

APPENDIX F
Housing Needs Analysis

**Housing Needs Analysis
Bohannon Office / Hotel Mixed Use Project
General Plan Amendment and Rezoning Project**

**Prepared for:
*City of Menlo Park***

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EXECUTIVE SUMMARY

This report is an analysis of the housing needs associated with the proposed Bohannon Office/Hotel Mixed Use General Plan Amendment and Rezoning Project (“the Project”). Both increased demand for housing and potential increased housing unit allocations under the Regional Housing Needs Allocation (RHNA) process are addressed. The Housing Needs Analysis is part of a range of analyses to assist in the decision-making, negotiation and entitlement process for the Project and is expected to accompany the Environmental Impact Report (EIR).

The Bohannon Office / Hotel Mixed Use Project will be associated with approximately 1,880 net new jobs. These jobs will be added due to development of approximately 960,000 square feet of building area including 700,000 square feet of office, a 230 room hotel with an integrated fitness center, and 17,000 square feet of retail, restaurant, and community facility space. Approximately 220,000 square feet of existing office / R&D space is to be demolished.

Jobs / Housing Analysis / Demand for Housing

Net new jobs associated with the project will result in net new worker households who will need housing somewhere within commuting distance to Menlo Park. Using the average number of workers per worker household for San Mateo County at 1.72, the number of new worker households is 1,090, or a need for 1,090 additional housing units.

Keyser Marston Associates’ (KMA) jobs housing nexus model has been applied to estimate how many of the 1,090 additional housing units will be needed at each of five affordability or income levels which range from Very Low or under 50% of area median income (AMI) to above 150% of AMI. The model was originally developed over 15 years ago by Keyser Marston Associates to analyze the linkage between land use and housing needs by housing affordability level. The model has been refined and updated over the years and in more recent years it has been modified to analyze specific projects such as the Bohannon Project.

The analysis uses national data on worker occupational distribution paired with local compensation data for San Mateo County. The model distributes workers into households ranging in size from one to six persons and takes into account multiple sources of income for the worker households. The output of the model shown in the inset table below is the number of employee households at each housing affordability level who will require housing within commuting distance of Menlo Park.

Net New Households / Housing Need			
Very Low	0% - 50% AMI	184	17%
Low	50% - 80% AMI	219	20%
Moderate	80% - 120% AMI	137	13%
Above Moderate	120% - 150% AMI	142	13%
Upper	over 150% AMI	408	37%
		1,090	100%

The highest concentration of new households is in the above 150% of median tier, at about 37% of the total. Approximately 17% of households fall into the Very Low income tier (under 50% AMI). The remaining 46% of households are distributed among the tiers from 50% of median through 150% of median. Over 90% of the added households are associated with the office component of the project. The findings reflect the higher compensation levels characteristic of workers in the technology oriented tenant mix projected for the office space. Although average office worker compensations are high, about 25% of workers are in administrative occupations which tend to be lower paid. A sensitivity analysis was completed to test other possible tenant mixes.

Menlo Park Share of Total Needs

According to the U. S. Census 2000, 10% of those who currently work in the city of Menlo Park also live in the City of Menlo Park. This share is low compared to most other cities in the Bay Area, attributable to a range of factors: affordability constraints that already limit workers ability to find housing within the city; the large number of jobs in Menlo Park relative to the size of the housing stock; the greater propensity of workers throughout the Bay Area to commute more than in the past.

Absent a local policy to alter current conditions, a 10% share of new households associated with the Proposed Project can be assumed to seek and find housing in Menlo Park, for purposes of the impact analysis.

Regional Housing Needs Allocation

State Housing Element Law requires the General Plan of the City of Menlo Park 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 occurs periodically with timing based on the schedule for housing element updates. The Association of Bay Area Governments (ABAG) is responsible for the allocation in the Bay Area; however, in the recent allocation, San Mateo County elected to manage its own "Sub-regional" allocation process. The allocation of housing units is determined using a methodology which may change with each allocation cycle but has consistently used ABAG's *Projections* as the source of base information to perform the allocation.

KMA estimated the impact of the Project on the number of units allocated to Menlo Park based on four scenarios as to allocation methodology and with a “base” and “high end” estimate of how the Project would be reflected in future editions of ABAG’s *Projections* to be used in the allocation. Assuming the current law and allocation process remains in place, the impact of the Project on the City’s RHNA would be an on-going impact repeated with each future RHNA cycle. This is because development of the Project is anticipated to impact ABAG’s demographic inputs used in each future allocation. Since impacts are on-going, estimates were translated into annual housing unit production targets:

Annual Projected RHNA Impact	A. 2007-2014 Method	B. 1999-2006 Method	C. 50% Weight to Existing Jobs	D. “Job Bank Credit” Considered 1999-2006
Base Estimate	2.5 Units	0 Units	5.5 Units	0 Units
Upper End Estimate	5.5 Units	6.7 Units	5.5 Units	10.9 Units

Methods A and B use adopted formulas from prior allocation cycles. Method C is a variant on the 1999-2006 formula with existing jobs as the basis rather than job growth. Method D, the “job bank credit” approach considered in a prior allocation cycle, is included to illustrate the potential impact if a formula with an explicit adjustment for existing jobs housing balance were adopted.

The distribution of the units allocated to Menlo Park by income tier is projected to follow the percentages shown in the inset table below assuming the approach used in San Mateo County for 2007-2014 is carried forward:

RHNA Distribution by Income Tier	
Very Low	22.8%
Low	16.4%
Moderate	19.3%
Above Moderate	41.5%
Total	100.0%

INTRODUCTION

The following report is an analysis of the housing needs associated with the proposed Bohannon Office / Hotel Mixed Use General Plan Amendment and Rezoning Project (“the Project”) in the City of Menlo Park. The report has been prepared by Keyser Marston Associates, Inc. for the City of Menlo Park, pursuant to the City’s request and contractual agreement. Keyser Marston Associates (KMA) is a subcontractor to PBS&J, the firm responsible for the environmental impact report for the Project.

The proposed project consists of approximately 700,000 square feet of office and research and development space, a 230 room hotel with a 69,000 square foot fitness center and spa, and restaurant and retail space. The project site consists of two non-contiguous components occupied by existing office and research and development (R&D) uses which are proposed to be demolished.

The report includes separate analyses of housing need generated by the Project using two distinct concepts of “housing need”:

- Demand for housing within commuting distance of Menlo Park generated by new employment at the Project; and
- Allocation of housing units to Menlo Park with the Regional Housing Needs Allocation (RHNA) process established under State Housing Element law.

The RHNA process allocates the regional housing need determined by the State Department of Housing and Community Development (HCD) to individual jurisdictions. The allocation of units must be accommodated in the Housing Element for each jurisdiction. The process occurs periodically with timing based on the schedule for housing element updates established in State Law. In the Bay Area, the process is lead by the Association of Bay Area Governments (ABAG); however, in the recent allocation, San Mateo County elected to manage its own “Sub-regional” allocation process.

In order to understand the proposed Project and its impact, the City is seeking a range of analyses to assist in the decision-making, negotiation, and entitlement process. This report provides an analysis of the anticipated employment to be added, the resulting housing demand by affordability level, and the increase in units allocated to Menlo Park under the RHNA process. This report is expected to accompany the Environmental Impact Report (EIR) for the proposed project, along with other documents analyzing other aspects of the proposed project.

Analysis Guidance and Methodology

The Housing Needs Analysis work program was guided by a team from the City of Menlo Park. The team was comprised of people from relevant City departments and PBS&J, the firm

primarily responsible for the EIR. KMA met with the City team on several occasions to coordinate on assumptions and present analysis findings.

Analysis of the demand for housing generated by the Project has been conducted using a jobs housing nexus model. The model was originally developed over 15 years ago by Keyser Marston Associates to analyze the linkage between land use and housing needs by housing affordability level. The model has been refined and updated over the years and in more recent years it has been modified to analyze specific projects. All data sources and inputs are noted and explained as well as the model methodology and underlying assumptions.

KMA reviewed relevant documentation on the RHNA process available from ABAG, HCD, San Mateo County, and the City of Menlo Park. We also communicated directly with local government staff involved in the most recent allocation process to gain additional understanding and inquire about potential future directions. Based on this review we use a number of possible approaches to prepare estimates that bracket the range of potential increase in the number of units allocated to Menlo Park with the development of the proposed project.

Report Organization

This report is organized into six sections:

- Section I provides more information on the proposed project descriptions and the projected net increase in employment.
- Section II presents the analysis of housing demand by affordability level, step by step including a documentation of sources.
- Section III provides a brief summary of sensitivity analyses and the analysis of EIR Alternatives.
- Section IV presents information on total worker households and the share that currently lives in Menlo Park.
- Section V provides an explanation of underlying concepts and assumptions in the conduct of a jobs housing analysis.
- Section VI contains the analysis of the incremental increase in housing units allocated to Menlo Park under RHNA

An Appendix section provides tables and other supporting information.

Data Sources and Qualifications

The analysis in this report has been prepared using the best and most recent data available. Local data was used wherever possible. Other sources, such as the U.S. Census, U.S. Bureau of Labor Statistics, and the California Employment Development Department were used extensively. While we believe all sources utilized are sufficiently accurate for the purposes of the analysis, we cannot guarantee their accuracy. Keyser Marston Associates, Inc. assumes no liability for information from these other sources.

