

3.11 Population and Housing

This section provides background information on existing and projected population, employment, and housing conditions in the City of Menlo Park (City) and estimates changes to the City's demographics that would result from the Commonwealth Corporate Center Project (Project). The analysis is based on population, employment, and housing data published in Projections 2013 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). In addition, the recent Housing Element Update in the City's General Plan is included in this analysis.

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 3.3, *Transportation and Traffic*; 3.4, *Air Quality*; 3.6, *Noise*; 3.12, *Public Services*; and 3.13, *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 housing implications as a result of the Project and the general process of how housing impacts are analyzed under the California Environmental Quality Act (CEQA).

Existing Conditions

Regulatory Setting

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 city in the San Francisco Bay Area (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.

- 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 2014 to 2022 period (Table 3.11-1). ABAG identified 655 units (defined by income category) as Menlo Park's fair share of the regional

¹ ABAG data presented in Projections 2013 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.

housing need for the 2014 to 2022 period (Table 3.11-1).² The City is currently working on the Housing Element for the 2014 to 2022 time period.

Table 3.11-1. ABAG Regional Housing Need Allocation for 2014–2022

Income Level	Menlo Park Need	San Mateo County Need	Regional Need
Very Low	233	4,595	46,680
Low	129	2,507	28,940
Moderate	143	2,830	33,420
<i>Subtotal of Affordable Units</i>	<i>505</i>	<i>9,932</i>	<i>109,040</i>
Above Moderate ^a	150	6,486	78,950
Total	655	16,418	187,990

Source: Association of Bay Area Governments (ABAG). 2013. Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022. Adopted July 18, 2013.

Notes:

^a. Above Moderate: Households with incomes greater than 120 percent of County median family income. ABAG does not use the Above Moderate category. This category is included in the RHNA and 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. Plan Bay Area, the SCS for the region, was jointly approved in July 2013 by ABAG and the Metropolitan Transportation Commission (MTC). The Plan represents a transportation and land use/housing strategy for how the Bay Area will address its transportation mobility and accessibility needs, land development, and greenhouse gas emissions reduction requirements through the year 2040. SB 375 requires that the RHNA be consistent with the SCS and establishes an 8-year cycle for RHNA. The 2014-2022 RHNA has been incorporated the Plan Bay Area.³

Local

City of Menlo Park General Plan. All California cities and counties are required to have a Housing Element included in their General Plan that establishes housing objectives, policies, and programs in response to community housing conditions and needs. The City is currently in the process of updating its Housing Element, which is being prepared to respond to current and near-term future housing needs in Menlo Park. The Housing Element will also provide a framework for the community's longer-term approach to addressing its housing needs. The Housing Element contains goals, updated information, and strategic directions (policies and implementing actions) that the City is committed to undertaking. The City's Housing Element was adopted in May 2013.⁴

² Association of Bay Area Governments (ABAG). 2013. Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022. Adopted July 18, 2013.

³ Association of Bay Area Governments and Metropolitan Transportation Commission. 2013. Plan Bay Area: Strategy for a Sustainable Region. Adopted July 18, 2013.

⁴ City of Menlo Park. 2013. "Housing Element." May 21, 2013.

The following policy and implementing program from the Housing Element of the General Plan pertain to the Project.

Implementing Program H1.H: Utilize the City's Below Market Rate (BMR) Housing Fund. The City will administer and annually advertise the availability of funds in the Below Market Housing Rate (BMR) Housing Fund as it applies to residential, commercial, and industrial development projects.

Policy H4.10: Inclusionary Housing Approach. To increase affordable housing construction..., the City will require larger non-residential developments, as job generators, to participate in addressing housing needs in the community through the City's commercial in-lieu fee requirements.

Implementing Program H4.D: Implement Inclusionary Housing Regulations and Adopt Standards to Implement State Density Bonus Law. Continue to administer the Below Market Rate (BMR) Housing Program for Commercial and Industrial Developments and the Below Market Rate (BMR) Housing Program for Residential Developments.

