



City of East Palo Alto

Office of the City Manager

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RE: Notice of Preparation of the Environmental Impact Report for the (1) Facebook Campus Expansion Project, and (2) Menlo Park General Plan and M-2 Area Zoning Update

Dear Mr. Perata and Ms. Chow:

Thank you for the opportunity to review and comment on the NOP for the Facebook Campus Expansion Project and the Menlo Park General Plan and M-2 Area Zoning Update (“General Plan Update”). The City of East Palo Alto appreciates its working relationship with the City of Menlo Park regarding this and other projects that impact both cities.

The City of East Palo Alto has reviewed the Notice of Preparation for the Facebook Campus Expansion Project and the General Plan update. The City has combined its responses because they both focus on the same area, and the impacts are related.

Comments for Both the General Plan Update and the Facebook Campus Expansion Project

Traffic

First, East Palo Alto is a city that is severely impacted by regional cut through traffic. The Ravenswood/4 Corners TOD Specific Plan Alternatives Analysis Memo identified 84% of the traffic on University Avenue as “cut through traffic” that neither originates nor ends in East Palo Alto. The type and intensity of development envisioned in both the Facebook Expansion Project and the General Plan Update (collectively, the “Projects”) is likely to attract employees from both the East Bay and cities along the U.S. Highway 101 corridor. To adequately analyze the potential impact of the Facebook Campus Expansion Project and the development envisioned in the General Plan Update, please add the following intersections to the Transportation Impact Analysis (TIA):

1. University Avenue and State Highway 84/Bayfront Expressway
2. University Avenue and Adams Drive
3. University Avenue and O'Brien Drive
4. University Avenue and Kavanaugh Drive
5. University Avenue and Purdue Avenue
6. University Avenue and Bay Road
7. Newbridge Street and Willow Road
8. University Avenue and Runnymede Street
9. University Avenue and Bell Street
10. East Bayshore Road and Holland Street
11. Saratoga Avenue and Newbridge Street
12. University Avenue and Donohoe Street
13. University Avenue/Hwy 101 NB on-off ramp.
14. University Avenue/Hwy 101 SB on-off ramp.
15. University Avenue and Woodland Avenue.

Additionally, the original Facebook Campus Project in 2011 relied on an innovative Transportation Demand Management (TDM) policy to manage trips. Both the Project and the General Plan Update should include a detailed summary on the efficacy of the TDMs used for the 2011 Facebook Campus Project.

Office Space Density (Square Foot Per Employee)

Second, social media companies typically have office space densities twice those of standard office uses. Such companies are often extremely efficient in their use of office space, having office space densities of approximately 150 square feet of office space for each employee, whereas normal office activities assume twice as much density (300 square feet per employee). Given the prominence of Facebook and Facebook's purchase of the ProLogis, Inc.'s 21-building Menlo Science & Technology Park, adding to its 200-acre Bay Area portfolio, traffic studies should reflect the higher densities of 150 square feet per employee associated with social media firms.

Housing Affordability and Availability

Third, the City of East Palo Alto has significant concerns about the "growth-inducing impacts"¹ of the Projects, and in particular, how development under both projects will impact housing affordability and availability in East Palo Alto. Notably, this is a concern that Menlo Park shares for its own residents. See NOP for General Plan, dated June 18, 2015 ("housing that complements local job opportunities with affordability that limits displacement of current residents").

Menlo Park has an exceptionally high jobs-housing ratio and exceptionally high housing prices. Menlo Park's jobs/housing ratio is 1.96, Palo Alto's is 3.13, and the City of East Palo Alto is 0.38. See Table 1 below. This jobs-housing imbalance, which would be exacerbated by development levels proposed under both Projects, could mean (1) a significant increase in

¹ CEQA Guidelines § 15126(d) (EIR must analyze growth-inducing impacts).

housing demand (indirect impact), and (2) an accompanying increase in new housing construction (direct physical impact) to accommodate that new demand caused by an increase in the number of new employees arising from the greater density proposed under both Projects. The City of East Palo Alto is deeply concerned about these spillover impacts and how they could affect its residents given the City's proximity to the Projects' area.

Table 1: Jobs Housing Ratio

	Jobs to Housing Ratio
Menlo Park	1.96
East Palo Alto	0.38
Palo Alto	3.13

Source: Lauren Hepler, Silicon Valley Business Journal, February 28, 2014; March 3, 2014.

The high jobs-housing ratio indicates that the City of Menlo Park needs to build a substantial amount of new housing units already to provide sufficient housing for employees who work in Menlo Park. The Facebook Campus Expansion Project and the General Plan Update will further and severely exacerbate the existing housing crisis, which is caused by cities not developing sufficient housing concomitant with the approval of development projects that increase the demand for such housing.