SECTION I – PROJECT DESCRIPTION AND TOTAL EMPLOYMENT INCREASE

This section provides more information on the proposed development program and the projected net increase in employment.

Project Description

The David Bohannon Organization has filed an application for a General Plan Amendment and rezoning of the project site to permit construction of approximately 700,000 square feet of office and research and development space, a 230 room hotel with an integrated fitness center and spa, and restaurant and retail space. Marriott has been identified as the hotel operator and their “Renaissance Club Sport” brand which includes an integrated full service health club and spa is proposed for the project. The health club would encompass approximately 69,000 square feet within the integrated hotel / fitness center concept.

The project “site” consists of two nearby non-contiguous components referred to as the Independence Drive and Constitution Drive sites. The site is currently occupied by office and R&D uses with a total building area of approximately 220,000 square feet all of which is proposed to be demolished. Tenants in the existing space include a mix of technology oriented businesses and a law firm.

A summary of the proposed development program and net space to be added is provided in the inset table below with additional detail on Table I – 1.

Building Area (Square Feet)	
Office / Tech	695,000
Retail / Community Facilities	10,000
Hotel (230 rooms) / Fitness Center / Restaurant	<u>250,000</u>
	955,000
Existing Office/R&D (to be demolished)	(219,000)
Net Increase	736,000

Employment

The project is projected to result in a net increase of 1,878 employees in Menlo Park. The net increase is based on a total of approximately 2,566 employees upon build out of the project less an estimated 688 employees with the existing space, assuming the existing space were released to full occupancy. Employment figures are based on estimates presented in the fiscal impact analysis prepared by the applicant’s consultant, Brion & Associates, with a few KMA adjustments as described below.

KMA evaluated the Brion employment estimates in terms of density of employment or square feet of building area per employee. KMA has prepared analyses for other office, retail, and hotels, including jobs housing linkage analyses for general programs and analysis for specific projects. For these assignments, KMA has assembled information from a range of sources on employment density. The employment densities used in the analysis by Brion & Associates are generally consistent with average densities for these uses based on our experience. However, we have not carried forward the vacancy factors which were incorporated into estimates by Brion & Associates since these average employment densities generally incorporate standard operational vacancy. See Table I – 1 for information on employment densities by project components.

The existing office / R&D space is over 25% vacant according to the Brion & Associates report. This level of vacancy is likely influenced by the current development plans for the site. If the buildings were expected to remain in the long term they would be leased-up rather than managed as an interim use. Therefore, in deducting existing employment to compute net new, existing vacant space is assumed to be re-leased.

Employment estimates for the hotel and fitness club and spa and restaurants are sourced to Marriott and are based on the “Renaissance Club Sport” concept contemplated for the site. The 224 employees for the hotel inclusive of the fitness club and restaurant space equates to approximately 1.0 employee per room. This is within the range of expected densities for a full service hotel. Employment estimates for the hotel, fitness center, and restaurant space account for development of 230 hotel rooms and 7,000 square feet of restaurant space within the hotel.

Employment added with the proposed project is summarized as follows.

Employment	
<u>Proposed</u>	
Office / Tech	2,317
Retail / Community Facilities	25
Hotel / Fitness Center / Restaurant	<u>224</u>
	2,566
<u>Existing</u>	
Legal	161
Tech / R&D	<u>526</u>
	688
Net Increase	1,878

See Section IV of this report for a discussion of underlying assumptions with respect to net new jobs, employment growth and related topics.

**TABLE I-1
 PROPOSED DEVELOPMENT AND ESTIMATED EMPLOYMENT
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

		<u>Building Area Sq.Ft.</u>	<u>Employment</u>	<u>Employment Density Sq.Ft./Employee</u>
Proposed Project				
Office / Tech		695,000	2,317	300
Retail / Community Facilities		10,000	25	400
Hotel ¹				
Hotel Rooms / Common Area	230 Rooms	174,000	81 ²	2,148
Fitness Club / Spa		69,000	65 ²	1,062
Restaurant		<u>7,000</u>	<u>78</u> ²	<u>90</u>
		250,000	224	1,116
				1.0 /Rm
		<u>955,000</u>	<u>2,566</u>	<u>372</u>
Existing				
Legal		48,000	161 ³	298
Tech / R&D ⁴		171,000	526 ³	325
		<u>219,000</u>	<u>688</u>	<u>318</u>
Net Increase		<u><u>736,000</u></u>	<u><u>1,878</u></u>	

Notes:

¹ The concept is a "Marriot Renaissance ClubSport" including integrated hotel, fitness center, spa, and restaurants.

² Per Brion & Associates 2007 Fiscal Analysis which sources employment estimates to Marriot Renaissance ClubSport adjusted upward by KMA to scale to 230 rooms and 7,000 SF of restaurant.

³ Existing space has been categorized based on industry / sector of tenants per the Brion & Associates 2007 Fiscal Analysis and tenant websites. See Appendix Table 2.

⁴ Existing vacant space assumed to be re-leased as tech / R&D.

Sources: *Project and Alternatives Data Table*, PBS&J, May 2009. Brion & Associates Fiscal Analysis, June 2007.

SECTION II – THE JOBS HOUSING ANALYSIS

This section summarizes the analysis of housing needs associated with employment growth attributable to the Project. A brief overview of the methodology and structure of the analysis is provided, followed by a walk through of the analysis steps to the output and conclusions.

Housing need for purposes of this section is defined as the incremental housing need generated by the Project. This analysis is separate and distinct from the estimates of the incremental allocation of units to Menlo Park under the Regional Housing Needs Allocation process described in Section V.

Methodology

In estimating the linkages between added employment, worker households, and housing needs by affordability levels, KMA employed its proprietary jobs housing nexus model. The KMA nexus model was originally developed for analyses supporting housing linkage programs which place affordable housing obligations on commercial development. Jobs housing linkage programs have been adopted in a number of jurisdictions throughout California supported by analyses using this model. The model has also been refined and modified for use in quantifying the housing impacts of specific large projects. The model inputs are all local data to the extent possible, and are fully documented.

The basic methodology is to establish the income or compensation of employees, put employees into households which have more than one income on average, establish household income and allocate to household size by means of U. S. Census relationships. Income by household size can then be translated to relationship to median income and affordability level as established by the California Housing and Community Development Department.

HCD Income Definitions

The income levels or tiers used in the analysis are expressed in relation to local median income, such as Very Low Income as up to 50% of median income. The median income level for each county or group of counties is issued annually by the U.S. Department of Housing and Urban Development (HUD), and released by the California Department of Housing and Community Development. Most housing programs and policies in California and its jurisdictions utilize these income definitions. The income levels utilized in the analysis are San Mateo County limits in effect in 2007, the year applicable to our compensation data. The 2009 income levels were not released when this analysis was originally prepared (but are unchanged from 2007). In addition, we would use 2007 income definitions for consistency with the employee compensation data in any case.

The income tiers used in the analysis are Very Low Income (up to 50% AMI), Low Income (50%-80% AMI) and Moderate Income (80%-120% AMI) per HCD and statewide programs.

In addition, a tier covering the 120% to 150% AMI is presented in this analysis because this income tier faces affordable housing challenges in Menlo Park as well. The cost of minimal condominium units recently developed in Menlo Park is beyond the reach of households in this income tier. For example, three person household at 150% of median income would have an annual income of \$128,300 maximum, and would not be able to afford the over \$700,000 price that a two bedroom unit commands in Menlo Park. (The income limits are summarized in Appendix Table 1.) Based on discussions with staff, this income tier was therefore included to provide decision makers more information into the housing impacts for a broad spectrum of the new worker households associated with the project.

Analysis Step 1 – Estimate of Total New Employees

Estimates of employment growth were provided in the fiscal impact analysis prepared by the applicant and were adjusted as described in Section I of this report. The employment inputs to the analysis are summarized on Table I-1.

Step 2 – Adjustment from Employees to Employee Households

This step (Table II-1) converts the number of employees to the number of employee households that will work at or in the building type being analyzed. This step recognizes that there is, on average, more than one worker per household, and thus the number of housing units in demand for new workers must be reduced. The workers per worker household ratio eliminates from the equation all non-working households, such as retired persons, students, and those on public assistance. The San Mateo County average of 1.72 workers per worker households is used in the analysis because workers will be more similar to the County as a whole than the smaller City of Menlo Park profile.

Step 3 – Occupational Distribution of Employees

Occupational distribution for employees added within the Project is based on data from a national survey by the U.S. Department of Labor. Occupation refers to job description such as management, sales clerk, cashier, etc. The survey provides occupational composition for various employment “industries,” which KMA translates to building types. National statistics are used because local data is not generally available, and for many industries, national data is a good reflection of the occupational distribution that can be expected locally. The occupational composition of employees in hotels, restaurants, and shops in the Bay Area, for example, is probably not very different than it is nationally.

The occupational distribution of office employees was based on the assumption that the office space would be leased to tenants representative of the technology-oriented economic base of the Silicon Valley / Peninsula market. The mix of tenants is based on a refinement and customization of assumptions developed for similar analyses completed for nearby cities. In

addition to a tech oriented tenant mix, we also tested the results with three other assumptions as to tenant mix. The results of these sensitivity tests are described in Section III.

Job descriptions follow the Standard Occupational Classification (SOC) System codes and are summarized in Appendix Tables 3 to 17. The percentage distribution of employees by major occupation category is shown on Table II-1 at the end of this section.

