
3.14 POPULATION AND HOUSING

Introduction

This section provides background information on existing and projected population, employment, and housing conditions in the City and estimates changes to the City's demographics that would result from the Project. The analysis is based on population, employment, and housing data published in Projections 2009 by the Association of Bay Area Governments (ABAG),¹ and other demographic information from the Demographic Research Unit of the California Department of Finance (DOF) and the United States Census Bureau (U.S. Census). The analysis also incorporates information from the Housing Needs Analysis (HNA) for the Project prepared by Keyser Marston Associates, Inc. (included in Appendix 3.14 of this Draft EIR).²

The purpose of this section is to characterize the potential for Project-induced population, housing, and employment changes that may trigger physical environmental effects; these potential environmental impacts are examined in other sections of this Draft EIR (for example, Sections 3.5, Transportation; 3.6, Air Quality; 3.8, Noise; 3.15, Public Services; and 3.16, Utilities and Service Systems).

Issues identified in response to the Notice of Preparation (NOP) (Appendix 1) were considered in preparing this analysis. Applicable issues that were identified pertain to the Project's impact on the City's current jobs/housing balance, the potential increase in housing demand, impacts associated with population increase on community needs. These issues are addressed in this section. The desire to hire local residents was also identified. However, this issue will not be further addressed as it is not characterized as a CEQA issue. The City of East Palo Alto also raised an issue relating to the potential displacement of East Palo Alto residents. For reasons discussed below, this issue is not evaluated further in the Draft EIR because possible displacement of residents would not result in a significant physical impact on the environment.

Applicable Plans and Regulations

State

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

¹ ABAG data presented in Projections 2009 is a function of the following four elements: (1) ABAG Executive Board policies, which are based on the Smart Growth Vision; (2) General Plan policies for each particular jurisdiction; (3) economic trends; and (4) available land and prevailing land use pattern data, which are based on discussions between ABAG staff and planning staff in each particular jurisdiction.

² Keyser Marston Associates, Inc. *Housing Needs Analysis Menlo Park Facebook Campus Project*, November 2011.

city in the Bay Area. State housing law has established three housing affordability categories. The categories are based on the region’s median income, taking into account households ranging in size from one to six people. These three affordability categories are used by ABAG in allocating regional housing needs and are as follows:

- Very Low 0 to 50 percent of the area’s median income
- Low 50 to 80 percent of the area’s median income
- Moderate 80 to 120 percent of the area’s median income

Currently the existing RHNA identifies allocated housing units for the 2007 to 2014 period (as shown in Table 3.14-1). ABAG identified 993 units (defined by income category) as Menlo Park’s fair share of the regional housing need, or the Regional Housing Needs Allocation (RHNA) for the 2007 to 2014 period (Table 3.14-1).

The next RHNA and housing element cycle will be for 2014 to 2022. Development of a methodology for allocating housing needs for the 2014 to 2022 cycle is currently underway. Adoption of housing unit allocations by ABAG is expected in May 2013. The allocations will need to be incorporated into housing elements that will be due in 2014.

**Table 3.14-1
ABAG Regional Housing Need Allocation for 2007-2014**

Income Level	2007-2014 Menlo Park Need	2007-2014 San Mateo County Need	2007-2014 Regional Need
Very Low	266	3,588	48,840
Low	163	2,581	35,102
Moderate	192	3,038	41,316
<i>Subtotal of Affordable Units</i>	<i>581</i>	<i>9,207</i>	<i>125,258</i>
Above Moderate ^a	412	6,531	89,242
Total	993	15,738	214,500

Sources: ABAG, 2008. San Francisco Bay Area Housing Needs Plan: 2007-2014. Adopted May 15, 2008.

Notes:

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

Sustainable Communities Strategy and SB 375. 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. The SCS must represent an integrated land use and transportation plan and be designed to achieve a reduction in greenhouse gas emissions targeted at 15 percent per capita from cars and light trucks by 2035. The SCS must identify areas within the region sufficient to house all of the region’s population including all economic segments. Development of the SCS in the Bay Area is being led by a consortium of regional organizations comprised of the ABAG, Metropolitan Transportation Commission (MTC), Bay Conservation Development Commission (BCDC), and Bay Area Air Quality

Management District (BAAQMD). The collaboration is known as the “One Bay Area” initiative. SB 375 requires that the RHNA be consistent with the SCS and establishes an eight year cycle for RHNA for purposes of coordination with every other RTP update (which is on a four year update cycle).³

Local

City of Menlo Park General Plan. The following goal and policy from the Housing Element of the General plan pertain to the Project.

Goal III A: To promote the development of a balanced range of housing types and densities for all economic segments and all geographic areas of the community.

Policy II.A.9 The City will continue to require developers of employment-generating commercial and industrial developments to contribute to the provision of below market rate housing opportunities in the City.

State Housing Element Law requires the General Plan of the City to have an updated Housing Element that provides for a specified number of housing units determined based on an allocation of regional housing needs. The allocation process is now set to occur every eight years, as discussed above. ABAG is responsible for the allocation in the Bay Area; however, San Mateo County has taken advantage of the option to manage its own “Sub-regional” allocation process.

