

4.12 Population and Housing

This section describes the existing and projected population and housing conditions in Menlo Park and the changes to those conditions that would result from implementation of the 123 Independence Drive Residential Project (project; proposed project).

As discussed in Chapter 2, Introduction, and Chapter 4, Environmental Analysis, two Notices of Preparation (NOPs) were circulated for this environmental impact report (EIR), one in January and February 2021, and one in September and October 2021. The Sequoia Union High School District submitted a comment regarding the school district capacity to serve additional population. Impacts related to educational services and facilities are addressed in Section 4.13, Public Services and Recreation. No other comments raised concerns related to population, employment, and housing. Both NOPs and the comments received in response to them are provided in Appendix A of this EIR.

The primary sources reviewed to prepare this section include the current Menlo Park 2015–2023 Housing Element (City of Menlo Park 2014), the Preliminary California Department of Housing and Community Development (HCD) Review Draft 2023–2031 Housing Element (City of Menlo Park 2022), the ConnectMenlo General Plan Update EIR (City of Menlo Park 2016), the Housing Needs Assessment (HNA) for 123 Independence Drive Project (June 2022) included in this EIR as Appendix I1, and the Update of Housing Needs Impacts Analysis for 123 Independence Project memorandum (November 2022) included in this EIR as Appendix I2, both of which were prepared by BAE Urban Economics. Additional sources include data published by the Association of Bay Area Governments (ABAG), the Metropolitan Transportation Commission (MTC), California Department of Finance (DOF), and the U.S. Census Bureau.

4.12.1 Environmental Setting

Population

Within the context of CEQA, population typically refers to residents within a particular jurisdiction. The City of Menlo Park (City) is located in the southern portion of San Mateo County, south of the San Francisco Bay and is surrounded by the Cities of Atherton, Redwood City, Woodside, East Palo Alto, and Palo Alto. In 2020, San Mateo County, including its 20 cities, had a population of 771,061. In 2021, the County experienced a slight reduction in regional population, with a total population of 765,245 (DOF 2021a).

The ConnectMenlo Draft EIR indicates that the City had a population of 32,896 with an average of 2.6 persons per household in 2014 (City of Menlo Park 2016). The ConnectMenlo EIR states that the City experienced a population increase of 7 percent between 2000 and 2014, and that this growth was reflected in the City's increase in average household size rather than an increase in the total number of households. DOF data indicates that in 2020, the City of Menlo Park had a population of 35,120, while in 2021, the population slightly reduced to 34,825. The population further reduced in 2022, with a total of 33,034 (DOF 2022).

Housing

Housing within San Mateo County is generally dispersed amongst the 20 cities within the county. More than half of Menlo Park's housing units are single-family detached homes. However, almost all of the residential growth in the City and the region since 2010 has been in multifamily units in buildings of five or more units (Appendix I1). As of January 2022, the City of Menlo Park has 13,916 housing units, with approximately 2.5 persons per household, and an 8.2

percent vacancy rate (DOF 2022). According to ABAG and the MTC Plan Bay Area 2050, approximately 80,000 households were accounted for in South San Mateo County (which includes the City of Menlo Park) in 2015 (ABAG/MTC 2021a). In 2010, Menlo Park contained 13,085 housing units, with a 5.6 percent vacancy rate and an average household size of 2.53 people. By 2015, Menlo Park had added 95 housing units, for a total of 13,180, a vacancy rate of 6.5 percent, and an average household size of 2.65 people. By 2021, Menlo Park had added another 944 housing units for a total of 14,124, with a vacancy rate of 7.4 percent and an average household size of 2.60 people (DOF 2022).

As described in the 2015–2023 Housing Element, Menlo Park’s housing is so expensive, many people have to stretch to make their monthly mortgage or rent payment. Also, many people who work in Menlo Park cannot afford to live in the City due to housing and rent costs, so essential employees such as teachers, firefighters, and health care workers must travel long distances. The difference between the median selling price of homes and the amount purchasers (earning median household income) can afford to pay for them creates a significant affordability gap within the City.

Housing Element

As discussed further in Section 4.12.2, state law requires all local governments to adopt a General Plan to guide development and operation of land uses throughout their jurisdiction. State law also requires that the General Plan include a Housing Element to address the housing needs for the jurisdiction.