Step 4 – Estimates of Employee Households Meeting the Lower Income Definitions

This step in the analysis calculates the number of employee households that fall into each income category for each size household. This calculation is based on employee wage and salary income distribution and the 2007 income limits for San Mateo County, as described above.

Employee income distribution is based on the occupational distribution from Step 3 in combination with recent wage and salary information for each occupation from the California Employment Development Department (EDD) for San Mateo County in 2007 (see Appendix Tables 3 through 17).

Employee income is adjusted to household income assuming that multiple earner households are, on average, formed of individuals with similar incomes. U.S. Census 2000 Transportation Planning Package data for San Mateo County on the number of workers in households of various size is used to make this adjustment. Demographic studies in recent years also confirm the high probability of people forming households with others of like compensation level, although there is obviously a significant percent of households that are an exception to this norm.

Wage and salary information is then compared to the HCD income definitions for San Mateo County to calculate the number of households that fall into each income category.

Step 5 – Estimate of Household Size Distribution

In this step, household size distribution is input into the model in order to estimate the income and household size combinations that meet the income definitions established by HUD, as used by the State and the City. The household size distribution utilized in the analysis is that of San Mateo County since the workers are more representative of the larger universe (the County) than the City of Menlo Park.

Step 6 – Estimate of Households that meet HUD Size and Income Criteria

For this step we had to build a matrix of household size and income to establish probability factors for the two criteria in combination. Probability factors were calculated for each of HUD's income and household size levels and multiplied by the number of households.

Table II - 2 shows the estimated number of households in the Very Low Income or under 50% of Median Income Category. It is the output of the model, after completing Step #4 comparing incomes with the low-income definitions, Step #5 estimating the household size distribution of worker households, and Step #6 which uses this information to calculate the number of households that fall into each income category. Table II-3 shows the results after repeating this methodology for each of the five income tiers.

Summary by Income Level

Table II-4 summarizes the new housing need for all five household income categories. The results show total projected housing demand within commuting distance of Menlo Park, or number of housing units by affordability level, located somewhere, where a member of the household works in the proposed Project. Table II-4 results are summarized in the inset table below.

Number of New Households	Total	Income Level				
		Very Low 0% - 50% of AMI	Low 50% - 80% of AMI	Moderate 80% - 120% of AMI	Above Moderate 120% - 150% of AMI	Upper over 150% of AMI
<u>Proposed Project</u>						
Office / Tech	1,345	184	276	180	183	522
Retail	15	9	4	1	1	1
Hotel	47	29	12	3	2	2
Health Club / Spa	38	19	9	3	2	4
Restaurant	45	36	8	1	0	0
	1,489	276	309	188	187	529
<u>Existing</u>						
Law Office	(94)	(14)	(20)	(12)	(11)	(37)
Tech / R&D tenants	(306)	(78)	(71)	(39)	(35)	(84)
	(399)	(92)	(90)	(51)	(45)	(121)
Net Increase	1,090	184	219	137	142	408

The analysis finds that a total of 1,090 new housing units some where in the region are required to meet the housing needs generated by the Project. Of this new housing demand, 540 units (184 + 219 + 137) are for households earning less than 120% of AMI or 682 units counting all households through 150% of AMI.

The results for the office space, as might be expected with the technology oriented tenant mix (implying many high skilled and highly compensated workers), indicate the greatest share of employee households is in the highest income tier (over 150% AMI). In total, about 39% of office / tech employee households are over 150% of AMI. Since the office space may be leased to other types of tenants, we have completed a sensitivity analysis included in Section III.

For the retail, hotel, restaurant, and health club components of the project, the housing demand is concentrated in the Very Low income tier (under 50% of AMI or \$57,000 for a four person household). The finding that many new employee households are in the lower income tiers is consistent with the generally very low compensation levels of retail, restaurant, health spa, and hotel employees.

**TABLE II-1
HOUSEHOLDS AND OCCUPATION DISTRIBUTION
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

	Existing		New				
	Tech / R&D	Law Office	Office / Tech	Retail	Hotel	Health Club	Restaurant
Step 1 - Employees ¹	526	161	2,317	25	81	65	78
Step 2 - Adjustment for No. of Households (1.72)	306	94	1,345	15	47	38	45
Step 3 - Occupation Distribution ²							
Management Occupations	8%	2%	9%	3%	4%	3%	2%
Business and Financial Operations	5%	2%	12%	1%	1%	1%	0%
Computer and Mathematical	6%	1%	24%	1%	0%	0%	0%
Architecture and Engineering	17%	0%	7%	0%	0%	0%	0%
Life, Physical, and Social Science	2%	0%	5%	0%	0%	0%	0%
Community and Social Services	0%	0%	0%	0%	0%	0%	0%
Legal	0%	49%	3%	0%	0%	0%	0%
Education, Training, and Library	0%	0%	0%	0%	0%	1%	0%
Arts, Design, Entertainment, Sports, and Media	0%	0%	3%	1%	0%	4%	0%
Healthcare Practitioners and Technical	0%	0%	0%	0%	0%	1%	0%
Healthcare Support	0%	0%	0%	0%	0%	1%	0%
Protective Service	0%	0%	0%	0%	2%	5%	0%
Food Preparation and Serving Related	0%	0%	0%	0%	26%	12%	94%
Building and Grounds Cleaning and Maint.	0%	0%	0%	0%	29%	8%	0%
Personal Care and Service	0%	0%	0%	0%	7%	46%	0%
Sales and Related	5%	0%	6%	72%	3%	6%	2%
Office and Administrative Support	11%	45%	25%	14%	19%	11%	1%
Farming, Fishing, and Forestry	0%	0%	0%	0%	0%	0%	0%
Construction and Extraction	0%	0%	0%	0%	0%	0%	0%
Installation, Maintenance, and Repair	3%	0%	1%	4%	4%	2%	0%
Production	38%	0%	1%	1%	2%	0%	0%
Transportation and Material Moving	3%	0%	1%	4%	1%	0%	1%
Totals	100%	100%	100%	100%	100%	100%	100%
Management Occupations	24.8	1.6	119.1	0.4	1.7	1.0	1.0
Business and Financial Operations	15.1	1.4	158.9	0.2	0.6	0.3	0.1
Computer and Mathematical	19.8	1.1	326.4	0.1	0.0	0.0	0.0
Architecture and Engineering	52.3	0.0	96.8	0.0	0.0	0.0	0.0
Life, Physical, and Social Science	6.4	0.1	65.7	0.0	0.0	0.0	0.0
Community and Social Services	0.0	0.0	1.9	0.0	0.0	0.0	0.0
Legal	0.4	46.3	37.3	0.0	0.0	0.0	0.0
Education, Training, and Library	0.1	0.2	5.5	0.0	0.0	0.2	0.0
Arts, Design, Entertainment, Sports, and Media	1.5	0.1	45.7	0.1	0.2	1.5	0.0
Healthcare Practitioners and Technical	1.2	0.0	1.2	0.0	0.0	0.3	0.0
Healthcare Support	0.2	0.0	0.3	0.0	0.2	0.4	0.0
Protective Service	0.4	0.1	3.0	0.0	0.9	1.9	0.1
Food Preparation and Serving Related	0.0	0.0	1.2	0.1	12.3	4.5	42.5
Building and Grounds Cleaning and Maint.	1.3	0.4	6.3	0.0	13.8	3.2	0.2
Personal Care and Service	0.0	0.0	5.9	0.0	3.3	17.5	0.0
Sales and Related	13.8	0.3	80.6	10.4	1.3	2.1	0.7
Office and Administrative Support	34.4	41.7	341.5	2.0	8.8	4.1	0.3
Farming, Fishing, and Forestry	0.0	0.0	0.7	0.0	0.0	0.0	0.0
Construction and Extraction	0.3	0.0	6.1	0.0	0.1	0.0	0.0
Installation, Maintenance, and Repair	10.4	0.1	15.3	0.5	2.0	0.6	0.0
Production	115.4	0.0	15.8	0.1	1.0	0.0	0.1
Transportation and Material Moving	7.7	0.0	9.4	0.5	0.6	0.2	0.2
Totals	305.6	93.6	1,344.8	14.5	47.0	37.7	45.3

Notes:

¹ See Table I - 1.

² See Appendix Tables 3 - 17 for additional information from which the percentage distributions were derived.