Existing Conditions

Population

The City is located in the southern portion of San Mateo County and is bound by the 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 the San Francisco Bay (Bay) and wetlands. The City’s population was estimated to be 32,319 as of January 1, 2011.⁴ Currently, the California DOF estimates that the City averages approximately 2.62 persons per household (pph).⁵ Table 3.14-2 presents population estimates and

³ Keyser Marston Associates, Inc. *Housing Needs Analysis Menlo Park Facebook Campus Project*, November 2011.

⁴ State of California, Department of Finance, “E-5 Population and Housing Estimates for Cities, Counties and the State, 2010-2011, with 2010 Benchmark. Sacramento, CA, May 2011.” Website: <http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>, accessed August 10, 2011.

⁵ Total population of 32,319 / 12,359 total households = 2.62 persons per household.

projections for years 2010 through 2025 for Menlo Park,⁶ San Mateo County, and the San Francisco Bay Area (Marin, Sonoma, Napa, Solano, Contra Costa, Alameda, Santa Clara, San Mateo, and San Francisco counties), referred to as the Bay Area throughout this section of the Draft EIR.

**Table 3.14-2
Population Trends in the Menlo Park, San Mateo County
and the Bay Area, 2010-2025**

	2010	2015	2020	2025	Growth 2010-2025
Menlo Park (sphere of influence)	36,200	37,900	39,300	40,600	4,400 (12.2%)
San Mateo County	733,300	766,900	801,300	832,400	99,100 (13.5%)
Bay Area	7,341,700	7,667,500	8,018,000	8,364,900	1,023,200 (13.9%)

Source: ABAG, Projections 2009.

The data indicates that the population growth from 2010 to 2025 in Menlo Park and San Mateo County (12.2 percent and 13.5 percent, respectively) would be less than the population growth of the Bay Area as a whole (about 13.9 percent). These projections suggest, in part, that the residential areas of the City and the County are more built-out than other communities in the Bay Area.

Employment

The employment profile for an area provides an indication of the composition of an area’s economy and the present and future demand for employees. San Mateo County is a productive economic area led by technology-driven, bioscience, and service industries. According to the Housing Needs Analysis (HNA), San Mateo County averages approximately 1.78 employees per worker household.⁷ The County was negatively affected by the economic downturn of the dot-com industry and again more recently by the housing mortgage/financial crises. Nonetheless, steady employment growth is expected between 2010 and 2025. The following tables present ABAG’s employment projections and these data are used in the analysis presented below. However, more recent existing employment data are available from the U.S. Census, 2008-2010 American Community Survey (ACS), which indicate that there are

⁶ In addition, several additional unincorporated areas adjoining the City are recognized as being within Menlo Park’s sphere of influence and as such are included in the City’s General Plan. In California, “sphere of influence” has a legal meaning as 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 (LAFCO) and as such recognize the unincorporated communities that would be best and most likely served by the city agencies and hence, represent areas with the greater potential for annexation by the City. In most cases, ABAG provides more detailed demographic and employment projections for city’s sphere of influence than for small cities such as Menlo Park. Consequently, unless otherwise specifically noted, all Menlo Park data represents the Menlo Park sphere of influence since only limited demographic data is available for the City’s incorporated area. The sphere of influence designation for the City of Menlo Park includes unincorporated West Menlo Park, Week End Acres, Menlo Oaks, as well as the Stanford Linear Accelerator (SLAC). With the exception of SLAC, these areas are zoned residential and are substantially developed

⁷ Keyser Marston Associates, Inc., *Housing Needs Analysis Menlo Park Facebook Campus Project*, November 2011, p. 1.

currently 30,321 jobs in the City.⁸ For consistency purposes, Table 3.14-3 presents the ABAG employment projections for the City, San Mateo County, and the Bay Area.

As indicated in Table 3.14-3, the ABAG projections from 2010 to 2025 show a steady increase in employment in the Bay Area from 2010 to 2025 (about 26 percent for the region). San Mateo County shows higher employment growth than the rest of the Bay Area and the City shows lower rates of employment growth than the Bay Area average. San Mateo County employment is projected to grow from approximately 346,320 jobs in 2010 to 439,850 jobs in 2025, approximately a 27 percent increase, and the City’s employment is projected to grow from ABAG’s estimate of approximately 29,400 jobs in 2010⁹ to 33,450 jobs in 2025, approximately a 13.8 percent increase.

**Table 3.14-3
Employment Trends in Menlo Park, San Mateo County,
and the Bay Area, 2010-2025 (Total Number of Jobs)**

	2010	2015	2020	2025	Growth (2010-2025)
Menlo Park	29,400	29,850	30,390	33,450	4,050 (13.8%)
San Mateo County	346,320	373,370	404,400	439,850	93,530 (27%)
Bay Area	3,475,840	3,734,590	4,040,690	4,379,900	904,060 (26%)

Source: ABAG, Projections 2009.

Table 3.14-4 presents a comparison of the projected total jobs available in the City’s sphere of influence to the projected number of employed residents within the City’s sphere of influence. According to ABAG’s projections, the number of employed residents in the City’s sphere of influence would be equal to approximately 60 percent of the available jobs in the City’s sphere of influence in 2025.