The Housing Element is required to demonstrate that there are sufficient potential housing sites to accommodate construction of new housing meeting the Regional Housing Needs Allocation (RHNA), which is a projection of the number of housing units at varying income levels needed to accommodate anticipated population growth. The City’s RHNA targets are developed by the ABAG based on an initial determination of HCD regarding the number of new housing units at various income levels that are projected to be needed in the region. ABAG then distributes this requirement among the region’s nine counties and 101 cities and towns, which must revise their general plans and zoning ordinances to ensure that land use and zoning designations as well as development standards would accommodate construction of the needed housing units.

At the time of drafting this EIR, the City of Menlo Park was in the process of updating their Housing Element. The City submitted the Preliminary HCD Review Draft 2023–2031 Housing Element (Draft 2023–2031 Housing Element) to the HCD on July 25, 2022 (City of Menlo Park 2022).

The Draft 2023–2031 Housing Element identifies that during the prior Housing Element cycle (2015–2023), the City far exceeded the RHNA housing target for the above moderate income level with construction of 1,182 housing units compared to the target of 150 units, and nearly achieved the target for the very low income level with construction of 217 units compared to the target of 233 units. Further, the City provided 70.5 percent of the low income level housing target (91 units constructed compared to a target of 129) and 15.4 percent of the moderate income level housing target (22 units constructed compared to a target of 143). The Draft 2023–2031 Housing Element identifies the RHNA targets shown in Table 4.12-1.

Table 4.12-1. Projected Housing Need

Income Level	Housing Unit Target
Very low income (AMI)	740 units
Low income (51 to 80 percent of the AMI)	426 units
Moderate income (81 to 120 percent of the AMI)	496 units

Table 4.12-1. Projected Housing Need

Income Level	Housing Unit Target
Above Moderate Income (greater than 120 percent of AMI)	1,284 units
Total	2,946 units

Source: City of Menlo Park 2022

Housing Development Potential

The Draft 2023–2031 Housing Element identifies 69 housing opportunity sites located on 83 parcels; it also identifies several residential and mixed-use development projects that are already under review (referred to as Pipeline Projects) which would also contribute to the City’s attainment of the RHNA target. Combined, the opportunity sites and pending projects could accommodate development of 30 percent more units than are identified under the RHNA (City of Menlo Park 2022). This 30 percent buffer is recommended by HCD.

The ConnectMenlo General Plan Update, prepared in 2016, proposed a number of changes to the land use element to allow for future development within the city. Specifically, ConnectMenlo identifies the Bayfront Area, which includes the project site, as the focus of future land use change and new housing development potential. Most of the Pipeline Projects identified in the Draft 2023–2031 Housing Element are located within the Bayfront, including the proposed project. As described in the ConnectMenlo EIR, the land use element updates provide a development potential of 4,500 new residential units in the Bayfront (City of Menlo Park 2016).

Employment

Menlo Park has seen significant job growth in recent years, far exceeding population growth, as the tech economy has boomed (Appendix I1). From 2010 to 2022, employment in the County increased by approximately 305,700 jobs (73 percent) (EDD 2022a). The State of California Employment Development Department, which compiles current and historical employment data for California counties and metropolitan areas, indicated that the largest employment sector in San Mateo County is the service industry, including private services, educational/health services, as well as professional and business services. Other employment sectors of note include the trade, transportation, and utility industry, as well as government employment. Approximately 44,100 people were employed in the construction industry within the San Francisco-Redwood City–South San Francisco Metropolitan District (MD) in 2022 (EDD 2022c). As of March 2022, the unemployment rate was 2.3 percent within San Mateo County and 2.4 percent within the San Francisco-Redwood City–South San Francisco MD (EDD 2022b, 2022c). The ConnectMenlo EIR reported approximately 31,920 jobs in the study area for that EIR in 2015, comprising roughly 9 percent of all jobs in San Mateo County and projected that new Bayfront development under ConnectMenlo could accommodate 5,500 new jobs (City of Menlo Park 2016).

Jobs-Housing Balance

Menlo Park has more jobs than employed residents; there are 3.2 jobs for every employed resident in the City. The Menlo Park region (i.e., San Francisco and San Mateo counties) is more balanced but still has more jobs than employed residents (1.14 jobs per working resident). As a result, Menlo Park has high net in-commuting, and the region also imports workers from surrounding counties in the region (Appendix I1).