**TABLE II-2
 VERY LOW INCOME EMPLOYEE HOUSEHOLDS
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

	Existing		New				
	Tech / R&D	Law Office	Office / Tech	Retail	Hotel	Health Club	Restaurant
Step 4, 5, & 6 - Very Low Income Households¹ within Major Occupation Categories²							
Management	0.04	-	0.19	0.00	0.18	0.02	0.10
Business and Financial Operations	0.84	-	7.92	-	-	-	-
Computer and Mathematical	0.27	-	5.11	-	-	-	-
Architecture and Engineering	0.66	-	2.43	-	-	-	-
Life, Physical and Social Science	-	-	4.23	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-
Legal	-	1.66	-	-	-	-	-
Education Training and Library	-	-	-	-	-	-	-
Arts, Design, Entertainment, Sports, & Media	-	-	-	-	-	0.50	-
Healthcare Practitioners and Technical	-	-	-	-	-	-	-
Healthcare Support	-	-	-	-	-	-	-
Protective Service	-	-	-	-	-	1.23	-
Food Preparation and Serving Related	-	-	-	-	9.84	3.62	34.45
Building Grounds and Maintenance	-	-	-	-	8.58	1.85	-
Personal Care and Service	-	-	-	-	2.14	7.94	-
Sales and Related	1.92	-	16.85	6.98	-	1.23	-
Office and Admin	13.45	11.64	125.59	0.95	4.24	1.97	-
Farm, Fishing, and Forestry	-	-	-	-	-	-	-
Construction and Extraction	-	-	-	-	-	-	-
Installation Maintenance and Repair	-	-	-	0.12	0.52	-	-
Production	53.13	-	-	-	-	-	-
Transportation and Material Moving	-	-	-	0.30	-	-	-
Total Very Low Income Households - Major Occupations	70.30	13.30	162.33	8.35	25.49	18.36	34.55
Very Low Income Households ¹ - "all other" occupations	7.65	0.85	21.26	0.38	3.04	1.06	1.48
Total Very Low Income Households¹	77.95	14.15	183.59	8.73	28.53	19.42	36.04

¹ Includes households earning from zero through 50% of San Mateo County Median Income.

² See Appendix Tables 3 - 17 for additional information on Major Occupation Categories.

**TABLE II-3
ESTIMATED NUMBER OF EMPLOYEE HOUSEHOLDS BY INCOME TIER
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

	Existing			New					
	Tech / R&D	Law Office	Total Existing	Office / Tech	Retail	Hotel	Health Club	Restaurant	Total New
Number of New Households									
Under 50% AMI	78	14	92	184	9	29	19	36	276
50% to 80% AMI	71	20	90	276	4	12	9	8	309
80% to 120% AMI	39	12	51	180	1	3	3	1	188
120% to 150% AMI	35	11	45	183	1	2	2	0	187
Subtotal through 150% AMI	222	56	278	823	14	46	34	45	961
Over 150% of AMI	84	37	121	522	1	2	4	0	529
Total Employee Households	306	94	399	1,345	15	47	38	45	1,489
Percent of New Households									
Under 50% AMI	26%	15%	23%	14%	60%	61%	51%	80%	19%
50% to 80% AMI	23%	21%	23%	21%	26%	26%	24%	17%	21%
80% to 120% AMI	13%	13%	13%	13%	6%	6%	8%	2%	13%
120% to 150% AMI	11%	11%	11%	14%	4%	3%	6%	1%	13%
Subtotal through 150% AMI	73%	60%	70%	61%	96%	97%	90%	99%	65%
Over 150% of AMI	27%	40%	30%	39%	4%	3%	10%	1%	35%
Total Employee Households	100%	100%	100%	100%	100%	100%	100%	100%	100%

AMI = Area Median Income

**TABLE II-4
IMPACT ANALYSIS - SUMMARY
NET NEW WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

	Building Area Sq.Ft.	Estimated Employees	Employee Households <i>1.72 workers per worker HH</i>	Projected Employee Households by Income Tier				
				Very Low	Low	Moderate	Above Moderate	Upper
				0% - 50% of AMI	50% - 80% of AMI	80% - 120% of AMI	120% - 150% of AMI	over 150% of AMI
Proposed Project								
Office / Tech	695,000	2,317	1,345	184	276	180	183	522
Retail	10,000	25	15	9	4	1	1	1
Hotel	174,000	81	47	29	12	3	2	2
Health Club / Spa	69,000	65	38	19	9	3	2	4
Restaurant	<u>7,000</u>	<u>78</u>	<u>45</u>	<u>36</u>	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>
	955,000	2,566	1,489	276	309	188	187	529
Existing								
Law Office	(48,000)	(161)	(94)	(14)	(20)	(12)	(11)	(37)
Tech / R&D tenants ¹	<u>(171,000)</u>	<u>(526)</u>	<u>(306)</u>	<u>(78)</u>	<u>(71)</u>	<u>(39)</u>	<u>(35)</u>	<u>(84)</u>
	(219,000)	(688)	(399)	(92)	(90)	(51)	(45)	(121)
Net Increase	<u>736,000</u>	<u>1,878</u>	<u>1,090</u>	<u>184</u> 17%	<u>219</u> 20%	<u>137</u> 13%	<u>142</u> 13%	<u>408</u> 37%

Note:

¹ Assumes re-leasing of existing space with Tech / R&D tenants.

AMI = Area Median Income

SECTION III – SENSITIVITY TESTING AND ANALYSIS OF ALTERNATIVES

This section summarizes the results of sensitivity testing of selected assumptions and analysis of the EIR Alternatives.

Sensitivity Testing

Office Tenant Mix

The base assumption for the housing needs analysis is that the proposed office space would be leased to a mix of tenants representative of the technology-oriented economic base in the Silicon-Valley / Peninsula market. The assumed mix covers typical office users such as administrative and service firms (see Appendix Table 4) but with a higher proportion of technology oriented firms than average elsewhere in California.

To evaluate how the results would change with different tenant mix assumptions, three sensitivity scenarios have been completed:

1. Tenant mix weighted to professional services including engineering, architectural, and accounting firms;
2. Tenant mix weighted to law firms; and
3. Tenant mix focused on finance, investment, and insurance firms.

We did not analyze a medical office scenario because the developer has agreed not to accept medical office tenants. The results of these sensitivity tests are presented in Table III - 1.

The sensitivity analysis indicates that other tenant mixes would be expected to generate a larger share of housing need in the lower income tiers. Law firm tenants produce results which most closely match the selected tech-oriented profile. Finance and insurance yield results which show the largest difference with the identified tenant mix. We note that the use of national level data for insurance firms does not capture the tendency toward location of lower-skill and lower-paid claims processing component of operations to lower-cost areas. The sensitivity results likely overstate the number of households in the lower tiers given that an insurance company, for example, would be unlikely to locate a new large scale regional claims processing center in Menlo Park.

Income Data Set

The income data used in the analysis is for the San Francisco Primary Metropolitan Statistical Area (PMSA) which covers San Mateo, San Francisco, and Marin counties. A separate data set exclusive to San Mateo County is not available. Given Menlo Park's location at the southern end

of San Mateo County, a significant portion (about 30%) of its workforce is drawn from adjacent Santa Clara County (based on data from the 2000 Census). In comparison only about 7% of the workforce commutes from San Francisco and Marin. Based on this commute data, Menlo Park is more closely connected to the labor market in Santa Clara County than with San Francisco and Marin.

KMA tested the analysis results using Santa Clara County incomes instead of the San Mateo, San Francisco, and Marin income data. Santa Clara income data produces results that are very similar. A summary of the sensitivity test results is presented on Table III -2 for the illustration of the difference, but since differences are minor, no adjustments in the Section II conclusion are warranted, in our opinion.

EIR Alternatives

The EIR includes an analysis of alternatives to the proposed development. The alternatives that have been identified for analysis are:

Alternative 1 - No Project and re-leasing of existing space;

Alternative 2 - Development in accordance with existing zoning;

Alternative 3 - Development in accordance with existing zoning but with the proposed hotel (inclusive of fitness club and restaurant space);

Alternative 4 - Development based on an initial Developer proposal with about 500,000 square feet of office space (vs. 700,000 currently proposed) but with the current hotel proposal; and

Alternative 5 – “Reduced Intensity” alternative with about 550,000 square feet of office (vs. 700,000 currently proposed) plus the hotel as proposed (inclusive of fitness club and restaurant space).

Development program and employment estimates for each of the alternatives are presented on Table III – 3. All the same assumptions as the analysis of the proposed project are used. Distribution of housing needs by income tier is calculated from the percentages reflected in Table II – 3.

The results of the analysis with each of the alternatives are summarized on Table III -4. Backup detail computing net new housing need in each of the alternatives is provided on Tables III – 5.1 through III – 5.5.

**TABLE III-1
SENSITIVITY TO OFFICE TENANT MIX ASSUMPTION
NET NEW WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

NUMBER OF HOUSEHOLDS / UNITS

		A.		B.		C.		D.	
		Base Case Office Space Occupied Primarily by Tech Tenants		Office Space Occupied by Professional Service Tenants¹		Office Space Occupied by Law Firm Tenants		Office Space Occupied by Finance and Insurance Tenants	
Very Low	0% - 50% AMI	184	16.9%	204	18.7%	204	18.7%	228	20.9%
Low	50% - 80% AMI	219	20.1%	243	22.3%	224	20.5%	264	24.2%
Moderate	80% - 120% AMI	137	12.6%	149	13.7%	129	11.9%	142	13.0%
Above Moderate	120% - 150% AMI	142	13.0%	150	13.8%	113	10.4%	131	12.0%
Upper	over 150% AMI	408	37.4%	344	31.6%	419	38.5%	325	29.8%
		1,090	100.0%	1,090	100.0%	1,090	100.0%	1,090	100.0%

Notes

¹ Sensitivity analysis based on engineering, architectural, and accounting firms.

AMI = Area Median Income

TABLE III-2

ANALYSIS WITH INCOME DATA FOR SANTA CLARA COUNTY¹
 NET NEW WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA

NUMBER OF HOUSEHOLDS / UNITS

		A.		B.	
		Base Case San Mateo, San Francisco, and Marin County Incomes ²		Sensitivity With Santa Clara County Incomes	
Very Low	0% - 50% AMI	184	16.9%	178	16.3%
Low	50% - 80% AMI	219	20.1%	202	18.5%
Moderate	80% - 120% AMI	137	12.6%	134	12.3%
Above Moderate	120% - 150% AMI	142	13.0%	146	13.4%
Upper	over 150% AMI	408	37.4%	430	39.5%
		1,090	100.0%	1,090	100.0%

Notes

¹ Versus income data for the San Francisco, San Mateo-Redwood City MD (San Mateo, San Francisco, and Marin Counties) which was used for the selected approach.

