

4.11 POPULATION AND HOUSING

This chapter describes the existing population and housing characteristics of the EA Study Area and evaluates the potential environmental consequences of future development that could occur by adopting and implementing the proposed Housing Element Update, General Plan Consistency Update, and associated Zoning Ordinances amendments, together referred to as the “Plan Components.” A summary of the relevant regulatory setting and existing conditions is followed by a discussion of Plan Component impacts and cumulative impacts.

A. Regulatory Framework

The regulatory framework related to population and housing is described below.

1. Regional Housing Needs Allocation

Housing Element law requires local jurisdictions to plan for and allow the construction of a share of the region’s projected housing needs. This share is called the Regional Housing Needs Allocation (RHNA). State law mandates that each jurisdiction provide sufficient land to accommodate a variety of housing opportunities for all economic segments of the community to meet or exceed the RHNA. The Association of Bay Area Governments (ABAG), as the regional planning agency, calculates the RHNA for individual jurisdictions within San Mateo County, including Menlo Park.

2. Association of Bay Area Governments Projections 2009

The ABAG is the official comprehensive planning agency for the San Francisco Bay region, which is composed of the nine counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma, and contains 101 cities. The ABAG produces growth forecasts on four-year cycles so that other regional agencies, including the Metropolitan Transportation Commission (MTC) and the Bay Area Air Quality Management District (BAAQMD), can use the forecast to make project funding and regulatory decisions. The next set of growth forecasts is expected to be published in 2013.

The General Plans, zoning regulations, and growth management programs of local jurisdictions inform the ABAG projections. 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.

B. Existing Conditions

This section describes the existing population and housing conditions in the Menlo Park to provide context for the analysis of the Plan Components in this EA.

1. Population

The population of Menlo Park grew by approximately four percent from 2000 to 2010, a faster rate than the growth of 1.6 percent for the county as a whole during the same period. In 2010, Menlo Park contained approximately 4.5 percent of the county's total population.¹ In 2012, Menlo Park had a population of 32,513 residents and was the seventh largest city in San Mateo County. Menlo Park has a smaller population than the neighboring Cities of Redwood City and Palo Alto (in Santa Clara County), and a larger population than the neighboring Town of Atherton and City of East Palo Alto.²

2. Housing

In 2010, Menlo Park contained 13,085 housing units, with a 5.6 percent vacancy rate.³ Of the occupied housing units, in 2010 approximately 56 percent were owner occupied and 44 percent were renter occupied. The vacancy rate and occupancy-by-tenure proportions were similar at the county level, with the estimated 2010 county vacancy rate at approximately five percent, and occupied units being approximately 59 percent owner occupied and 41 percent renter occupied.⁴

In 2010 approximately 55 percent of Menlo Park's homes were detached single-family homes, eight percent were attached single-family homes, 37 percent were multi-family homes, and less than one percent were mobile homes. These housing characteristics are similar to the countywide proportion of 57 percent detached single-family homes, 9 percent attached single-family homes, 32 percent multi-family homes, and one percent mobile homes.⁵

¹ US Census Bureau, 2000 Census, Table DP-1; and US Census Bureau, 2010 Census, Table DP-1.

² State of California Department of Finance, 2012. E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2011 and 2012, with 2010 Benchmark.

³ US Census Bureau, 2010 Census, Table DP-1.

⁴ US Census Bureau, 2010 Census, Table DP-1.

⁵ US Census, 2006 to 2010 American Community Survey 5-Year Estimates, Table DP04.