Growth Projections

Plan Bay Area 2050 is a long-range plan created by ABAG and the MTC in collaboration with Bay Area residents, partner agencies and nonprofit organizations. Plan Bay Area 2050 is the nine-county Bay Area's long-range plan for the key elements of housing, economic development, transportation and environmental resilience.

Plan Bay Area 2050 includes growth projections for both household and employment growth for each of the 9 participating counties. According to the Plan Bay Area 2050 Growth Pattern, a 32 percent increase in household growth, or approximately 106,000 new households, within South San Mateo County could occur by 2050. Table 4.12-2, Projected Household Growth, describes projected growth patterns, for South San Mateo, San Mateo County, and the Bay Area Region, as indicated in the Plan Bay Area 2050 Growth Pattern (ABAG/MTC 2021a).

The California Department of Finance, which also provides regional and local growth projections, projects a San Mateo County population of 813,098 in 2040, 814,643 in 2050, and 805,479 in 2060 (DOF 2021b).

Table 4.12-2. Projected Household Growth

Geographic Area	2015	2050	Growth	Growth (percent)	Share of Regional Growth (percent)
South San Mateo (includes Atherton, Menlo Park, Redwood City, Woodside, East Palo Alto, Portola Valley, San Carlos)	80,000	106,000	26,000	32	2
San Mateo County	265,000	394,000	129,000	48	9
Bay Area Region	2,677,000	4,043,000	1,367,000	51	100

Source: ABAG 2021.

According to Plan Bay Area 2050, jobs in the South San Mateo area are expected to increase by 13 percent between 2015 and 2040 from 31,920 to 36,150. Jobs in San Mateo County are expected to increase by 19 percent between 2015 and 2040, from 374,940 to 445,070 (ABAG/MTC 2021). Table 4.12-3, Projected Employment Growth, describes the projected employment in South San Mateo (including the City of Menlo Park), San Mateo County, and the Bay Area region through 2050.

Table 4.12-3. Projected Employment Growth

Geographic Area	2015	2050	Growth	Growth (percent)	Share of Regional Growth (percent)
South San Mateo (includes Atherton, Menlo Park, Redwood City, Woodside, East Palo Alto, Portola Valley, San Carlos)	152,000	196,000	44,000	29	3
San Mateo County	393,000	507,000	114,000	29	8
Bay Area Region	4,005,000	5,408,000	1,403,000	35	100

Source: ABAG 2021.

4.12.2 Regulatory Framework

Federal Regulations

No federal requirements related to population or housing are applicable to the proposed project.

State Regulations

State Housing Element Law

Under the state's Housing Element law (California Government Code, Section 65580 et seq.), regional councils of government are required to identify for each city and county its "fair share allocation" of the Regional Housing Needs Determination provided by the California Department of Housing and Community Development. The RHNA presents statistics on housing affordability in a region so that each city or county can plan appropriately to accommodate its fair-share of the region's affordable housing.

The Housing Element law requires each city/county's general plan housing element to include an inventory and analysis of sites within that jurisdiction that would be suitable for housing and would provide sufficient space to meet the jurisdiction's RHNA. If more sites are necessary to meet the RHNA, a housing element must include a program of actions to make sufficient housing sites available to accommodate the jurisdiction's RHNA, as required under California Government Code Section 65583. This is commonly accomplished through rezoning or modifying zoning regulations to increase the area where housing can be built. ABAG Executive Board adopted the Final RHNA Plan on December 16, 2021, and HCD approved ABAG's RHNA Plan on January 18, 2022.

State Density Bonus Law

The state's Density Bonus law is codified in Government Code Sections 65915 through 65918 and is designed to encourage and incentivize construction of lower-income housing and transit-oriented housing. The Density Bonus law requires local governments to provide density bonuses, allowing up to a 50 percent increase in the base density as defined in the municipality's zoning ordinance for mixed-income projects, and other incentives to developers of affordable housing and for developers proposing to donate land for affordable housing. A municipality is required to grant a Density Bonus at defined amounts when a project meets at least one of six conditions. Those conditions include minimum percentage of units that must be offered to specific below-average income levels and development of housing for specific types of residents (such as senior citizens, disabled veterans, university students, and transitional foster youth). When granting a Density Bonus, the municipality must also ensure that the identified affordable housing units remain affordable for at least 55 years when the units are rental units and for at least 45 years or be subject to an equity-sharing agreement when the units are offered for sale. In addition to a Density Bonus, a municipality must grant a housing developer between one and four incentives when the project meets specified criteria relating to the percentage of affordable units within the overall project and the specific affordability level (i.e., very-low income, low income, and moderate income).

