelopment phases of the Proposed Project, temporary displacement of all existing employees at the main Project Site would occur during the time between demolition and occupancy. The 70 workers from other onsite tenants could be accommodated within existing vacant space in Menlo Park or in the 2.3 million gsf of commercial and office space that would be developed in the Bayfront Area under ConnectMenlo. Therefore, the Proposed Project would not permanently displace people at an employment center directly and result in a need to construct a replacement employment center elsewhere.

The Proposed Project would not directly displace housing because there is no existing housing on the Project Site. Therefore, the Proposed Project would not directly displace people or housing by demolishing housing units. The displacement of housing units or residents is an appropriate subject for study under CEQA to the extent that a project would displace housing onsite and result in a need to construct replacement housing elsewhere. By itself, the possibility of a project resulting in economic displacement of existing residents represents a social and economic issue that would not be considered an impact on the physical environment, unless there is substantial evidence that economic displacement would result in reasonably foreseeable (i.e., not speculative) indirect physical effects that would require the construction of new housing. For the Proposed Project, determining how economic effects influence future housing development in particular locations throughout a region is too speculative to predict or evaluate. Therefore, for the purposes of CEQA, the Proposed Project would not result in the displacement of substantial numbers of people or housing, necessitating the construction of replacement housing elsewhere, resulting in a *less-than-significant* impact.

Consistent with the requirements of the 2017 settlement agreement, a displacement analysis has been conducted for the Proposed Project as part of the HNA. The displacement analysis, provided as Appendix 3.13 to this document, is provided for informational purposes and is not a requirement of CEQA; therefore, it is not summarized here. Please refer to Appendix 3.13 for an evaluation of the Proposed

Project's potential to contribute to the displacement of existing residents as well as neighborhood change in the two communities that are known to be vulnerable to displacement and are proximate to the Project Site: East Palo Alto and the Belle Haven neighborhood of Menlo Park.

Cumulative Impacts

Impact C-POP-1: Cumulative Population and Housing Growth. Cumulative development would result in a less than significant cumulative impact related to population and housing growth, and the Proposed Project would not be a cumulatively considerable contributor to any significant cumulative impact regarding population and housing. (LTS)

Summary of Analysis in the ConnectMenlo EIR

The ConnectMenlo EIR accounted for growth within the Menlo Park city boundary and sphere of influence in combination with projected growth in the rest of San Mateo County and the surrounding region, as forecast in the ABAG 2013 projections. Impacts from cumulative growth were considered in the context of their consistency with regional planning efforts. As described in the ConnectMenlo EIR in Impact POP-4 (pages 4.11-20 to 4.11-21), although growth with buildout of ConnectMenlo plus cumulative development would exceed the 2013 regional growth projections, City General Plan goals, policies, and programs, as well as implementation of the City Zoning Ordinance, would provide the planning necessary to accommodate the increase in growth in the Study Area. In addition, ConnectMenlo would not displace housing or substantial numbers of people, necessitating the construction of replacement housing elsewhere.

The ConnectMenlo EIR determined that implementation of ConnectMenlo in combination with past, present, and reasonably foreseeable projects, would result in a significant and unavoidable cumulative impact related to population and housing, and that no mitigation measures were available to reduce the impact. As stated in Chapter 4.11, *Population and Housing*, of the ConnectMenlo EIR, planning documents for regional growth did not, at the time, include development potential under ConnectMenlo; therefore, development potential under ConnectMenlo exceeded ABAG's 2013 regional growth projections. Therefore, the ConnectMenlo EIR determined that implementation of ConnectMenlo would introduce growth where adequate planning had not yet occurred. However, the ConnectMenlo EIR also noted that once ABAG updated the regional growth projections to incorporate growth under ConnectMenlo the two long range planning tools would be better aligned and the cumulative impact would be reduced to a less than significant level. ABAG and MTC Plan Bay Area Projections 2040, incorporate growth under ConnectMenlo, and regional growth projections are now aligned; therefore, cumulative impacts related to population and housing is considered to be *less than significant*.

Cumulative Impacts with the Proposed Project

Consistent with the ConnectMenlo EIR, the geographic context for cumulative population and housing growth with the Proposed Project includes the area within the Menlo Park city boundary and sphere of influence in combination with projected growth in the rest of San Mateo County and the surrounding region, as forecast by ABAG.

As discussed above, the ConnectMenlo EIR identified a significant and unavoidable impact and therefore the City adopted a Statement of Overriding Considerations related to population growth under the cumulative condition. This was because the planning documents pertaining to regional growth did not

include the new development potential of ConnectMenlo. Since the adoption of ConnectMenlo in 2016, the ABAG projections have been updated to include full buildout in the Bayfront Area under ConnectMenlo (Projections 2040). Therefore, all development anticipated under ConnectMenlo, including the Proposed Project, has been accounted for and is included in the growth projections for the city, county, and region. Because the growth projections have been updated, the cumulative impact of ConnectMenlo in combination with past, present, and reasonably foreseeable projects is considered less than significant.

As noted in Chapter 3, *Environmental Impact Analysis*, of this EIR, in addition to the buildout projections considered in the ConnectMenlo EIR, the cumulative scenario for this EIR also includes the additional unrestricted residential units in the 123 Independence Drive project and East Palo Alto projects. However, the City and surrounding areas implement general plans and regulations adopted to guide development and growth within their respective jurisdictions. Therefore, these additional projects would not alter the less-than-significant cumulative impact determination above.

The Project Site currently does not contain housing units. During construction, workers would be displaced only temporarily. Therefore, the Proposed Project would not displace housing or permanently displace people. Furthermore, the Proposed Project would not require the construction of replacement housing elsewhere. The Proposed Project would be consistent with the mix and intensity of development contemplated by ConnectMenlo. Housing demand, beyond that accommodated by the Proposed Project, from onsite and offsite employment associated with the Proposed Project could be accommodated in the region. Such demand is accounted for in the ABAG growth projections for the region. Therefore, because the Proposed Project would be within the scope of development anticipated by ConnectMenlo, and ABAG projections have been updated to include full buildout of ConnectMenlo, the Proposed Project would not make a cumulatively considerable contribution with respect to significant cumulative population growth impacts.

The Proposed Project would not result in a substantial change in the ConnectMenlo project and would not cause a new or substantially more severe significant population and housing impact than that analyzed in the ConnectMenlo EIR. Therefore, because ConnectMenlo has been included in the ABAG growth projections, the Proposed Project in combination with other cumulative development would result in a ***less-than-significant cumulative impact*** with respect to population and housing. No mitigation measures would be required.