² The California Employment Development Department provides wage and salary data for the San Francisco Primary Metropolitan Statistical Area (Marin, San Francisco, San Mateo Counties) but does not provide data for San Mateo County alone.

AMI = Area Median Income

**TABLE III-3
DEVELOPMENT AND ESTIMATED EMPLOYMENT - ALTERNATIVES
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

	Alternative 1 No Project Re-Lease Existing	Alternative 2 Existing Zoning	Alternative 3 Existing Zoning + Current Hotel Proposal	Alternative 4 Original Office Proposal + Current Hotel Proposal	Alternative 5 Reduced Intensity Alternative
Building Area (Sq.Ft.)	Proposal				
Office / Tech	695,000	0	313,000	313,000	504,000
Retail / Community Facilities	10,000	0	0	10,000	10,000
Legal	0	48,000	0	0	0
Tech / R&D	0	171,000	0	0	0
Hotel	230 Rooms	0 Rooms	0 Rooms	230 Rooms	230 Rooms
Hotel Rooms / Common Area	174,000	0	0	174,000	174,000
Fitness Club / Spa	69,000	0	0	69,000	69,000
Restaurant	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>7,000</u>	<u>7,000</u>
	250,000	0	0	250,000	250,000
	955,000	219,000	313,000	573,000	764,000
Employment ¹					
Office / Tech	2,317	0	1,043	1,043	1,680
Retail / Community Facilities	25	0	0	25	25
Legal	0	161	0	0	0
Tech / R&D	0	526	0	0	0
Hotel					
Hotel Rooms / Common Area	81	0	0	81	81
Fitness Club / Spa	65	0	0	65	65
Restaurant	<u>78</u>	<u>0</u>	<u>0</u>	<u>78</u>	<u>78</u>
	224	0	0	224	224
	2,566	688	1,043	1,292	1,929

Notes:

¹ Employment estimates for the Alternatives are based on the same employment densities as the proposed project per Table I -1.

Source: PBS&J Project and Alternatives Data Table updated 5/21/2009.

**TABLE III-4
IMPACT ANALYSIS - SUMMARY OF ALTERNATIVES
NET NEW WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

	Proposed Project	Alternative 1 No Project Re-Lease Existing	Alternative 2 Existing Zoning	Alternative 3 Existing Zoning + Current Hotel Proposal	Alternative 4 Original Office Proposal + Current Hotel Proposal	Alternative 5 Reduced Intensity Alternative
Development Program (Table III - 3)						
Office / Retail / Restaurant / R&D (Sq.Ft.)	712,000	219,000	313,000	330,000	521,000	571,000
Hotel Rooms	230 Rooms	0 Rooms	0 Rooms	230 Rooms	230 Rooms	230 Rooms
Fitness Club / Spa (Sq.Ft.)	69,000	0	0	69,000	69,000	69,000
Employee Households (Net Increase)	Table II - 4	Table III - 5.1	Table III - 5.2	Table III - 5.3	Table III - 5.4	Table III - 5.5
Very Low (Under 50% AMI)	184	0	(9)	83	134	134
Low (50% to 80% AMI)	219	0	34	67	143	143
Moderate (80% to 120% AMI)	137	0	30	38	88	88
Above Moderate (120% to 150% AMI)	142	0	37	42	92	92
Subtotal through 150% AMI	682	0	92	230	456	456
Upper (Over 150% of AMI)	408	0	114	121	264	264
Total	1,090	0	206	351	721	721

**TABLE III-5.1
IMPACT ANALYSIS SUMMARY - ALTERNATIVE 1
NET NEW WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

ALTERNATIVE 1: NO PROJECT, EXISTING VACANT SPACE LEASED

	Building Area Sq.Ft.	Estimated Employees	Employee Households <i>1.72 workers per worker HH</i>	Projected Employee Households by Income Tier ¹				
				Very Low	Low	Moderate	Above Moderate	Upper
				0% - 50% of AMI	50% - 80% of AMI	80% - 120% of AMI	120% - 150% of AMI	over 150% of AMI
Proposed Project								
Office / Tech	0	0	0	0	0	0	0	0
Retail	0	0	0	0	0	0	0	0
Law Office	48,000	161	94	14	20	12	11	37
Tech / R&D	171,000	526	306	78	71	39	35	84
Hotel	0	0	0	0	0	0	0	0
Health Club / Spa	0	0	0	0	0	0	0	0
Restaurant	0	0	0	0	0	0	0	0
	219,000	688	399	92	90	51	45	121
Existing								
Law Office	(48,000)	(161)	(94)	(14)	(20)	(12)	(11)	(37)
Tech / R&D tenants ²	<u>(171,000)</u>	<u>(526)</u>	<u>(306)</u>	<u>(78)</u>	<u>(71)</u>	<u>(39)</u>	<u>(35)</u>	<u>(84)</u>
	(219,000)	(688)	(399)	(92)	(90)	(51)	(45)	(121)
Net Increase	0	0	0	0	0	0	0	0

Notes

¹ Calculated based on the percentage distributions shown on Table II - 3.

² Assumes re-leasing of existing space with Tech / R&D tenants.

AMI = Area Median Income

**TABLE III-5.2
IMPACT ANALYSIS SUMMARY - ALTERNATIVE 2
NET NEW WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

ALTERNATIVE 2: EXISTING ZONING

	Building Area Sq.Ft.	Estimated Employees	Employee Households <i>1.72 workers per worker HH</i>	Projected Employee Households by Income Tier ¹				
				Above				
				Very Low 0% - 50% of AMI	Low 50% - 80% of AMI	Moderate 80% - 120% of AMI	Moderate 120% - 150% of AMI	Upper over 150% of AMI
Proposed Project								
Office / Tech	313,000	1,043	606	83	124	81	82	235
Retail	0	0	0	0	0	0	0	0
Hotel	0	0	0	0	0	0	0	0
Health Club / Spa	0	0	0	0	0	0	0	0
Restaurant	0	0	0	0	0	0	0	0
	313,000	1,043	606	83	124	81	82	235
Existing								
Law Office	(48,000)	(161)	(94)	(14)	(20)	(12)	(11)	(37)
Tech / R&D tenants ²	<u>(171,000)</u>	<u>(526)</u>	<u>(306)</u>	<u>(78)</u>	<u>(71)</u>	<u>(39)</u>	<u>(35)</u>	<u>(84)</u>
	(219,000)	(688)	(399)	(92)	(90)	(51)	(45)	(121)
Net Increase	94,000	356	206	(9)	34	30	37	114
				-5%	16%	15%	18%	55%

Notes

¹ Calculated based on the percentage distributions shown on Table II - 3.

² Assumes re-leasing of existing space with Tech / R&D tenants.

AMI = Area Median Income

TABLE III-5.3
 IMPACT ANALYSIS SUMMARY - ALTERNATIVE 3
 NET NEW WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA

ALTERNATIVE 3: EXISTING ZONING + HOTEL / HEALTH CLUB PER CURRENT PROPOSAL

	Building Area Sq.Ft.	Estimated Employees	Employee Households <i>1.72 workers per worker HH</i>	Projected Employee Households by Income Tier ¹				
				Above				
				Very Low 0% - 50% of AMI	Low 50% - 80% of AMI	Moderate 80% - 120% of AMI	Moderate 120% - 150% of AMI	Upper over 150% of AMI
Proposed Project								
Office / Tech	313,000	1,043	606	83	124	81	82	235
Retail	10,000	25	15	9	4	1	1	1
Hotel	174,000	81	47	29	12	3	2	2
Health Club / Spa	69,000	65	38	19	9	3	2	4
Restaurant	<u>7,000</u>	<u>78</u>	<u>45</u>	<u>36</u>	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>
	573,000	1,292	750	175	157	89	87	242
Existing								
Law Office	(48,000)	(161)	(94)	(14)	(20)	(12)	(11)	(37)
Tech / R&D tenants ²	<u>(171,000)</u>	<u>(526)</u>	<u>(306)</u>	<u>(78)</u>	<u>(71)</u>	<u>(39)</u>	<u>(35)</u>	<u>(84)</u>
	(219,000)	(688)	(399)	(92)	(90)	(51)	(45)	(121)
Net Increase	<u>354,000</u>	<u>605</u>	<u>351</u>	83 24%	67 19%	38 11%	42 12%	121 34%

Notes

¹ Calculated based on the percentage distributions shown on Table II - 3.

² Assumes re-leasing of existing space with Tech / R&D tenants.