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 2050, the SCS for the region, was approved by MTC and ABAG in October 2021. As required by SB 375, Plan Bay Area 2050 defines a transportation and land use/housing strategy for the Bay Area to address transportation mobility and accessibility needs, land

development, and greenhouse gas emissions reduction requirements through 2050. This SCS was developed based on the following Guiding Principles: advancing equity, increasing resilience, implementing a shared vision, and defining and implementing strategies for the future. A key focus in Plan Bay Area 2050 is understanding interrelated elements of housing, the economy, transportation, and the environment and implementing strategies to improve conditions throughout the Bay Area (MTC and ABAG 2021). Plan Bay Area 2050 is discussed further in the Local Regulations discussion.

SB 375 requires that the RHNA be consistent with the SCS and establishes an 8-year cycle for the RHNA. The 2014–2022 RHNA was incorporated into Plan Bay Area 2050 and Plan Bay Area 2040. Plan Bay Area 2050 helps guide, but does not directly establish, new state-mandated RHNA numbers for any jurisdiction.

Housing Accountability Act, Permit Streamlining Act, and Housing Crisis Act of 2019

The Housing Crisis Act of 2019, adopted as SB 330, made numerous changes to both the Housing Accountability Act and Permit Streamlining Act. It established a process by which project sponsors can “lock in” applicable fees and development regulations by submitting a Preliminary Application. The Housing Accountability Act was amended to prohibit more than five hearings for projects that comply with the general plan and zoning code objective standards when deemed complete. The Housing Crisis Act also shortens the timeframe for approval of housing projects under the Permit Streamlining Act, requiring local agencies to approve a project within 90 days of certification of an EIR. However, a local agency can disapprove a project that would have a specific adverse effect on public health and safety if there are no feasible mitigation measures to reduce the impact. Finally, the Housing Crisis Act restricts local agencies’ ability to adopt housing moratoria and from changing a land use designation to remove housing as a permitted use or to reduce residential density unless corresponding zoning amendments are made elsewhere to compensate for the reduced housing units.

Regional and Local Regulations

Association of Bay Area Governments Projections

ABAG is the official comprehensive planning agency for the San Francisco Bay region, which includes the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. ABAG primarily deals with regional land use, housing, environmental quality, and economic development. ABAG is responsible for taking the overall regional housing needs allocation provided by the State and allocating that housing need by income level across its jurisdiction. The relationship of the project’s potential residential population and proposed below market rate units to ABAG’s projections are discussed in Impact 4.12-1 in this section.

ABAG produces growth forecasts that are informed by the general plans, zoning regulations, and growth management programs of local jurisdictions and are relied upon by other regional agencies, including the MTC and the Bay Area Air Quality Management District, to make project funding and regulatory decisions. For example, the ABAG projections are the basis for the regional Ozone Attainment Plan and the RTP, each of which is discussed in Section 4.2, Air Quality, and Section 4.14, Transportation, of this Draft EIR. The growth forecasts are produced on 4-year cycles.

The ABAG projections are also developed to reflect the impact of “smart growth” policies and incentives that could be used to shift development patterns from historical trends toward a better jobs-housing balance, increased preservation of open space, and greater development and redevelopment in urban core and transit-accessible areas throughout the ABAG region.

Plan Bay Area, Strategy for a Sustainable Region

Chapter 2 of Plan Bay Area 2050 addresses housing. It notes that the Bay Area currently has 2.5 million homes and will need new housing stock to accommodate the anticipated regional population of 10 million people by 2050. The plan recognizes that carefully planning the form and location of new housing will be critical in addressing housing affordability, access to job opportunities, and reducing greenhouse gas emissions. It also notes that focusing on providing high quality affordable housing in locations that provide access to opportunity, such as well-resourced schools and well-maintained transit, will help achieve the stated Guiding Principles of advancing equity throughout the region and increasing the community's resilience to housing uncertainty.