In 2010, the median initial construction year for Menlo Park's occupied housing units was 1958, making the average home 52 years old in 2010.⁶

3. Income and Housing Affordability

Between 2010 and 2012 the incomes in Menlo Park are higher when compared to the county as a whole. The median annual household income was \$107,860 in Menlo Park, over 25 percent higher than the median countywide annual household income of \$85,648.⁷ In Menlo Park the median house value was \$1.2 million for single family and \$895,000 for condominiums, compared to \$634,000 for single-family and \$410,000 for condominiums in the county as a whole.⁸ The median rent in Menlo Park was \$2,416, compared to \$1,660 in the county as a whole.⁹ A common measure of financial hardship is paying more than 30 percent of income towards housing. Forty-two percent of those in owner-occupied units paid 30 percent or more of their household income towards owner costs and 41 percent of renters paid 30 percent or more of their household income towards rent.¹⁰

4. Future Housing Needs

The ABAG's 2009 Projections for the EA Study Area are shown in Table 4.11-1. As shown in Table 4.11-1, the ABAG projects that by 2035 the population will grow to 43,400 and the number of households will grow to 17,360. This represents a population and household growth of approximately 19 percent. These rates are similar to, but slightly lower than, the ABAG's projected population and household growth of approximately 22 percent for San Mateo County as a whole.¹¹

⁶ US Census, 2006 to 2010 American Community Survey 5-Year Estimates, Table B25037.

⁷ US Census, 2006 to 2010 American Community Survey 5-Year Estimates, Table DP03.

⁸ Data provided by City of Menlo Park via the San Mateo County Association of Realtors (SAMCAR), based on statistics compiled by MLS Listings, Inc.

⁹ Data provided by City of Menlo Park via Real Facts; Prices are for 2nd quarter 2010.

¹⁰ Calculated by The Planning Center | DC&E from US Census, 2006 to 2010 American Community Survey 5-Year Estimates, Table DP04.

¹¹ Association of Bay Area Governments, 2009. *Projections and Priorities 2009: Building Momentum, Projections through 2035.*

TABLE 4.11-1 ABAG POPULATION, HOUSEHOLD, AND EMPLOYMENT PROJECTIONS FOR MENLO PARK AND SAN MATEO COUNTY

	2000	2010	2035	Change 2010–2035	
				Number	Percent
Menlo Park					
<i>City Limit</i>					
Population	30,785	31,700	38,500	6,800	21.5%
Households	12,387	12,850	15,430	2,580	20.1%
Jobs	36,130	26,350	35,990	9,640	36.6%
<i>City Limit and Sphere of Influence</i>					
Population	35,254	36,200	43,400	7,200	19.9%
Households	14,136	14,630	17,360	2,730	18.7%
Jobs	39,860	29,400	39,570	10,170	34.6%
San Mateo County					
Population	707,163	733,300	893,000	159,700	21.8%
Households	254,104	264,400	322,620	58,220	22.0%
Jobs	386,590	346,320	505,860	159,540	46.1%

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Source: Association of Bay Area Governments, 2009, Menlo Park Subregional Study Area Table, San Mateo County, *Projections and Priorities 2009: Building Momentum, Projections through 2035*.

The ABAG, as the regional planning agency, calculates the RHNA for the jurisdictions within San Mateo County, including Menlo Park. Table 4.11-2 shows the RHNA for Menlo Park for the current planning period (2007 to 2014) as well as the previous planning period (1999 to 2006). As shown in Table 4.11-2, to meet its RHNA for the past two planning periods, the City needs to demonstrate that it can accommodate 1,975 units. The City proposes to demonstrate compliance through a variety of means, including documenting the units that have been built/approved and sites available through existing zoning, as well as implementation of Housing Element programs and rezoning of sites to higher density residential uses.

TABLE 4.11-2 MENLO PARK REGIONAL HOUSING NEEDS ALLOCATION (RHNA)

RHNA Planning Period	Dwelling Units by Income Category				Total
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	
1999 to 2006	184	90	245	463	982
2007 to 2014	226	163	192	412	993
Total	410	253	437	875	1,975

Source: Association of Bay Area Governments, 2001, *Regional Housing Needs Determination for the San Francisco Bay Area 2001-2006 Housing Element Cycle*, and Association of Bay Area Governments, 2008, *San Francisco Bay Area Housing Needs Plan 2007-2014*.