**Table 3.14-4
Comparison of Number of Jobs to Employed Residents in the Menlo Park Sphere of Influence**

	2010	2015	2020	2025
Jobs ^a	29,400	29,850	30,390	33,450
Employed Residents ^a	16,520	17,180	18,810	20,170
Percent of Employed Residents to Total Number of Jobs	56.2	57.6	61.90	60.30

Source: ABAG, Projections 2009.

Note:

- a. Jobs and employed residents are based on the City’s sphere of influence, which also includes unincorporated areas of San Mateo County.

ABAG predicts gradual employment growth for both the City and San Mateo County. The City’s future job growth is estimated to be just over one percent per year. The County’s future job growth is

⁸ U.S. Census Bureau, American Fact Finder, American Community Survey (ACS) 2008-2010, ID B08406, website: <http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>, accessed November 9, 2011.

⁹ As mentioned in this section, the most current employment data indicate that there are currently 30,321 jobs in the City.

expected to occur at a comparable rate of approximately 1.5 percent per year and San Mateo County is anticipated to re-attain its 2000 employment levels by 2015. However, due to the severity of the City’s job losses in the recent years, future employment in the City is not expected to return to 2000 levels until after 2025.¹⁰

ABAG projects that the financial and professional services sector will remain as the City’s largest employment sector and will account for a similar proportion of the City’s jobs in 2010. Manufacturing, wholesale, and transportation jobs are projected to be nearly unchanged and the sector is expected to remain the second largest employment sector closely followed by the health care, educational, and recreational service sector. By 2030, future job growth in the City is expected to add 7,240 new jobs locally, resulting in a projected total employment level of 36,640. This job growth would represent an increase of nearly 25 percent to the City’s 2010 employment base. The future employment within the City is expected to be relatively unchanged from its current job sector distribution.

Housing

According to the California DOF, the estimated number of housing units in the City as of January 1, 2011 was 13,098, with an average household size of 2.62 persons and a vacancy rate of 5.64 percent.¹¹ Table 3.14-5 presents the ABAG projections for households for the Bay Area, San Mateo County, and the City for years 2010 through 2025, as well as the percentage increase in households for that time period. According to ABAG, the number of occupied units in San Mateo County is projected to grow from approximately 264,400 units in 2010 to 299,220 in 2025, an increase of approximately 13 percent. The number of occupied units in the City is projected to grow from approximately 14,630 units in 2010 to 16,260 in 2025, an increase of approximately 11 percent. Overall, the household growth rate is expected to be below the household growth rate for San Mateo County and the Bay Area.

**Table 3.14-5
Housing Trends in Menlo Park, San Mateo County,
and the Bay Area, 2010-2025 (Households)**

	2010	2015	2020	2025	Growth (2010-2025)
Menlo Park	14,630	15,160	15,710	16,260	1,630 (11%)
San Mateo County	264,400	275,680	287,350	299,220	34,820 (13.2%)
Bay Area	2,667,340	2,784,690	2,911,000	3,039,910	372,570 (13.9%)

Source: ABAG, Projections 2009.

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 within the County and, as a result, home prices exceed the County levels. In

¹⁰ Association of Bay Area Governments (ABAG), Projections 2009, December 2009.

¹¹ State of California, Department of Finance, “E-5 Population and Housing Estimates for Cities, Counties and the State, 2010-2011, with 2010 Benchmark. Sacramento, CA, May 2011,” website: <http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>, accessed August 10, 2011.

recent years following the mortgage crisis and economic downturn, home prices have decreased significantly throughout most of California from their peak values in mid-2006. Within most of the Bay Area, home value losses have been less severe than the rest of the State, except for the more suburban outlying areas of the region. While there has been some home price declines, home values in the more affluent communities of the Bay Area (such as San Francisco, San Mateo, and Marin counties) have remained relatively high and comparatively stable as a smaller proportion of homeowners have been forced to sell their homes as a result of mortgage financing difficulties. Within the City, median home values continued to appreciate until mid-2008 and have subsequently decreased. In 2009, the median sale price for new and existing homes in San Mateo County averaged \$580,000, while the City averaged \$1,020,000. Most recent estimates for home values in 2010 estimated that the median sale price for new and existing homes in San Mateo County averaged \$605,500 and \$990,500 in the City, indicating a 2.89 percent decline in housing sale prices.¹²

Impacts and Mitigation Measures

Standards of Significance

The Project would result in a significant impact if it would:

- Induce substantial 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 a substantial number of existing housing, necessitating the construction of replacement housing elsewhere.
- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

Methodology

This analysis considers whether population and household growth would occur with implementation of the Project and whether this growth is within forecasts for the City and/or can be considered substantial with respect to remaining growth potential in the City.

An HNA has been prepared by Keyser Marston Associates (Appendix 3.14) and was applied for the analysis in the Draft EIR.¹³ The U.S. Census,¹⁴ Bureau of Labor Statistics, and the California Employment Development Department data were used in preparation of the HNA. The HNA presents the anticipated housing needs associated with the Project. Both increased demand for housing and potential increased housing unit allocations are addressed. The HNA is part of a range of analyses to assist in the decision-making and entitlement process for the Project.