Environmental Setting

Population

The City is located in the southern portion of San Mateo County (County) and is bound by the San Francisco Bay (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 Bay and wetlands. The City's jurisdictional population was estimated to be 32,679 as of January 1, 2013. The California DOF estimates that the City currently averages approximately 2.57 persons per household (pph).⁵ Table 3.11-2 presents population estimates and projections for years 2010 through 2020 for Menlo Park (sphere of influence),⁶ San Mateo County, and the Bay Area (Marin, Sonoma, Napa, Solano, Contra Costa, Alameda, Santa Clara, San Mateo, and San Francisco Counties).

⁵ Department of Finance (DOF). State of California. 2013. "Table 2: E-5 City/County Population and Housing Estimates." Available <<http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>> Accessed on February 20, 2014.

⁶ Several additional unincorporated areas adjoining the City are recognized as being within the City's sphere of influence and, therefore, 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) that recognize the unincorporated communities that would be best and most likely served by the city agencies. Hence, the spheres of influence represent areas with the greatest potential for annexation by the city. In most cases, ABAG provides more detailed demographic and employment projections for a city's sphere of influence than for small cities such as Menlo Park. Consequently, unless otherwise specifically noted, all City data represents the City sphere of influence since only limited demographic data is available for the City's incorporated area. The sphere of influence designation for the City includes unincorporated West Menlo Park, Stanford Weekend Acres, Menlo Oaks, as well as the Stanford Linear Accelerator (SLAC). With the exception of SLAC, these areas are zoned residential and are substantially developed. All ABAG projections in this section for the City include the sphere of influence.

Table 3.11-2. Population Trends in Menlo Park, San Mateo County, and the Bay Area, 2010–2020

	2010	2015	2020	Growth 2010–2020
Menlo Park	36,820	37,700	38,700	1,880 (5.1%)
San Mateo County	718,450	745,400	775,100	56,650 (7.9%)
Bay Area	7,150,740	7,461,400	7,786,800	636,060 (8.9%)

Source: Association of Bay Area Governments (ABAG). Projections 2013. December 2013.

The data indicate that the population growth from 2010 to 2020 in Menlo Park (5.1 percent) would be less than the population growth of the County and the Bay Area as a whole (about 7.9 percent and 8.9 percent, respectively). These projections suggest, in part, that the residential areas of the City are more built out than other communities in the County and Bay Area.

Housing

According to the California DOF, the estimated number of housing units in the City (jurisdictional boundary) as of January 1, 2013 was 13,124, with an average household size of 2.57 pph and a vacancy rate of 5.6 percent.⁷ Table 3.11-3 presents ABAG projections for households in the Bay Area, the County, and the City (sphere of influence) for years 2010 through 2020. According to ABAG, the number of households in the County is projected to grow from approximately 257,840 units in 2010 to 277,200 in 2020, an increase of approximately 7.5 percent. The number of households in the City is projected to grow from approximately 14,130 units in 2010 to 14,870 in 2020, an increase of approximately 5.2 percent. Overall, the household growth rate in the City (5.2 percent) is expected to be below the household growth rate for the County (7.5 percent) and the Bay Area (8.8 percent).

Table 3.11-3. Household Trends in Menlo Park, San Mateo County, and the Bay Area, 2010–2020

	2010	2015	2020	Growth (2010–2020)
Menlo Park	14,130	14,490	14,870	740 (5.2%)
San Mateo County	257,840	267,150	277,200	19,360 (7.5%)
Bay Area	2,608,020	2,720,410	2,837,680	229,660 (8.8%)

Source: Association of Bay Area Governments (ABAG). Projections 2013. December 2013.

Housing prices in the Bay Area are among the highest in the country, and the 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. The median single family home price in Menlo Park in 2012 was \$1.325 million. This is a 10.5 percent increase from the previous year, when the median single family home price in Menlo Park was \$1.199 million. The median price of a condominium was relatively more affordable, at \$895,000 in 2012, but that was a 27 percent increase from 2011, when the median price of a condominium was \$705,000. The median single family home price in the County in 2012 was \$736,000 and for California as a whole it was \$301,000.