AMI = Area Median Income

**TABLE III-5.4
IMPACT ANALYSIS SUMMARY - ALTERNATIVE 4
NET NEW WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

ALTERNATIVE 4: ORIGINAL PROPOSAL + HOTEL / HEALTH CLUB PER CURRENT PROPOSAL

	Building Area Sq.Ft.	Estimated Employees	Employee Households <i>1.72 workers per worker HH</i>	Projected Employee Households by Income Tier ¹				
				Above				
				Very Low 0% - 50% of AMI	Low 50% - 80% of AMI	Moderate 80% - 120% of AMI	Moderate 120% - 150% of AMI	Upper over 150% of AMI
Proposed Project								
Office / Tech	504,000	1,680	975	133	200	131	133	379
Retail	10,000	25	15	9	4	1	1	1
Hotel	174,000	81	47	29	12	3	2	2
Health Club / Spa	69,000	65	38	19	9	3	2	4
Restaurant	<u>7,000</u>	<u>78</u>	<u>45</u>	<u>36</u>	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>
	764,000	1,929	1,120	226	233	138	137	385
Existing								
Law Office	(48,000)	(161)	(94)	(14)	(20)	(12)	(11)	(37)
Tech / R&D tenants ²	<u>(171,000)</u>	<u>(526)</u>	<u>(306)</u>	<u>(78)</u>	<u>(71)</u>	<u>(39)</u>	<u>(35)</u>	<u>(84)</u>
	(219,000)	(688)	(399)	(92)	(90)	(51)	(45)	(121)
Net Increase	<u>545,000</u>	<u>1,241</u>	<u>721</u>	<u>134</u> 19%	<u>143</u> 20%	<u>88</u> 12%	<u>92</u> 13%	<u>264</u> 37%

Notes

¹ Calculated based on the percentage distributions shown on Table II - 3.

² Assumes re-leasing of existing space with Tech / R&D tenants.

AMI = Area Median Income

**TABLE III-5.5
IMPACT ANALYSIS SUMMARY - ALTERNATIVE 5
NET NEW WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

ALTERNATIVE 5: REDUCED INTENSITY

	Building Area Sq.Ft.	Estimated Employees	Employee Households <i>1.72 workers per worker HH</i>	Projected Employee Households by Income Tier ¹				
				Above				
				Very Low 0% - 50% of AMI	Low 50% - 80% of AMI	Moderate 80% - 120% of AMI	Moderate 120% - 150% of AMI	Upper over 150% of AMI
Proposed Project								
Office / Tech	554,000	1,847	1,072	146	220	144	146	416
Retail	10,000	25	15	9	4	1	1	1
Hotel	174,000	81	47	29	12	3	2	2
Health Club / Spa	69,000	65	38	19	9	3	2	4
Restaurant	<u>7,000</u>	<u>78</u>	<u>45</u>	<u>36</u>	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>
	814,000	2,096	1,217	239	253	151	150	423
Existing								
Law Office	(48,000)	(161)	(94)	(14)	(20)	(12)	(11)	(37)
Tech / R&D tenants ²	<u>(171,000)</u>	<u>(526)</u>	<u>(306)</u>	<u>(78)</u>	<u>(71)</u>	<u>(39)</u>	<u>(35)</u>	<u>(84)</u>
	(219,000)	(688)	(399)	(92)	(90)	(51)	(45)	(121)
Net Increase	<u>595,000</u>	<u>1,408</u>	<u>817</u>	<u>147</u> 18%	<u>163</u> 20%	<u>101</u> 12%	<u>105</u> 13%	<u>302</u> 37%

Notes

¹ Calculated based on the percentage distributions shown on Table II - 3.

² Assumes re-leasing of existing space with Tech / R&D tenants.

AMI = Area Median Income

SECTION IV – MENLO PARK SHARE

The conclusions regarding the housing needs associated with the Proposed Project, as presented at the end of Section II of this report, and the EIR Alternatives summarized in Section III, are for total impacts irrespective of location or geography. The analysis thus far presents a summary of net new households somewhere within commuting distance of the project that will be added to the economy as a result of the project. This section of the report presents information for understanding existing conditions with respect to where people who work in Menlo Park now live and an approach to assessing new workers in Menlo Park and what might be termed Menlo Park's share of the new worker households.

Existing Relationships

The U. S. Census reports data on place of work and place of residence and summary information on how the two relate for each jurisdiction and subarea within unincorporated portions of counties. According to the 2000 Census, 10% of those who work in Menlo Park also live in Menlo Park.

The existing percentage of workers commuting from other jurisdictions at 10% is attributable to a number of factors – the small supply of housing relative to the number of jobs and the high cost of housing in Menlo Park. One can safely say that the 10% does not reflect the proportion of workers who would live in Menlo Park if they could afford it. Nevertheless, the 10% does provide a benchmark or starting place for a percentage of new housing units that could be viewed as a share for Menlo Park.

The percent of workers in Menlo Park who also live in the City has been decreasing over the decades with each Census survey. Workers most everywhere tend to commute more in recent years than in the past and, in addition, Menlo Park has become less affordable over time. Large employers that are newer to an area, or have a high turnover, typically have a smaller percent of workers living locally than employers who have been established locally for a long time. It remains to be seen to what extent higher transportation costs may alter these long term trends.

Other Jurisdictions

To put the Menlo Park 10% relationship into the context of other jurisdictions, we can examine the commute relationships in other jurisdictions and the City could identify some sort of goal based on what others achieve for the percent of workers that live locally. Table IV-1 summarizes commute relationships for all the jurisdictions for five counties in the Bay Area to illustrate how this relationship varies by jurisdiction. For example, cities with many more jobs than residents such as Brisbane or Emeryville, not surprisingly, have a huge percentage of in-commuters. Larger jurisdictions appear to draw a larger share of their workforce from in town (San Francisco, San Jose) as do jurisdictions that are set apart geographically (Pacifica, Half Moon Bay). Menlo Park draws a low percentage of its workforce from inside its own boundaries as

compared to most other jurisdictions in the Bay Area, in part because of its small housing stock relative to its job base.

The table at the end of this section, Table IV-1 also presents information on local jobs and local working residents relationships, factors that have the potential of influencing future ABAG Regional Housing Needs Allocation assignment levels, as discussed in Section VI of this report.

Local Policy Options and Menlo Park

A jurisdiction may embrace a policy addressing a share of local jobs to be accommodated locally by the housing supply. Most jurisdictions do not currently have such a policy. Since Menlo Park has no such policy, the existing relationship serves as a base line for a share of the total housing needs quantified in the analysis that will seek housing in Menlo Park. In other words, 10% of the housing needs concluded at the end of Section III may be viewed as the Menlo Park share, as indicated below.

Net Increase	Income Level					
	Total	Very Low	Low	Moderate	Above Moderate	Upper
New Households	1,090	184	219	137	142	408
10% Menlo Park Share	109	18	22	14	14	41

Likewise, for the housing impacts associated with the EIR alternatives in Section III, 10% may be viewed as the local share.

**TABLE IV-1
 COMMUTE RELATIONSHIP FOR OTHER CITIES
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 MENLO PARK, CA WORKING DRAFT FOR REVIEW BY STAFF ONLY**

From U.S. Census 2000 Transportation Planning Package Data

	Percent of Workforce Living in Jurisdiction	Rank (highest to lowest)	Total Jobs	Jobs Held by Residents	Total Working Residents	Jobs / Working Resident
San Mateo County						
Atherton	22%	61	2,541	565	3,078	0.83
Belmont	20%	67	6,974	1,405	13,836	0.50
Brisbane	5%	105	6,723	305	2,070	3.25
Broadmoor	51%	9	158	80	1,918	0.08
Burlingame	12%	98	25,606	3,105	15,151	1.69
Daly City	32%	39	14,964	4,715	49,551	0.30
East Palo Alto	34%	32	2,786	940	10,994	0.25
El Granada	54%	6	778	420	3,245	0.24
Emerald Lake Hills	41%	17	388	160	2,201	0.18
Foster City	14%	90	16,736	2,385	15,665	1.07
Half Moon Bay	43%	14	4,779	2,070	5,823	0.82
Highlands-Baywood Park	21%	63	1,308	275	2,058	0.64
Hillsborough	36%	28	1,931	695	4,462	0.43
Menlo Park	10%	99	32,754	3,300	15,174	2.16
Millbrae	18%	76	6,362	1,150	9,401	0.68
Montara	46%	10	388	180	1,549	0.25
North Fair Oaks	15%	87	3,595	530	6,883	0.52
Pacifica	54%	7	5,075	2,735	20,788	0.24
Portola Valley	23%	58	1,516	355	1,939	0.78
Redwood City	19%	71	52,512	9,720	39,061	1.34
San Bruno	19%	70	15,289	2,940	20,913	0.73
San Carlos	14%	89	17,780	2,535	14,835	1.20
San Mateo	27%	47	46,075	12,420	47,045	0.98
South San Francisco	15%	86	41,005	6,165	28,937	1.42
West Menlo Park	37%	23	494	185	1,754	0.28
Woodside	27%	49	2,201	585	2,383	0.92
Remainder of County	6%	101	39,374	2,390	11,893	3.31

**TABLE IV-1
 COMMUTE RELATIONSHIP FOR OTHER CITIES
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 MENLO PARK, CA**