C. Standards of Significance

The Plan Components would have a significant impact with regards to population and housing if they would:

1. Induce substantial 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).
2. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.
3. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

D. Impact Discussion

1. **Induce substantial 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).**

For the purposes of this EA, the Plan Components would be considered to induce substantial growth if estimated buildout resulting from future development under the Plan components would exceed regional growth projections for Menlo Park. Assuming the new dwelling units permitted under the Plan Compo-

nents would have the same average household size as existing households in the City, population could increase by 3,361 residents by 2035. Population is based on an average household size of 2.55 persons per household; 2.55 residents per household times 1,318 units, which equals 3,361 new residents. The number of potential new dwelling units is based on rezonings for up to 900 dwelling units, 300 secondary dwelling units, and 118 new housing units on infill sites near downtown.

By comparison, as shown in Table 4.11-1, the ABAG projects 2,580 new households and 7,200 new residents in the EA Study Area between 2010 and 2035. Therefore, the amount of new development projected for 2035 under the Plan Components would not, in and of itself, exceed ABAG's most recent projections for population or housing in Menlo Park, and the impact would be *less than significant*.

2. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.

Implementation of the Plan Components would include rezoning housing Sites 2 and 3 (MidPen's Gateway Apartments) to allow for a maximum density of 40 dwelling units/acre. If these sites were to be redeveloped, 130 existing units would need to be demolished. Nevertheless, the resulting redevelopment at these sites would provide a net increase of 78 units. Furthermore, the Plan Components also consider development of 118 net new infill housing units near the downtown, 816 net new dwelling units on housing Site 1 (Veterans Affairs Campus), Site 4 (Hamilton Avenue), and Site 5 (Haven Avenue), and 300 net new second unit housing sites.

The following policies and programs in the current General Plan and proposed amendments to the General Plan would ensure that the displacement of housing would not occur:

- a. Current General Plan Land Use and Circulation Element
 - Policy I-A-11: No housing may be removed by new development without prior City approval, and replacement housing will be required for any housing removed.
- b. Amended General Plan Housing Element
 - Policy H-2.3: The City will assure that any conversions of rental housing to owner housing accommodate the tenants of the units being converted, consistent with requirements to maintain public health, safety, and welfare. The City will also encourage limited equity cooperatives and other innovative housing proposals that are affordable to lower income households.

- “ Program H-2.C: The City will amend the Zoning Ordinance to reflect the Housing Element policy of prohibiting or limiting the loss of existing residential units or the conversion of existing residential units to commercial or office space. Zoning Ordinance changes and City activities should address residential displacement impacts, including the following:
- a. Consistency with the Ellis Act — The Ellis Act allows property owners of rental housing to “go out of business.”
 - b. Regulations used in other communities.
 - c. Consideration of a modified replacement fee on a per unit basis, or replacement of a portion of the units, relocation assistance, etc. to the extent consistent with the Ellis Act.
 - d. Collaboration between the City, the San Mateo County Department of Housing, Mid-Pen Housing Corporation, and others, as needed, to ensure protection of affordable units in Menlo Park.

Market factors will ultimately determine whether infill sites around downtown and potential housing Sites 2 and 3 (MidPen’s Gateway Apartments) are redeveloped, and would dictate the precise method through which redevelopment occurs. Therefore, construction of replacement housing elsewhere would not be necessary and the impact would be *less than significant*.

3. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

As described under impact discussion D.2 above, potential future development on infill sites around downtown and potential housing Sites 2 and 3 (MidPen’s Gateway Apartments) would involve the demolition and replacement of existing housing units, which would result in the temporary displacement of some residents. However, based on an average household size of 2.55 persons per household the proposed net increase of 196 housing units from the infill and housing Sites 2 and 3 (MidPen’s Gateway Apartments) would accommodate approximately 500 new residents in the City. Therefore, the construction of replacement housing elsewhere would not be warranted and the impact would be less than significant.

4. Cumulative Impacts

As described above, Plan Components would not induce a substantial amount of growth or require the construction of replacement housing. Cumulative growth would therefore be consistent with regional planning efforts. Thus, when considered along with the Plan Components, which, as described above under Section D.1, would not exceed regional growth projections, cumulative growth would not displace substantial num-

bers of people or housing or exceed planned levels of growth and the cumulative impacts, would be *less than significant*.

E. Impacts and Mitigation Measures

The Plan Components would not result in any significant population and housing impacts; therefore, no mitigation measures are necessary.