¹² DQNews.com Real Estate News and Custom Data, “California Home Sale Activity by City.” Website: <http://dqnews.com/Charts/Annual-Charts/CA-City-Charts/ZIPCAR10.aspx>, accessed, September 26, 2011.

¹³ Keyser Marston Associates, Inc. *Housing Needs Analysis Menlo Park Facebook Campus Project*, November 2011.

¹⁴ United States Census Bureau, Census 2000, 2011.

Indirect or secondary impacts are those which are caused by a project and are later in time or farther removed in distance, but are 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 rate (CEQA Guidelines, Section 15358). Specifically, growth-inducing effects include 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 wastewater treatment plant) might, for example, allow for development to occur in an area not previously considered feasible for development due to infrastructure limitations (CEQA Guidelines, Section 15126.2(d)). As such, indirect population growth is a secondary impact that is considered below.

Impacts Not Evaluated In Detail

The following impacts are not evaluated in detail because there would be no impact as a result of implementing the Project.

The Project proposes to modify the existing Conditional Development Permit (CDP) that applies to the East Campus by converting the 3,600-employee cap into a vehicle trip cap that would and allow approximately 6,600 workers to occupy the East Campus. The Project also includes development of the adjacent, unoccupied property at the West Campus, which would accommodate approximately 2,800 workers. The Project does not include any residential development, nor does it propose any housing. As such, there would be *no impact* resulting from direct population growth as a result of on-site housing development. This impact is not further evaluated.

In addition, the Project would not displace a substantial number of existing housing units or people, which would necessitate the construction of replacement housing elsewhere. As stated above, the Project would develop office uses in a non-residential area and there is no existing housing at the Project site. Therefore, there would be *no impact* related to the displacement of housing or people, and this impact is not further evaluated in this section.

Environmental Analysis

PH-1 Indirect Population Growth. Implementation of the Project would not induce substantial population growth indirectly through job growth, nor would projected growth result in adverse direct impacts to the physical environment. Therefore, this impact would be less than significant. (LTS)

Employment Projections. As explained in Section 2, Project Description, the Project would result in a net increase of approximately 3,000 employees on the East Campus and an additional 2,800 employees on the West Campus, for a total net increase of approximately 5,800 employees in Menlo Park. The employment estimates used in the HNA are summarized below.

East Campus

As shown in Table 3.14-6, approximately half of the net new jobs would be added on the existing East Campus (approximately 3,000 net new jobs). A total of about 6,600 jobs are anticipated for the existing buildings on the East Campus. The Project Sponsor proposes to convert the existing permitted 3,600-employee cap into a vehicle trip cap that would allow for the increase in employees at the East Campus to approximately 6,600. As shown in Table 3.14-6, the majority of the new jobs would be associated with Facebook staff, with the remaining jobs associated with on-site food services, amenities, and building services (maintenance and janitorial).¹⁵

**Table 3.14-6
East Campus Projected Employment Increase for the Project**

	Building (Square Feet)	Total	Employment	
			Existing Employee Cap	Net Increase
Facebook Offices	919,000	6,210	3,353	2,857
Food Service	99,000	232	127	105
Amenities and Services	18,000	25	14	11
Building Services	N/A	133	106	27
Total	1,036,000	6,600	3,600	3,000

Source: KMA, 2011, Appendix 3.14, Table 6, p .9.

The net increase of approximately 3,000 employees would account for approximately 74 percent of the City's employment growth of 4,050 jobs between 2010 and 2025, as projected by ABAG and illustrated in Table 3.14-3.¹⁶

West Campus

As shown in Table 3.14-7, below, approximately half of the new jobs with implementation of the Project would be located on a new West Campus. The West Campus would ultimately accommodate approximately 2,800 employees.

The West Campus would generate a net increase of approximately 2,800 new jobs within the City. The net increase in employment at the site would account for approximately 69 percent of the City's employment growth of 4,050 jobs between 2010 and 2025, as projected by ABAG and illustrated in Table 3.14-3.¹⁷

¹⁵ Keyser Marston Associates, Inc. *Housing Needs Analysis Menlo Park Facebook Campus Project*, November 2011, p. 1.

¹⁶ 74 percent of overall employment growth as projected by ABAG = (3,000 net new employees / 4,050 net new jobs between 2010 and 2025)*100.

¹⁷ 69 percent of overall employment growth as projected by ABAG = (2,800 net new employees / 4,050 net new jobs between 2010 and 2025)*100.

**Table 3.14-7
West Campus Projected Employment Increase for the Project**

	Building (Square Feet)	Employment		
		Total	Existing Employee Cap	Net Increase
Facebook Offices	397,000	2,657	N/A	2,657
Food Service	33,000	70	N/A	70
Amenities and Services	30,000	16	N/A	16
Building Services	N/A	57	N/A	57
Total	440,000	2,800	N/A	2,800

Source: KMA, 2011, Appendix 3.14, Table 6, p .9.