Menlo Park General Plan

The City of Menlo Park General Plan includes goals, policies, and programs relevant to the environmental factors potentially affected by the proposed project. Applicable goals, policies, and programs are identified below under their respective General Plan Elements.

Housing Element

All California cities and counties are required to include a Housing Element in their general plans that establishes 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, to respond to then current and near-term future housing needs in Menlo Park. The Housing Element also provides a framework for the community's longer-term approach to addressing its housing needs, with the intent of enhancing "community life, character, and vitality through the provision of adequate housing opportunities for people at all income levels" (City of Menlo Park 2022). The Housing Element contains goals, updated information, and strategic decisions (policies and implementing actions) that the City is committed to undertaking.

As described above, the State Housing Element Law requires a city's general plan 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, and the next allocation will be for 2023-2031. ABAG is responsible for the allocation in the Bay Area.

The City began the process of updating the Housing Element in 2021 for the upcoming RHNA cycle. The draft Housing Element for the 2023-2031 planning period was submitted to the State Department of Housing and Community Development on July 25, 2022. While the City has used the "sub-regional" allocation process in the past, the County and all the cities in the County do not intend to use it for the 2023-2031 cycle due to changes in the process, which made the "sub-regional" allocation process infeasible. The draft 2023-2031 Housing Element provides updates on the goals, policies, and implementing programs contained in the current Housing Element and other City policies related to housing needs. It also incorporates proposed new goals, policies and programs, with an emphasis on furthering fair housing.

The following policies within the Housing Element of the City's General Plan are relevant to the proposed project:

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.

Policy H4.2: Housing to Address Local Housing Needs. Strive to provide opportunities for new housing development to meet the City's share of its RHNA. In doing so, it is the City's intent to provide an adequate supply and variety of housing opportunities to meet the needs of Menlo Park's workforce and special needs populations, striving to match housing types, affordability and location, with household income, and addressing the housing needs of extremely low-income persons, lower income families with children and lower income seniors.

Policy H4.3: Housing Design. Review proposed new housing in order to achieve excellence in development design through an efficient process and will 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 H4.8: 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 to lower densities without re-designating equivalent land for multi-family development and will ensure that adequate sites remain at all times to meet the City's share of the region's housing needs.

Policy H4.10: Inclusionary Housing Approach. Require residential developments involving five or more units to provide units or an in-lieu fee equivalent for very-low, low and moderate-income housing. The units provided through this policy are intended for permanent occupancy and must be deed restricted, including but not limited to single-family housing, multi-family housing, condominiums, townhouses or land subdivisions. In addition, the City will require larger nonresidential developments, as job generators, to participate in addressing housing needs in the community through the City's commercial in-lieu fee requirements.

Policy H4.12: Fair Share Distribution of Housing throughout Menlo Park. Promote the distribution of new, higher density residential developments throughout the city, taking into consideration compatibility with surrounding existing residential uses, particularly near public transit and major transportation corridors in the city.

Policy H4.13: Preferences for Affordable Housing. Implement BMR housing preferences for people who live or work in Menlo Park to the extent consistent with Fair Housing laws.

Land Use Element.

The following policies within the Land Use Element of the City's General Plan are relevant to the proposed project:

Policy LU-2.5: Below-Market Rate Housing. Require residential developments of five or more units to comply with the provisions of the City's Below-Market Rate (BMR) Housing Program, including eligibility for increased density above the number of market rate dwellings otherwise permitted by the applicable zoning and other exceptions and incentives.

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.

Below Market Rate Housing Program

The City's Below-Market Rate (BMR) Housing Program (Menlo Park Municipal Code Chapters 15.36, 16.04, and 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 to very-low-, low-, or moderate-income households. The BMR Housing Program is administered under the BMR Housing Program Guidelines (BMR 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 20 or more units, no fewer than 15 percent of the units shall be provided at below market rates to very-low, low-, and moderate-income households in compliance with the BMR Guidelines.