WORKING DRAFT FOR REVIEW BY STAFF ONLY

From U.S. Census 2000 Transportation Planning Package Data

	Percent of Workforce Living in Jurisdiction	Rank (highest to lowest)	Total Jobs	Jobs Held by Residents	Total Working Residents	Jobs / Working Resident
Santa Clara County						
Alum Rock	26%	50	931	245	5,409	0.17
Burbank	16%	82	487	80	2,866	0.17
Cambrian Park	21%	64	381	80	1,625	0.23
Campbell	13%	93	23,029	3,045	21,365	1.08
Cupertino	13%	95	34,742	4,475	23,652	1.47
East Foothills	58%	2	539	310	3,908	0.14
Gilroy	42%	16	15,417	6,480	18,691	0.82
Los Altos	21%	65	10,653	2,205	12,486	0.85
Los Altos Hills	22%	59	2,006	450	3,568	0.56
Los Gatos	15%	85	17,124	2,625	14,814	1.16
Loyola	34%	30	411	140	1,636	0.25
Milpitas	12%	97	48,571	5,990	29,713	1.63
Monte Sereno	27%	48	395	105	1,472	0.27
Morgan Hill	29%	43	12,875	3,740	15,911	0.81
Mountain View	15%	84	58,869	9,035	40,193	1.46
Palo Alto	14%	91	78,109	11,065	30,747	2.54
San Jose	56%	3	376,101	212,255	426,993	0.88
San Martin	28%	46	909	255	1,921	0.47
Santa Clara	13%	94	118,561	15,530	54,512	2.17
Saratoga	25%	52	7,761	1,940	13,049	0.59
Stanford	24%	55	16,378	3,900	5,683	2.88
Sunnyvale	18%	73	89,478	16,465	71,560	1.25
Remainder of County	13%	96	27,590	3,500	24,548	1.12
Alameda County						
Alameda	38%	22	24,824	9,325	37,073	0.67
Albany	24%	56	4,706	1,120	8,455	0.56
Ashland	14%	88	2,701	390	8,861	0.30
Berkeley	33%	35	71,172	23,590	54,421	1.31
Castro Valley	36%	27	11,579	4,180	28,411	0.41
Cherryland	13%	92	1,486	200	5,547	0.27
Dublin	16%	83	15,010	2,355	14,234	1.05
Emeryville	5%	103	17,955	920	4,124	4.35
Fairview	34%	31	607	205	4,846	0.13
Fremont	33%	34	95,088	31,700	99,818	0.95
Hayward	25%	54	69,260	17,055	61,555	1.13
Livermore	35%	29	29,787	10,295	37,734	0.79
Newark	17%	80	19,437	3,285	19,908	0.98
Oakland	37%	24	180,781	67,140	169,709	1.07
Piedmont	28%	45	2,172	615	5,077	0.43
Pleasanton	20%	68	53,013	10,515	33,066	1.60
San Leandro	19%	69	40,229	7,795	36,858	1.09
San Lorenzo	21%	66	2,955	610	9,632	0.31
Union City	24%	57	17,539	4,170	30,383	0.58
Remainder of County	4%	106	20,235	850	6,227	3.25

**TABLE IV-1
 COMMUTE RELATIONSHIP FOR OTHER CITIES
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 MENLO PARK, CA WORKING DRAFT FOR REVIEW BY STAFF ONLY**

From U.S. Census 2000 Transportation Planning Package Data

	Percent of Workforce Living in Jurisdiction	Rank (highest to lowest)	Total Jobs	Jobs Held by Residents	Total Working Residents	Jobs / Working Resident
Contra Costa County						
Alamo	29%	41	3,846	1,120	6,750	0.57
Antioch	54%	5	17,882	9,720	40,584	0.44
Bay Point	38%	19	1,563	595	8,489	0.18
Bayview-Montalvin	43%	13	138	60	1,778	0.08
Blackhawk-Camino Tassajara	37%	25	2,005	735	4,623	0.43
Brentwood	38%	21	6,014	2,260	9,178	0.66
Clayton	45%	12	1,256	570	5,618	0.22
Concord	31%	40	54,245	16,735	58,483	0.93
Crockett	18%	77	1,357	240	1,738	0.78
Danville	32%	36	12,405	4,005	20,414	0.61
Discovery Bay	58%	1	972	560	4,466	0.22
East Richmond Heights	53%	8	275	145	1,727	0.16
El Cerrito	29%	44	5,053	1,450	11,793	0.43
El Sobrante	32%	38	1,571	500	5,524	0.28
Hercules	18%	75	2,477	450	9,838	0.25
Kensington	43%	15	829	355	2,494	0.33
Lafayette	25%	51	9,913	2,515	11,304	0.88
Martinez	22%	60	16,459	3,665	18,778	0.88
Moraga	38%	20	4,483	1,705	7,389	0.61
Oakley	46%	11	2,877	1,310	11,688	0.25
Orinda	29%	42	5,639	1,640	7,731	0.73
Pacheco	8%	100	1,766	140	1,839	0.96
Pinole	21%	62	5,066	1,075	9,105	0.56
Pittsburg	33%	33	13,644	4,550	23,854	0.57
Pleasant Hill	18%	74	15,283	2,785	17,393	0.88
Richmond	25%	53	35,635	8,900	41,574	0.86
Rodeo	32%	37	981	315	4,043	0.24
Rollingwood	39%	18	90	35	997	0.09
San Pablo	17%	79	5,460	935	10,335	0.53
San Ramon	18%	72	36,162	6,660	25,244	1.43
Tara Hills	36%	26	290	105	2,403	0.12
Vine Hill	6%	102	2,439	135	1,554	1.57
Waldon	5%	104	3,859	190	3,343	1.15
Walnut Creek	17%	78	49,711	8,530	29,744	1.67
Remainder of County	17%	81	15,346	2,555	17,978	0.85
San Francisco	55%	4	583,133	322,010	416,263	1.40

Source: U.S. Census 2000 Transportation Planning Package. Metropolitan Transportation Commission.

SECTION V – UNDERLYING CONCEPTS AND ASSUMPTIONS

This section provides supporting material for the analysis in terms of clarifying some of the underlying concepts in the linking of new development projects, new jobs and housing needs. The following topics are drawn from jobs housing linkage reports and apply to the analysis of housing needs for the Bohannon Mixed Use Project as well.

The Relationship between Job Growth and Population Growth

An underlying assumption here is that job growth is the major driver of population growth for regions and subregions within the United States.

New population growth in most U.S. regions occurs primarily as a result of job growth. Over the long term, the vast majority of growth in the State of California and its sub-regions is job driven. The arrival of new population creates "secondary" demand for jobs in retail outlets and services that follow. Growth in the greater Bay Area is predominantly job driven. Most people coming to the region would not come if they could not expect to find a job, notwithstanding short-term economic cycles. People born in the local area would not stay without jobs. In the short-term, economic cycles and other factors can result in population growth without jobs to support the growth. If an economic region in the U.S. does not maintain job growth, there is an out-migration to regions where job growth is occurring. Many cities in the Midwest during the 70's and 80's are examples.

The Relationship between Construction and Job Growth

If population growth, especially lower income population, is predominantly job driven in the greater Bay Area, the question arises as to the source or "cause" of employment growth itself. Simplistically we can say that employment growth does not have "one cause." Many factors underlie the reasons for growth in employment in a given region; these factors are complex, interrelated, and often associated with forces at the national or even international level. One of the factors is the delivery of new workspace buildings. The argument does not make the case that the construction of new buildings is solely responsible for growth. However, especially in the Bay Area, new construction is uniquely important, first, as one of a number of parallel factors contributing to growth, and second, as a unique and essential condition precedent to growth.

Workplace buildings bear a special relationship to growth, different from other parallel causes, in that buildings are a *condition precedent* to growth. Job growth does not occur in modern service economies without buildings to house new workers. Unlike other factors that are responsible for growth, buildings play the additional unique role that growth cannot occur without them. Job intensification within a given space will occur in the short term, but in the longer term will become unacceptable and warrant a larger space. Conversely, it is well established that the inability to construct new workplace buildings will constrain or even halt job growth.

KMA has prepared many jobs housing analyses that demonstrate the relationship between new building construction and employment growth. These analyses confirm that over a past time frame, usually ten to fifteen years, the square feet of new workspace building within a jurisdiction is directly linked to growth in employment in the jurisdiction. That is to say the 1,878 net new jobs associated with the Project will occur if and only if the project is constructed. The project is a condition precedent to the projected job growth and the associated demand for housing.

Substitution Factor

Any given new building may be occupied partly, or even perhaps totally, by employees relocating from elsewhere within the City or the Bay Area. Buildings are often leased entirely to firms relocating from other buildings in the same jurisdiction. However, when a firm relocates to a new building from elsewhere in the region, there is space in an existing building that is vacated and released to another firm. That building in turn may be filled by some combination of newcomers to the area and existing residents. Somewhere in the chain there are jobs new to the region. The net effect is that new buildings bring in new employees, although not necessarily inside of the new buildings themselves.

Other Employment and Multipliers

The housing needs analysis does not count all potential employment growth associated with the project. For starters, employment associated with construction and development is not included in this analysis.

An analysis of this type typically addresses direct employment only. With the proposed office space, for example, direct employment covers the various managerial, professional and clerical people that work in the building; it does not include the janitorial workers, the window washers, the security guards, the delivery services, the landscape maintenance workers, and the many others that are associated with the normal functioning of an office building. Many of these employees are service workers at the lower end of the pay scale.

The analysis contained herein does not include other types of employment and multipliers. For example, the restaurants will make purchases from food wholesalers, retailers will purchase inventory, and the health club will periodically update equipment, all entail additional employment. Multipliers refer to the concept that the income generated by certain types of jobs recycles through the economy resulting in additional jobs. This study omits such multiplier effects to be conservative and addresses only the direct employment within the project.