Total Project

Implementation of the Project at both the East Campus and West Campus would result in a total employment number of approximately 9,400. The East Campus is currently permitted to accommodate a maximum 3,600 employees. The net increase in employment is, therefore, approximately 5,800, as shown in Table 3.14-8. The total net increase in employment would represent 143 percent of the total ABAG projected employment of 4,050 jobs.¹⁸ While the total Project employment would exceed ABAG projections, it would not result in an increase in City population or a demand for housing that would exceed ABAG projections. Therefore, the exceedance of ABAG employment projections would not result in significant adverse environmental impacts, as the CEQA thresholds of significance with regard to population and housing are related to substantial increases in population and housing growth projections, not employment projections. As noted below, the increased employment would not result in housing demand or City population exceeding growth projections.

**Table 3.14-8
East + West Campus Combined Projected Employment Increase for the Project**

	Building (Square Feet)	Employment		
		Total	Existing Employee Cap	Net Increase
Facebook Offices	1,316,000	8,867	3,353	5,514
Food Service	132,000	302	127	175
Amenities and Services	28,000	41	14	27
Building Services	N/A	190	106	84
Total	1,476,000	9,400	3,600	5,800

Source: KMA, 2011, Appendix 3.14, Table 6, p .9.

Housing Demand. As mentioned above, the Project would result in a net increase of approximately 5,800 new jobs between the East Campus and the West Campus combined,

¹⁸ 143 percent of overall employment growth as projected by ABAG = (5,800 net new employees / 4,050 net new jobs between 2010 and 2025)*100.

which could result in indirect population-related impacts. Specifically, the increase in employment at the Project site would result in an increased housing demand, and an influx of new residents within Menlo Park and other jurisdictions in the region. The HNA presents the associated housing demand based on the identified employment growth. As discussed in the HNA, and shown in Table 3.14-9, the Project would result in a total demand of approximately 3,257 housing units in the region to support the employment from the Project.

**Table 3.14-9
Indirect Housing Demand Associated with the Project**

	Net Added Employment	Net Added Employee Households ^a
East Campus	3,000	1,685
West Campus	2,800	1,572
Total	5,800	3,257

Source: KMA, 2011, Appendix 3.14.

Note:

- a. The San Mateo County average of 1.78 workers per worker households is used in this analysis because new workers at both the East and West Campus would be more similar to the County as a whole than the smaller City of Menlo Park profile. Santa Clara County, where over half of Facebook employees currently reside, is similar to San Mateo County at 1.73 workers per worker household on average.

According to data referenced in the HNA, approximately 7.8 percent of those who work in Menlo Park also live in the City. The existing 7.8 percent of the City’s workforce that are also residents is used to estimate the number of new workers who would seek and find housing in the City. As such, approximately 7.8 percent, or 254 units, of the housing demand generated by the Project (3,257) would be for housing within the City.¹⁹ As shown in Table 3.14-5, above, ABAG projects that between 2010 and 2025, the number of households in the City will grow by approximately 1,630. The housing demand generated by the Project would be 254 households, approximately 15.6 percent of projected housing growth in the City from 2010 to 2025. The current vacancy rate in the City, according to the DOF, is 5.64 percent, as noted above. This represents a total of 738 vacant units. The 254 housing units that would be required to accommodate the estimated new households generated by the Project could be accommodated by the vacant units, and it is possible that no additional new housing would be required. Even if no vacant units were to become occupied by employees of the Project, which is highly unlikely, the 254 required units would represent only 15.6 percent of the projected housing growth, as noted. As such, the Project would not significantly impact the 2025 forecasted household growth within the City, and the demand for housing as a result of the Project would be *less than significant*.

Using the City’s current pph ratio of 2.62 and the projected housing demand of 254 units, the Project could result in an increase in population by 666 people.²⁰ The application of the City’s

¹⁹ Keyser Marston Associates, Inc. *Housing Needs Analysis Menlo Park Facebook Campus Project*, November 2011, p. 21.

²⁰ 666 person population increase = 2.62 persons per household ratio * 254 units of housing demand resulting from the Project.

current pph ratio is considered conservative and may overestimate the population increase that could result from the Project. This is due to the fact that Facebook employees are typically younger and have smaller households than what is reflected in the City's pph ratio. Changes in population are not, in and of themselves, direct physical environmental effects. The increase in employment could result in secondary physical impacts related to air quality, noise, traffic generation, and an increase in demand on public services and those impacts are discussed throughout this Draft EIR.

Geographic Distribution of Housing Demand. As discussed above, 7.8 percent of the total housing demand would occur in the City. The remaining 3,003 units would be distributed throughout the region. Table 3.14-10 shows the distribution of Project housing demand based on the existing commute patterns for employees who work in the City. According to data in the HNA, approximately 95.3 percent of those who work in the City live within the Bay Area, while about 4.7 percent live outside of the region. Out of the employees who live in the Bay Area region, 42.5 percent live in San Mateo County, approximately 29.3 percent live in Santa Clara County, and as discussed above, 7.8 percent live within the City. This analysis assumes that the distribution of housing demand from the new Project employees would follow the existing distribution pattern. Based on this distribution, in total, the Project would generate demand for approximately 3,104 housing units throughout the Bay Area region and approximately 153 housing units outside of the Bay Area region. Within the Bay Area, the Project in 2025 would generate demand for approximately 1,384 units in all of San Mateo County, 954 units within all of Santa Clara County, and 254 units within Menlo Park.²¹

As shown in Table 3.14-10, Project-induced housing demand is compared against ABAG Projections 2009, which forecasts the housing that would be built within each community up to 2025. The forecasts consider foreseen policies and funding, as well as land availability, which would allow for the projected housing growth in various areas.²² Therefore, the Projections are considered as the benchmark for the foreseeable housing growth (built housing) in each area.