⁷ Department of Finance (DOF). State of California. 2013. "Table 2: E-5 City/County Population and Housing Estimates." Available <<http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>> Accessed on February 20, 2014.

Menlo Park's home prices have increased in real dollar terms over the last 10 years, while the prices for the state and the County have not.⁸

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. The County is a productive economic area led by technology-driven, bioscience, and service industries. Approximately 68 percent of Menlo Park residents age 16 and older were in the work force in 2010, nearly identical to the County rate and a few percentage points higher than the state rate. Most residents who are in the workforce (66 percent) are in management, business, science, and arts occupations, which is significantly more than the rate in the County or the state. According to the Census Bureau's employment industry analysis, many Menlo Park residents (28 percent) work in education, health care, or social assistance. The next most common category, with 23 percent of residents, is professional, scientific and management industries.⁹

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 2020. The following tables present ABAG's employment projections, and these data are used in the analysis presented below. More recent existing employment data are available from the U.S. Census that indicate there are currently 28,599 jobs in the City.¹⁰ However, since the U.S. Census does not provide projections, Table 3.11-4 presents only ABAG employment projections for the City, the County, and the Bay Area.

Table 3.11-4. Employment Trends in Menlo Park, San Mateo County, and the Bay Area, 2010–2020 (Total Number of Jobs)

	2010	2015	2020	Growth (2010–2020)
Menlo Park	29,830	31,920	34,130	4,300 (14.4%)
San Mateo County	345,190	374,940	407,550	62,360 (18.1%)
Bay Area	3,385,300	3,669,990	3,987,150	601,850 (17.8%)

Source: Association of Bay Area Governments (ABAG). Projections 2013. December 2013.

As indicated in Table 3.11-4, the ABAG projections from 2010 to 2020 show a steady increase in employment in the Bay Area (about 17.8 percent for the region). The County shows a slightly higher employment growth than the rest of the Bay Area (18.1 percent), and the City¹¹ shows lower rates of employment growth (14.4 percent) than the Bay Area average.

Table 3.11-5 presents a comparison of the projected total jobs available in the City to the projected number of employed residents within the City. According to ABAG's Projections, the number of

⁸ City of Menlo Park. 2013. "Housing Element." May 21, 2013.

⁹ City of Menlo Park. 2013. "Housing Element." May 21, 2013.

¹⁰ U.S. Census Bureau, American Fact Finder, American Community Survey (ACS). 2009. "Sex of Workers by Means of Transportation to Work for Workplace Geography." 2009-2011 ACS 3-Year Estimates, ID B08406. Available: <<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>> Accessed April 17, 2013.

¹¹ As mentioned in this section, the most current employment data indicate that there are currently 28,599 jobs in the City.

employed residents in the City would be equal to approximately 62 percent of the available jobs in the City in 2020.

Table 3.11-5. Comparison of Number of Jobs to Employed Residents in Menlo Park

	2010	2015	2020
Jobs ^a	29,830	31,920	34,130
Employed Residents ^a	16,960	18,090	19,310
Percent of Employed Residents to Total Number of Jobs	56.9	56.7	56.6

Source: ABAG, Projections 2013.

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 the County. The City's future job growth is estimated to be 1.3 percent per year. The County is expected to experience future job growth at a comparable rate of approximately 1.6 percent per year.¹²

Because the City's housing prices are high, many people who work in the City cannot afford to live there. Consequently, people who work in the community often must commute long distances. To afford the median priced home in the City, a family would need to make more than \$260,000 annually, and to afford average rent, a family would need to earn more than \$125,000 annually. The difference between what the workforce and the community can pay for housing based on household income and what the prices are for homes in the community is referred to as an *affordability gap*. The affordability gap in the City is significant. Approximately 7.8 percent of the people who currently work in the City also live in the City.¹³

Environmental Impacts

This section describes the impact analysis related to population and housing for the Project. It describes the methods used to determine the impacts of the Project and lists the thresholds used to measure whether an impact would be significant. Measures to mitigate (i.e., avoid, minimize, rectify, reduce, eliminate, or compensate for) significant impacts accompany each impact discussion.