4.12.3 Thresholds of Significance

The significance criteria used to evaluate the project impacts to population and housing are based on Appendix G of the California Environmental Quality Act (CEQA) Guidelines. Potential project-related impacts analyzed in this section account for population and housing that occur or have the potential to occur on the project site. According to Appendix G of the CEQA Guidelines, a significant impact related to population and housing would occur if the project would:

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

4.12.4 Impacts and Mitigation Measures

Methodology

This evaluation of population, employment, and housing impacts is based on information obtained from review of available population, employment, and housing projections from the City Menlo Park, San Mateo County, ABAG, the Employee Development Department, DOF, and other sources; the 123 Independence HNA (Appendix I1) and the HNA Update Memorandum (Appendix I2) prepared by BAE Urban Economics; and review of applicable elements and policies from the City of Menlo Park ConnectMenlo General Plan.

The HNA is required under the terms of a 2017 settlement agreement between the cities of Menlo Park and East Palo Alto. It supports the analysis in this EIR by providing context for evaluation of the project's potential environmental effects associated with population and housing; it also provides additional housing related information for consideration by decision-makers during the entitlement process. Specific to the issues that must be evaluated in the entitlement process that are not considered to be environmental effects under CEQA, the HNA considers whether the project could contribute to displacement of existing residents within East Palo Alto and the Belle Haven neighborhood of Menlo Park, which both have risk factors for displacement. Thus, that information can be found in Appendix I1 rather than in this section.

As indicated in the HNA (Appendix I1) and HNA Update Memorandum (Appendix I2), project implementation would include construction of 432 total residential units. Of the total units, 116 units would be residential townhomes and 316 would be apartments. The project would deed restrict 18 townhomes and 56 apartment units for below-market rate prices to be affordable to households at the low-income level (Appendix I2).

Project Impacts

Impact 4.12-1 Would the project induce substantial unplanned population growth in an area, either directly or indirectly?

Project implementation would result in an increase of 432 new residential units within the City. As described above, in 4.12.1, Environmental Setting, the project is located in the Bayfront Area within the City of Menlo Park, an area that has been contemplated in the ConnectMenlo General Plan Update for increased development of residential uses. Further, and as described in Chapter 3, Project Description, the project site is zoned as Residential Mixed-Use Bonus (R-MU-B), which is intended to provide high-density housing to complement nearby employment as well as plus associated retail/service and office uses.

ConnectMenlo contemplated a development potential of 4,500 new residential units, 11,570 residents, and 5,500 employees in the Bayfront Area. The project's contribution of 432 residential units would represent 9.6 percent of the new residential units planned for and anticipated by ConnectMenlo. Using recent housing data from DOF, which assumes 2.5 persons per household in the City, the project is estimated to result in approximately 1,080 residents, which would represent 9.3 percent of new residents contemplated by ConnectMenlo (DOF 2022, City of Menlo Park 2016). The population per household identified in the ConnectMenlo EIR, which was based on ABAG data, is 2.57 persons. At this rate, the project would accommodate approximately 1,110 residents, which would represent 9.6 percent of new residents contemplated by ConnectMenlo (City of Menlo Park 2016).

The ConnectMenlo EIR assumed that 1,500 of the new residential units in the Bayfront would be dormitory style corporate campus units, which typically are smaller than standard multi-family units, and 3,000 units would be

multi-family dwellings. As noted in Section 4.0 Environmental Analysis, the recently approved and pending projects in the Bayfront Area would accommodate more than 3,000 multi-family units; specifically, the proposed project would introduce 98 more multi-family units than were evaluated in the ConnectMenlo EIR. However, the ConnectMenlo EIR applied a constant household population rate (2.57 persons) to all residential units; thus the shift from corporate campus units to multi-family units would not affect the population projections for buildout of the General Plan. As such, project implementation would be consistent with anticipated and planned growth within the City.