As demonstrated in Table 3.14-10, the indirect housing demand from the Project would represent a small percentage of the ABAG projected housing growth for most jurisdictions in the Bay Area region. As shown in Table 3.14-2, above, ABAG projects that the number of households would grow from 2010 to 2025 by 13.9 percent in the Bay Area region, 13.2 percent in San Mateo County, and 11 percent in the City. The indirect housing demand generated by the Project would be 0.75 percent of the projected household growth in the Bay Area region, 3.4 percent of household growth in San Mateo County, and 15.6 percent of housing growth in the City, from 2005 to 2025. At most, the indirect housing demand from the Project would comprise 16.3 percent of projected growth in both Pacifica and Saratoga. Although these percentages are high for these smaller communities, the housing demand

²¹ 3,257 net Project housing units (full buildout) x 7.8 percent = 254 Project housing units in Menlo Park.

²² Association of Bay Area Governments, ABAG Projections 2009.

illustrated in Table 3.14-10 is dependent on many factors not accounted for in this model.²³ Thus, the share of new households for the smaller communities could be significantly different. Nonetheless, overall, on a regional basis, the Project’s demand for housing is not a significant share of the total projected housing growth. Therefore, impacts are considered *less than significant*.

**Table 3.14-10
Project-Related 2025 Indirect Housing Demand**

	Residential Location of People Who Work in Menlo Park^a	2010 to 2025 Housing Growth per ABAG Projections and Priorities 2009^b	Project Housing Demand in 2025^{c,d}	Project Housing Demand as Percent of Household Growth 2010-2025^e
San Mateo County				
Menlo Park	7.8%	1,630	254	15.6%
East Palo Alto	3.3%	1,520	107	7.1%
Redwood City	9.7%	5,090	316	6.2%
Belmont	1.5%	760	49	6.4%
Burlingame	1.0%	1,910	33	1.7%
Daly City	0.8%	5,390	26	0.5%
Foster City	0.9%	1,040	29	2.8%
Millbrae	0.3%	950	10	1.0%
San Carlos	1.8%	1,430	59	4.1%
San Mateo	5.2%	7,060	169	2.4%
South San Francisco	1.1%	3290	36	1.1%
Pacifica	0.8%	160	26	16.3%
San Bruno	0.8%	2540	26	1.0%
Balance of County ^f	7.5%	8,040	244	4.5%
<i>Subtotal</i>	<i>42.5%</i>	<i>40,810</i>	<i>1,384</i>	<i>3.4%</i>
Santa Clara County				
Palo Alto	4.4%	5,290	143	2.5%
Mountain View	3.5%	6,040	114	1.9%
San Jose	8.1%	80,440	263	0.3%
Milpitas	0.7%	6,530	23	0.4%
Campbell	0.7%	1,940	23	1.2%
Cupertino	0.7%	920	23	2.5%
Los Altos	1.1%	560	36	6.4%
Santa Clara	1.8%	9,370	59	0.6%
Saratoga	0.4%	80	13	16.3%

²³ The distribution assumes existing commute patterns; however, small or built-out communities with limited housing capacity may receive a lower share of housing while communities with capacity may receive a higher share.

**Table 3.14-10
Project-Related 2025 Indirect Housing Demand**

	Residential Location of People Who Work in Menlo Park^a	2010 to 2025 Housing Growth per ABAG Projections and Priorities 2009^b	Project Housing Demand in 2025^{c,d}	Project Housing Demand as Percent of Household Growth 2010-2025^e
Sunnyvale	5.7%	7,970	186	2.3%
Balance of County ^f	2.2%	6,680	72	1.1%
<i>Subtotal</i>	<i>29.3%</i>	<i>125,820</i>	<i>954</i>	<i>0.8%</i>
Alameda County				
Fremont	4.9%	8,610	160	1.9%
Union City	1.5%	4,570	49	1.1%
Berkeley	0.1%	3,540	3	0.1%
Castro Valley	0.2%	3,840	7	0.2%
Hayward	1.2%	6,330	39	0.6%
Livermore	0.1%	6,790	3	0.1%
Newark	1.3%	1,790	42	2.4%
Oakland	0.6%	31,790	20	0.1%
San Leandro	0.3%	2,720	8	0.4%
San Lorenzo	0.1%	90	3	3.6%
Alameda	0.2%	2,310	7	0.3%
Dublin	0.1%	7,080	3	0.01%
Balance of County ^f	1.6%	55,750	52	0.1%
<i>Subtotal</i>	<i>12.2%</i>	<i>135,210</i>	<i>397</i>	<i>0.3%</i>
San Francisco County	8.8%	40,120	287	0.7%
Contra Costa County	1.9%	49,650	62	0.1%
Marin, Napa, and Sonoma Counties	0.6%	19,970	20	0.1%
TOTAL IN BAY AREA REGION	95.3%^g	411,580	3,104	0.75%
Outside the Bay Area Region	4.7%	-	153	-
TOTAL	100%^g		3,257^d	

Sources:

- a. United States Census, ACS 2006-2008.
- b. Association of Bay Area Governments, Projections and Priorities 2009.
- c. KMA, 2011.