The City of East Palo Alto provides a significant amount of the housing stock in Silicon Valley. East Palo Alto has more housing units than jobs, the lowest market rate prices in the region, and approximately 30% (or 2,405 of 7,759 units) of the total housing units are currently non-exempt-registered in the Rent Stabilization Program. East Palo Alto is an island of affordable housing surrounded by several of the most expensive housing markets in the nation. The City is concerned that the new development proposed under both Projects might exacerbate the existing housing crisis in East Palo Alto by displacing current residents and/or causing the City to have to provide additional units without sufficient resources to adequately address the need.

Please provide an analysis of how both the Facebook Campus Expansion Project and the General Plan Update will impact the jobs-housing ratio in Menlo Park, and analyze or provide information on the impact on housing prices and the potential displacement of East Palo Alto residents. The following information should be provided and analyzed.

- The net number of new market rate and affordable units permitted and constructed in the last 10 years in Menlo Park, and since the original Facebook Campus received its Certificate of Occupancy.
- The current jobs-housing ratio and the projected future jobs-housing ratio for both the Facebook Campus Expansion Project and for the General Plan Update.
- An analysis of the impact the Facebook Campus Expansion Project and the General Plan Update will have on housing prices and potentially displacement of the City of East Palo Alto residents.
- An analysis of where it is anticipated that the new employees will live, based on ZIP code level data from the existing Facebook campus.

Other

Fourth, clarify the relationship between the Facebook Campus Expansion Project and the General Plan Update. Is the proposed hotel being analyzed in both? Are the net trips from the Facebook Campus Expansion Project included in the traffic model for the General Plan Update?

Finally, please include the following individuals in all notices related to this project and the General Plan Update:

1. Sean Charpentier, Assistant City Manager, City of East Palo Alto, 1960 Tate Street, East Palo Alto, CA 94303; scharpentier@cityofepa.org.
2. Brent Butler, Planning Manager, East Palo Alto Planning Division, 1960 Tate Street, East Palo Alto, CA 94303; bbutler@cityofepa.org.

Comments Specific to the Facebook Expansion Project EIR

First, the impact analysis should analyze the significant increase of employees on the site. The project description identifies the two new buildings totaling 967,000 square feet for a net increase of approximately 127,000 square feet. There are 1,690 existing parking spaces and the project will add 3,800 parking spaces, which would be a net increase of 2,110 parking spaces.

As noted above, the new uses have a much higher employee density, and the traffic impact analysis should reflect the higher intensity of use. These traffic numbers should also be included in the General Plan Program EIR analysis to get a complete understanding of the traffic numbers.

The impacts should be analyzed on the net impact of replacing what are largely low density industrial buildings with buildings with social media employees at 150 square feet per employee.

Second, the Facebook Expansion Project will bring a substantial number of new employees and visitors, including the 200 room hotel, to an area prone to flooding; thus, substantially increasing the demand for life safety services. Please explain how Facebook is planning to improve existing levees and flood protection systems to mitigate the potential threat of flooding due to tidal flooding, including the effects of Sea Level Rise.

Comments Specific to the General Plan Update

First, based on the Draft M-2 Area Maximum Potential Development map, it appears that the proposal is to maintain the lower density industrial uses on the south side of O'Brien Drive. There is a single family residential neighborhood along Kavanaugh Drive. The City supports maintaining the existing lower density uses along the southern side of O'Brien Drive so as to provide a transition from the higher density uses to the lower density neighborhoods.

Second, the City supports the strong emphasis on separated bike paths and trails. Please explore options to connect the terminus of Ralmar Avenue to the proposed bike path along O'Brien Avenue. This would provide a trail/bike connection between Cesar Chavez Academy and Costaño School on the east side of University Avenue. With a trail connection between Ralmar

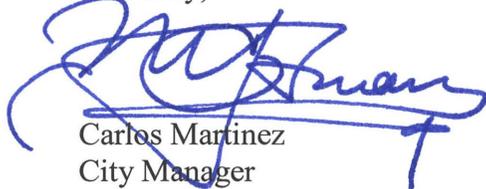
Avenue and O'Brien Drive, and the build out of the trails envisioned in the RBD/4 Corners TOD Specific Plan, students from Cesar Chavez Academy would be able to access Cooley Landing entirely via path and trail.

Third, the General Plan Update shows a series of potential transit stops. The General Plan Update EIR should analyze the option of having a multimodal rail/bus rapid transit station/center at University Avenue.

Thank you for the opportunity to comment on the Notice of Preparations for the Facebook Campus Expansion and the Menlo Park General Plan and M-2 Area Zoning Update. The City of East Palo Alto looks forward to continuing our collaborative relationship with the City of Menlo Park.

For more information or questions regarding this letter, please contact Sean Charpentier, Assistant City Manager, at (650) 853-3150.

Sincerely,



Carlos Martinez
City Manager

7/20/15