Typically, a project would result in indirect growth inducement if it would establish substantial new permanent employment opportunities, or if it would involve a construction effort with long term employment opportunities and indirectly require additional housing. The construction labor force for the proposed project is anticipated to come from existing workforce in the Bay Area. According to the latest labor data available from the California Employee Development Department, 44,000 residents within the San Francisco-Redwood City-South San Francisco MD are employed in the construction industry, and as previously discussed, ConnectMenlo contemplated an increase of 5,500 employees within the Bayfront Area. Based on applying the most recent unemployment rate of 2.4 percent for San Francisco-Redwood City-South San Francisco MD to the construction sector, approximately 1,056 construction employees could be available in the region to work on the proposed project. During construction, it is assumed that construction labor force would fluctuate depending on the phase of work. Construction efforts would be relatively short term (occurring over a 5-year period) and are not expected to result in employees relocating to the area. Once operational, there would be a limited number of on-site workers associated with property management and maintenance. It is assumed that the workers employed during project operation would live within the local region and would not contribute to local housing demands within the City (Appendix I1). As such, an increase in housing demand resulting from the project is not expected and the project would not indirectly induce substantial unplanned population growth.

Because the project would be consistent with previously contemplated and planned growth in the Bayfront Area, and would not indirectly or directly result in substantial unplanned population growth during construction and/or operation, this impact would be **less than significant**.

Mitigation Measures

No mitigation measures are required.

Impact 4.12-2 Would the Project displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?

The project proposes to demolish existing office and industrial buildings within the project site and construction of 116 residential townhomes and 316 apartments as well as associated parking and on-site amenities (i.e., landscaping, pedestrian paths). As described in Table 3-2 and Table 3-3 in Chapter 3, Project Description, 56 of the proposed apartments and 18 of the proposed townhomes would be below market rate. Displacement typically occurs when housing or neighborhood conditions force existing residents to move, or existing households feel that their move is involuntary. The project includes a substantial addition of new housing and as such, would increase the available housing stock within the city. No housing currently exists within the project site, and therefore no housing would be permanently removed through implementation of the project, nor would there be any actions that would indirectly displace substantial numbers of existing people. Thus, there would be **no impact** associated with displacement of substantial numbers of people or housing, necessitating the construction of replacement housing elsewhere.

Mitigation Measures

No mitigation measures are required.

Cumulative Impacts

Impact 4.12-3 Would the Project result in a cumulative population, employment, and housing impact?

The cumulative setting for population, housing, and employment consists of the regional area, including the San Francisco-Redwood City-South San Francisco MD as well as San Mateo County and the City of Menlo Park. The City of Menlo Park has approximately 20 residential projects (totaling 3,880 residential units) that are either currently being planned, were previously approved, or are under construction (Appendix I1).

As previously discussed, the proposed project would be consistent with development in the Bayfront Area as contemplated in ConnectMenlo. Additionally, buildout of the project would be consistent with housing and employment growth projections contemplated in Plan Bay Area 2050. As described in 4.12.1, Environmental Setting, Plan Bay Area 2050 anticipates a 32 percent increase in household growth, or approximately 106,000 new households, within South San Mateo County by 2050 and a 19 percent increase in employment (445,070 total jobs) by 2040. The project would account for 0.4 percent of anticipated future housing growth in the Bay Area.

As discussed in Impacts 4.12-1 and 4.12-2, above, the project site does not currently contain any residential uses and project implementation would result in an increase in the available housing stock within the city, consistent with contemplated growth identified in ConnectMenlo and Plan Bay Area 2050. Further, the project would include construction of below-market rate units on site, equal to 17 percent of the total housing units included in the project. The project would not displace housing or people necessitating the construction of replacement housing elsewhere. Accordingly, under the cumulative condition, implementation of the proposed project would also not displace housing or substantial numbers of people necessitating the construction of replacement housing elsewhere.

While the removal of existing businesses from the project site would result in a net job loss, the housing units replacing those businesses would create a demand for on-site workers associated with construction as well as a limited number of on-site workers associated with property management and maintenance during project operation. In addition, as discussed above, the city has more jobs than housing resulting in many employees needing to commute into the city. Reducing jobs and adding housing helps to better balance jobs and housing. As described in Impact 4.12-2, it is assumed that the workers employed during project construction and operation would live within the region and would not contribute to local housing demands within the city.

Because the project would be consistent with previously contemplated and anticipated population, household, and employment growth within the city and greater Bay Area, growth resulting from project implementation would not be cumulatively considerable. As such, the project would not, when considered with past, present, and foreseeable future projects, result in significant cumulative impacts related to population growth under the cumulative condition and this impact would be **less than significant and less than cumulatively considerable**.

Mitigation Measures

No mitigation measures are required.

4.12.5 References

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