Thresholds of Significance

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

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

¹² Association of Bay Area Governments (ABAG). Projections 2013. December 2013.

¹³ City of Menlo Park. 2013. "Housing Element." May 21, 2013.

Methods for Analysis

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

Impacts Not Evaluated in Detail

Displacement of Housing. The Project would demolish the existing onsite manufacturing, warehouse, and office structures and construct two four-story office/biotech/research and development (R&D) buildings with approximately 259,920 square feet (sf) of space. The Project site is currently zoned M-2 (General Industrial), which does not permit housing units. As such, no existing housing would be demolished under the Project and no units would be displaced. The Project would result in *no impact* related to the displacement of housing and, therefore, this impact is not evaluated further.

Impacts and Mitigation Measures

Impact POP-1: Population Growth. Implementation of the Project would not induce substantial population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure). (LTS)

The impact of the Project on population growth within the City would not result in population growth due to the construction of new homes, as no residential development is proposed. However, the Project would generate employment opportunities, which could induce population growth in the area. The Project would include either office uses and/or a biotech and R&D campus. If the Project included only office uses, then it is estimated that approximately 1,300 office jobs would be generated.¹⁴ In general, office uses generate more employees than biotech and R&D uses. The administrative areas of a biotech and R&D company would have a density similar to a corporate office; however, the research and laboratory spaces would have lower employee densities. Therefore, this analysis applies and analyzes the most conservative scenario of approximately 1,300 office employees at the Project site.

Construction of the Project, including the site preparation and building demolition phases, would temporarily increase construction employment. Given the relatively common nature and scale of the construction associated with the Project, the demand for construction employment would likely be met within the existing and future labor market in the City and the County. The size of the construction workforce would vary during the different stages of construction, but a substantial quantity of workers from outside the City or County would not be expected to relocate permanently.

Operation of the Project would generate up to 1,300 new jobs at full buildout and occupancy by 2020. As discussed above, approximately 7.8 percent of all the City's residents also work in the City.¹⁵ 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 a result of the Project. Approximately 102¹⁶ of

¹⁴ This estimate assumes 200 sf per employee based on similar office density rates on the San Francisco Peninsula. $259,920 \text{ sf of office} / 200 \text{ sf} = \sim 1,300$ employees. Information provided by the Sobrato Organization (Project Sponsor).

¹⁵ City of Menlo Park. 2013. "Housing Element." May 21, 2013.

¹⁶ $1,300$ projected Project employees \times 7.8 percent of Menlo Park employees who also live in the City = ~ 102 projected Project employees who live in the City.

the projected employees at the Project site would be expected to live in the City. Assuming that each employee forms a household with a City average of 2.57 pph, the Project would result in an increase of approximately 262 new residents. The City had 36,820 residents within its sphere of influence in 2010, and the population is projected to increase to approximately 38,700 people by 2020, according to the 2013 ABAG Projections. This represents a 10-year population increase of approximately 1,880 residents. The addition of 262 new residents as a result of the Project would represent approximately 13.9 percent of the anticipated population growth.

As shown in Table 3.11-3, above, ABAG estimates that between 2010 and 2020, the number of households in the City will grow by approximately 740. The Project would generate a housing demand of 102 units in the City, assuming that each new employee that lives in the City forms a household (a conservative scenario). Therefore, the Project-induced housing demand would equate to approximately 13.8 percent of the projected housing growth in the City from 2010 to 2020. The current vacancy rate in the City, according to the DOF, is 5.6 percent, as noted above. This represents a total of 740 vacant units in the City. The 102 housing units that would be needed to accommodate the estimated new households generated by the Project could be accommodated by the vacant units. Therefore, 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 unlikely, the 102 required units would represent only 13.8 percent of the projected housing growth, as noted. In addition, the City's 2013 Housing Element estimates that approximately 1,318 housing units will be constructed by 2035.¹⁷ As such, the Project's demand for housing could be accommodated within the City's anticipated housing construction.