Notes:

- d. Project-Related Housing Demand = Total number of households with implementation of the Project (3,257) x the percentage of Menlo Park workers who live elsewhere. For example, Menlo Park = 3,257 x 7.8% = 254 households.
- e. Project-Related Housing Demand as Percent of Household Growth = Project-Related Housing Demand 2025/ABAG Projections for housing growth from 2010-2025. For example, Menlo Park = 254 households/1,630 households = 15.6%.
- f. Balance of County includes workers residing in jurisdictions for which the relevant commute data has been suppressed by the U.S. Census.
- g. Individual percentages and numbers of units may not sum to the totals due to rounding.

Income Distribution of Housing Demand. Housing affordability is an important consideration for the City’s planning purposes, but it is considered to be a socioeconomic issue that need not be evaluated under CEQA. A shortfall of affordable units within the City is not considered a physical environmental impact. However, for informational purposes only, this subsection provides the distribution of the indirect housing demand according to affordability levels. This discussion is based on information from the HNA and RHNA.

Housing affordability is determined relative to the Area Median Income (AMI) for a locality, which is defined by the U.S. Department of Housing and Urban Development. Very low income housing must be affordable to households with incomes under 50 percent of the AMI; low-income housing is affordable to households with incomes between 51 and 80 percent of the AMI; moderate-income housing is affordable to households with incomes between 81 and 120 percent of the AMI; and above moderate-income housing is affordable to households with incomes over 120 percent of the AMI.

Table 3.14-11 shows a breakdown of the Project’s indirect housing demand according to projected household incomes. As shown in the table, the Project would indirectly result in demand for 29 housing units with incomes under 50 percent of the AMI (very low income), 44 units with incomes between 51 and 80 percent of the AMI (low income), 46 units with incomes between 81 and 120 percent of the AMI (moderate income), and 32 units with incomes above 120 percent of the AMI.

**Table 3.14-11
City’s Share (7.8%) of Total Housing Need**

Income Category	Income Definition	East Campus	West Campus	Total	% of Total
Very Low Income	0% - 50% AMI	15	14	29	11%
Low Income	50% - 80% AMI	23	21	44	17%
Moderate Income	80% - 120% AMI	24	22	46	18%
Above Moderate Income	120% -150% AMI	16	16	32	13%
Upper Income	Over 150% AMI	53	50	103	41%
Total		131	123	254	100%

Source: KMA, 2011, Appendix 3.14, Table 15, p. 22.

Employment growth generated by the Project would contribute to housing demand at various income levels. The 254 total housing units generated by the Project would contribute to satisfying the City’s RHNA of 993 total units, as shown in Table 3.14-1. As stated above, this is a socioeconomic issue and no environmental impacts are associated with the RHNA.

Cumulative Impacts

The geographic context for the cumulative population and housing analysis of the Project combined with the Tier 1 projects is the City. For the cumulative population and housing analysis of the Tier 2 projects, combined with the effects of the Project, the context is a broader geographic region and would be the County of San Mateo. This cumulative analysis examines the effects of the proposed

development in the Project area, in combination with other current projects, probable future projects, and projected future growth within the applicable geographic context in the next 20 years.

C-PH-1 Cumulative Population Impact. Cumulative development in the City and County would increase the resident population, but would not exceed growth projections. The cumulative impact would be less-than-significant. (LTS)

Tier 1

The Project, in combination with other projected growth in the City, would increase population, employment, and housing in the City. The cumulative development projects within the City would include commercial, industrial, office, mixed-use, hotel, and residential developments. If cumulative projects were to induce substantial population growth in the City that would exceed ABAG projections, the impact would be significant. The Tier 1 projects would develop 200 dwelling units, which, when taken together with the Project's 666 new residents, would result in an increase in resident population of 1,190 (based on the current City pph ratio of 2.62).²⁴ ABAG projects that the City's population will be approximately 37,900 in 2015 (the closest projection year to Project completion) and 40,600 in 2025. If the Tier 1 projects are completed concurrently with the Project, an increase of 1,190 total residents would result from cumulative development. Added to the current population of 32,319, this would result in a total City population of 33,509 persons in 2015, which is below ABAG projections. However, it is important to note that this is a conservative scenario since the new Facebook employees could potentially occupy some of the dwelling units proposed in the Tier 1 projects.