While 7.8 percent of the total housing demand would occur within the City, the remaining 1,196 units (assuming that each employee forms a household) would be distributed throughout the region, with the majority likely living in San Mateo and Santa Clara Counties. According to ABAG estimates, household growth in the Bay Area is expected to increase by approximately 229,660 households from 2010 to 2020. The housing demand resulting from the Project would represent approximately 0.5 percent of the regional growth during the 10-year period. The Project would not significantly impact the population and household growth within the City and the region, and the demand for housing as a result of the Project would be *less than significant*.

Impact POP-2: Displacement of People. The Project would not result in the displacement of a substantial number of people, necessitating the construction of replacement housing elsewhere. (LTS)

As discussed above under *Impacts Not Evaluated in Detail*, the Project site does not contain housing units. Therefore, the Project would not displace residents. The Commonwealth Site previously included an operational manufacturing and distribution plant, which ceased operations in July 2011. Because there are currently no workers at the site, the Project would not displace people at the Commonwealth Site. However, approximately 30 employees currently work at the Jefferson Site, which is used as warehouses and offices for storage and light industrial uses. Under the Project, the 20,462-sf building would be demolished and replaced by a secondary driveway, active recreation space, and landscaping. Although the Project would not accommodate the current uses and employees, there is available space in the City to accommodate the small amount of current tenants at the Jefferson Site displaced by the Project. The Project would not displace a substantial number of people and would not necessitate the construction of replacement housing; therefore, the impact would be *less than significant*.

¹⁷ City of Menlo Park. 2013. "Housing Element." May 21, 2013.

Cumulative Impacts

The City represents the geographic context for the cumulative analysis of the Project and Tier 1 projects. For Tier 2 projects, in combination with the Project, the geographic context is 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.

Impact C-POP-1: Cumulative Increase in Population. Cumulative development in the City and County would increase the resident population, but would not exceed growth projections. (LTS)

Tier 1

The Project, in combination with other projected growth in the City, would increase population, employment, and housing. 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, then the cumulative impact would be significant. The Tier 1 projects would develop 98 dwelling units, which, when taken together with the Project's 262 new residents, would result in an increase in resident population of 514 (based on the current City pph ratio of 2.57).¹⁸ ABAG projects that the City's population will be approximately 38,700 in 2020. If the Tier 1 projects are completed concurrently with the Project, an increase of 514 total residents would result from cumulative development. Added to the 2010 sphere of influence population of 36,820, this would result in a total City population of 37,334 persons in 2020, which is below ABAG projections. However, it is important to note that this is a conservative scenario since the new Project employees could potentially occupy some of the dwelling units proposed in the Tier 1 projects.

In 2010, the City had approximately 29,830 jobs, and ABAG estimates that employment in the City will grow by 14.4 percent between 2010 and 2020. The Tier 1 projects¹⁹ would develop approximately 1,558,000 sf of office/retail/commercial uses, which would generate approximately 5,453 jobs (based on an average of 3.5 employees per 1,000 sf). Using the same assumptions applied to the Project,²⁰ this would result in population growth of an additional 1,093 persons.²¹ Added to the 262 residents expected from the Project, this would result in a cumulative growth of 1,355 residents by 2020. Adding this growth of 1,355 residents from non-residential growth to the growth of 252 residents from residential development, City population in 2020 would be expected to total approximately 38,427 new residents. This would be slightly below ABAG projections of 38,700 by 2020. Thus, the Project's indirect contribution of 262 residents to the total cumulative population growth within the City would result in a ***less-than-significant*** cumulative impact.

¹⁸ 514 new residents = 262 residents resulting from the Project + (98 dwelling units * 2.57 pph)

¹⁹ Not including the Stanford University Medical Center (SUMC) Project, which is located in Palo Alto and not considered in City of Menlo Park employment projections. The SUMC Project would include 1.3 million sf of medical buildings.

²⁰ Approximately 7.8 percent of Menlo Park employees would live in the City, all new employees would form a household, and a pph ratio of 2.57.

²¹ 1,093 new residents = 5,453 new jobs * 7.8 percent City share * 2.57 pph

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 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 5,177 dwelling units, 2,781,340 sf of non-residential uses, and 380 hotel rooms. This residential development could result in a direct population increase of 13,305 residents²² and, using the same assumptions applied to the Project, a population increase through creation of approximately 9,830 jobs (based on an average of 3.5 employees per 1,000 sf and 1 employee per four hotel rooms) that would generate 1,971 new residents.²³

Population in the County is projected to increase by approximately 56,650 residents from 2010 to 2020. The growth resulting from Tier 2 projects would total approximately 27 percent of the population growth forecasted for the County by ABAG between 2010 and 2020. The Project would add approximately 262 new residents to the County, which represents approximately 1.7 percent of the population growth in that could result from Tier 2 projects or 0.46 percent of total projected County growth. Therefore, the Project's contribution to this potential cumulative impact is not considerable, and the Project's cumulative impact would be *less than significant*.

Impact C-POP-2: Cumulative Increase in Housing Demand. Cumulative development in the City and County would increase the demand for housing, but would not exceed growth projections. (LTS)

Tier 1

The Tier 1 projects would result in 98 additional dwelling units. The Tier 1 projects would develop 1,558,000 sf of office/retail/commercial uses with approximately 5,453 new jobs. Assuming that 7.8 percent of employees lived within the City and each formed their own household, the Tier 1 projects would generate a housing demand of approximately 425 units within the City. The City's existing housing supply consists of 13,124 housing units with a vacancy rate of 5.6 percent. With this vacancy rate, approximately 740 dwelling units are available to house additional residents. Employees generated by the Project would require approximately 102 housing units as discussed above under Impact PH-1. Cumulatively, the demand of 527 additional dwelling units (102 from the Project and 425 from Tier 1) could be accommodated by the existing vacant housing in the City. Even without the availability of vacant housing units, the City's Housing Element expects the construction of approximately 1,318 housing units by 2035. The demand generated by the Project and Tier 1 projects could be accommodated by these anticipated units.

In addition, the Project and Tier 1 cumulative housing demand is within the RHNA allocation. As shown in Table 3.11-1, the City's 2014 to 2022 housing need totals 655 units. The Project and Tier 1 projects together represent approximately 79 percent of the identified RHNA. Depending on the allocation of units among income tiers for cumulative projects, this demand could significantly affect the availability of affordable housing. 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.

²² 13,305 residents = 5,177 dwelling units * 2.57 pph

²³ 1,971 new residents = 9,830 new jobs * 7.8 percent City share * 2.57 pph

Nevertheless, the Project's contribution to this impact (15.6 percent of total 2014 to 2022 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 5,177 dwelling units. Using the same assumptions applied to the Project, the housing demand that could result from the creation of approximately 9,830 jobs is 767 dwelling units within the City. Cumulatively, with the Project, housing demand associated with Tier 2 projects totals 6,046 dwelling units. As identified in Table 3.11-3, the County's housing demand is expected to grow by 19,360 between 2010 and 2020. The demand generated by the Project and Tier 2 would be within these growth projections.

As shown in Table 3.11-1, the Project and Tier 2 cumulative housing demand would not exceed the County's RHNA allocation of 16,418 units. In addition, the Project's contribution (0.6 percent of total 2014 to 2022 County housing demand) would not be considerable. Therefore, the Project's cumulative impact would be ***less than significant***.