The City currently has 30,321 jobs and ABAG projects that employment in the City will grow by 13.78 percent between 2010 and 2025. The Tier 1 projects would develop 969,492 sf of office/retail/commercial uses, which would generate approximately 3,393 jobs (based on an average of 3.5 employees per 1,000 sf). Using the same assumptions applied to the Project, this would result in an indirect population growth of an additional 390 persons.²⁵ Added to the 666 residents expected from the Project, this would result in a cumulative indirect growth of 1,056 residents by 2015. Adding this indirect growth of 1,056 residents to the direct population growth of 1,190 residents due to cumulative development, City population would be expected to total approximately 34,565 new residents, which is also below ABAG projections of 37,900 by 2015. Thus, the Project's indirect contribution of 666 residents to the total cumulative population growth within the City would result in a *less-than-significant* cumulative impact.

Tier 2

The Tier 2 projects encompass a larger geographic area and consist of projects that are in the early stages of planning/programming or whose development could be considered

²⁴ 1,190 new residents = 666 residents resulting from the Project + (200 dwelling units * 2.62 pph)

²⁵ 390 new residents = 3,393 new jobs / 1.78 workers per household * 7.8 percent City share * 2.62 pph

somewhat speculative. The geographic context for the Tier 2 analysis would be the County of San Mateo, within which the Tier 2 projects are located. The Tier 2 projects, if completely realized, could result in development of 16,539 dwelling units, 2,781,340 sf of non-residential uses, and 380 hotel rooms. This could result in a direct population increase of 43,332 residents²⁶ and, using the same assumptions applied to the Project, an indirect population increase through creation of approximately 9,830 jobs (based on an average of 3.5 employees per 1,000 sf and one employee per four hotel rooms) that would generate 1,129 new residents.²⁷ The direct and indirect growth of (43,332 direct and 1,129 indirect) Tier 2 projects would total approximately 45 percent of the population growth forecasted for San Mateo County by ABAG between 2010 and 2025. On a cumulative basis, this is considered significant. The Project would add approximately 1,384 new residents to San Mateo County (Table 3.14-10), which represents approximately three percent of the population growth in that could result from Tier 2 projects. As such, the Project's contribution to this potential cumulative impact is not considerable. Therefore, the Project's cumulative impact would be *less than significant*.

C-PH-2 Cumulative Housing Impacts. Cumulative development in the City would increase the demand for housing in the City, but would not exceed growth projections. The cumulative impact would be less than significant. (LTS)

Tier 1

The Tier 1 projects would result in 200 additional dwelling units. The Tier 1 projects would develop 969,492 sf of office/retail/commercial uses, which would generate an indirect housing demand of approximately 148 units.²⁸ The City's existing housing supply consists of 14,630 housing units with a vacancy rate of 5.64 percent. With this vacancy rate, approximately 825 dwelling units are available to house additional residents. The Project's 666 new residents would require approximately 254 housing units as discussed above under Impact PH-1. Cumulatively, the demand of 454 additional dwelling units (254 from the Project and 200 from Tier 1) could be accommodated by the existing vacant housing in the City. Even without the availability of vacant housing units, as identified in Table 3.14-5, the City's housing stock is expected to grow by approximately 1,630 units between 2010 and 2025. The demand generated by the Project and Tier 1 projects would be within these growth projections.

In addition, the Project and Tier 1 cumulative housing demand is within the RHNA allocation as illustrated in Table 3.14-1. As shown in Table 3.14-1, the City's 2007 – 2014 housing need totals 993 units. The Project and Tier 1 projects together represent approximately 45 percent of the identified RHNA. Depending on the allocation of units among income tiers for cumulative projects, this could significantly affect the availability of affordable housing. Housing affordability is an important consideration for the City's

²⁶ 43,332 residents = 16,539 dwelling units * 2.62 pph

²⁷ 1,129 new residents = 9,830 new jobs / 1.78 workers per household * 7.8 percent City share * 2.62 pph

²⁸ 148 new units demanded = 3,393 new jobs / 1.78 workers per household * 7.8 percent City share

planning purposes, but it is considered to be a socioeconomic issue that need not be evaluated under CEQA. A shortfall of affordable units within the City is not considered a physical environmental impact. Nevertheless, the Project's contribution to this impact (26 percent of total 2007 – 2014 housing demand) is not considerable. Therefore, the Project's cumulative impact would be *less than significant*.

Tier 2

The Tier 2 projects could result in 16,539 dwelling units. Using the same assumptions applied to the Project, the indirect housing demand that could result from the creation of approximately 9,830 jobs is 430 dwelling units.²⁹ Cumulatively, with the Project, indirect and direct housing demand associated with Tier 2 projects totals 17,635 dwelling units. As identified in Table 3.14-5, the County's housing stock is expected to grow by 34,820 between 2010 and 2025. The demand generated by the Project and Tier 2 would be within these growth projections.

The Project and Tier 2 cumulative housing demand would exceed the County's RHNA allocation as illustrated in Table 3.14-1. As shown in Table 3.14-1, the County's 2007-2014 housing need totals 15,738 units. Thus, the demand generated by the Project and Tier 2 would exceed the County's RHNA by 1,897 units. This could result in a significant impact. Nevertheless, the Project's contribution to this impact (1.6 percent of total 2007-2014 County housing demand) is not considerable. The Project's cumulative impact would be *less than significant*.

²⁹ 430 new units demanded = 9,830 new jobs / 1.78 workers per household * 7.8 percent City share