Analysis Assumptions – Potential Over and Understating of Results

The following items are technical assumptions that are incorporated into the model operations. Certain assumptions will tend to overstate or understate the number of households at the lower end of the affordability spectrum, but on balance produce a reasonable estimate given the information available.

Factors that could result in an overstatement of the number of households at the lower-income end of the spectrum are as follows:

1. Data on the number of workers per household does not differentiate between households formed of low-income workers and high-income workers. In reality, lower-income workers may be more likely to live in multiple earner households. As a practical response to high housing costs, single low-income workers may be more likely to live with roommates. For lower-income couples, the propensity for both partners to work may be higher in response to the need to cover housing and other expenses.

Since the San Francisco Peninsula and Silicon Valley are such high cost areas for housing, the propensity for households to have multiple earners stretches farther up the income spectrum than in less costly areas. The 1.72 workers per worker household average for San Mateo County is higher than most counties and reflects the need for multiple incomes. The KMA jobs housing model does utilize U.S. Census based differentiation of workers per worker household by household size but not by income level, and as a result some distortion may result.

2. The analysis assumes dual income households are formed of workers that have similar income. In estimating household income, the income of a low-income worker is combined with the income of another low-income worker (and likewise, middle-income workers are combined and upper income workers are combined). For households formed from a combination of a low-income worker and a high-income worker, this assumption would underestimate total household income for the low-income worker and overestimate household income for the high-income worker.

The factors that will tend to result in an understatement of total and lower-end housing demand or an overstatement of the number of households at the higher-income end of the spectrum are as follows:

1. No Census or other hard data was available enabling a differentiation between the household size composition of workers by occupation. Anecdotally one can observe that there are probably some significant differences between the households of service workers and highly paid professionals.
2. Only direct employees are counted in the analysis.

In summary, several assumptions will tend to overstate the number of households falling into the low-income categories while others either tend to understate total housing demand or overstate the number of households in the higher income categories. Despite these intricacies, we believe our assumptions yield a reasonable and best estimate of housing demand by income category given the limits of available data.

SECTION VI – IMPACT ON MENLO PARK REGIONAL HOUSING NEEDS ALLOCATION

KMA has analyzed the potential impact of the proposed project on the allocation of housing units to the City of Menlo Park under the Regional Housing Needs Allocation (RHNA) process. Background on the RHNA process and analysis of the potential impact of the Project are described below.

Background

Housing Element Law

The Regional Housing Needs Allocation is a process established under State Housing Element Law whereby each city and county unincorporated area in California is assigned a housing production target. 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 the Council of Government for the Bay Area and is responsible for allocating a “fair share” of the regional housing need to each jurisdiction within the nine-county Bay Area. Housing Elements for each jurisdiction are required to provide for the jurisdiction’s “fair share” housing production target. The “fair share” production target must be met for HCD to certify a jurisdiction’s Housing Element.

Sub-Regional Process in San Mateo County

For the 2007-2014 RHNA allocation, San Mateo County took advantage of a provision in the law added in 2004 which enables counties to opt out of the regional allocation led by ABAG and do a separate “sub-regional” allocation. ABAG identified the total number of units at each income tier for the entire County. The allocation of those units was completed by a working group made up of each of the jurisdictions in the County and organized through the San Mateo City / County Association of Governments. The cities and County agreed on a formula for allocating units that was the same as was implemented by ABAG in the other eight counties in the Bay Area. However, rather than use the ABAG formula to determine the percentage of units at each income tier by jurisdiction, the San Mateo County formula uses the same percentage for all jurisdictions. After the number of units was determined per the formula, jurisdictions were free to negotiate trades.

ABAG adopted the final allocation for the period from 2007 to 2014 on May 15, 2008 which incorporates the results of the sub-regional allocation that was implemented in San Mateo County. Menlo Park was allocated 993 units. This allocation is required to be incorporated into an updated housing element by June 30, 2009.

Allocation Methodology

The methodology for allocating housing units under the RHNA process is developed by ABAG. There is no requirement that the same methodology be used from one allocation cycle to the next. The methodology for the recently adopted 2007 to 2014 allocation is not the same as the previous cycle covering the period from 1999 to 2006. Calculations for the last two RHNA cycles showing the allocation of units to Menlo Park are presented in Tables V-1, -2, and -3. Weighting factors are assigned to estimates of household growth, job growth, existing jobs and other factors. In both of the past two cycles, a portion of units were allocated based on housing and a portion were allocated based on jobs and ABAG's *Projections* were used as the base source of information.

The methodology that will eventually be used in the next cycle will in all likelihood be modified from either the 1999-2006 or 2007-2014 approaches; however, it is reasonable to assume that there will be a continued relationship to jobs and housing in the formula and the use of *Projections* will be carried forward.

Performance Factor

Whether or not jurisdictions have performed in meeting past RHNA targets has not been a factor in future RHNA methodology thus far. However, there is considerable pressure for ABAG to devise a methodology that incorporates past performance (or lack thereof) in some way, shape, or form.

ABAG's Projections

ABAG's demographic forecast "Projections" is used as the base source of demographic inputs for purposes of RHNA allocations. ABAG's *Projections* are updated every two years. The 2007 edition of *Projections* was the basis for the 2007 to 2014 allocation cycle. Future editions of *Projections* will presumably be the basis for future RHNA cycles.

The forecasts contained in *Projections* are based on several computer models. Economic models are used to generate demographic forecasts at the regional level. Employment forecasts are based on a county-level econometric model (the "County Employment Forecasting System"). Regional and County level forecasts are allocated to individual census tracts using models which incorporate local land use constraints and the relative "utility" or attractiveness of particular areas for household and job growth.

Since 2003, ABAG's projections have been "policy-based." This means regional policy goals such as increased housing development and alternative transportation are incorporated in the allocation of growth. *Projections* assumes local governments will adopt land use policies and plans that support regional objectives. The policy goals that have been incorporated into

Projections tend to increase allocations of housing and jobs within existing communities and near transit.

In preparing for the release of *Projections* 2009, ABAG has adopted draft “performance targets” which establish goals including specific targets for reductions in emissions, vehicle miles traveled, land consumption, and transportation costs. These targets continue the recent practice of imbedding policy considerations into *Projections*. Based on ABAG staff reports which discuss the proposed use of performance targets, it is anticipated that existing communities and transit accessible areas may receive a greater allocation of growth than with previous editions of *Projections*.

Consultations with Agencies Involved in Allocation Process

KMA contacted staff at ABAG, the San Mateo City / County Association of Governments and the San Mateo County Housing Department involved in the recent RHNA process to gain insight on the process and the potential methodology for a future cycle. The following are some observations that were offered:

1. ABAG’s *Projections* will almost certainly continue to be the source of the base demographic data used in the allocation.
2. In each of the past two cycles a range of potential weighing factors were considered for jobs and housing for purposes of the allocation. In both cases a 50 / 50 weighting was ultimately established (but with some difference in the details such as existing vs. growth and special consideration to jobs / housing near transit).
3. Incorporation of a more explicit and aggressive adjustment for jobs / housing balance (or lack of balance) is a potential consideration for future RHNA cycles. Such an adjustment would likely result in an increase in the allocation of units to Menlo Park (which is unusually “jobs-rich” relative to its housing supply) over previous methodologies.
4. The “sub-regional” process used in San Mateo County was viewed as successful and would likely be repeated in the next cycle. This is only to suggest that the County will do its own, not that it will use the same methodology again.
5. The “sub-regional” process would likely use the ABAG formula (whatever the future formula turns out to be) as the starting point for a future allocation cycle because it is the default outcome if the sub-regional process is not successful.

Estimated Impact to Menlo Park

Analysis of the potential incremental increase in the number of housing units allocated to the City of Menlo Park under the Regional Housing Needs Allocation (RHNA) process, attributable

to the proposed Bohannon Project, is presented in Tables V-1 through V-7. The RHNA allocation for 2007-2014 was recently adopted and the number of units for Menlo Park is set; therefore, the project would not have an impact until the next RHNA cycle. We have assumed that the next cycle would apply to the period from 2015 to 2022 consistent with the seven-year planning periods for the past two cycles.

Allocation Methodology – Number of Units

Estimates of the incremental impact to the City of Menlo Park RHNA were prepared with four scenarios as to methodology. The purpose of including these different scenarios is to address uncertainty about future RHNA methodology by establishing a potential range. Selected scenarios are based on prior RHNA cycles and include a method designed to bracket the upper end of the range if a future allocation formula were more aggressive toward existing jobs housing imbalance. In each of the scenarios, we stayed with the 50/50 weighting among jobs and housing characteristic of the last two allocation cycles. The four scenarios are as follows:

- A. Method used for 2007 to 2014 cycle with an allocation weighting of 22.5% to job growth, 22.5% to existing jobs, 45% to household growth, and 5% each to job and household growth near transit.
- B. Method used for 1999 to 2006 cycle with 50% weight to job growth and 50% to household growth;
- C. Variant on 1999 to 2006 method substituting 50% weight to existing jobs in place of the 50% weighting to job growth; and
- D. “Job-Bank Credit” methodology proposed (but not adopted) for the 1999-2006 cycle incorporating an explicit adjustment for existing jobs / housing imbalance. A 50% weight is assigned to job growth and a 50% weight is assigned to household growth. However, in allocating units based on jobs growth, jurisdictions that are “housing rich” are given a “job-bank credit” which permits job growth without resulting in an allocation of units. All of the units allocated based on job growth are assigned to jurisdictions that are “jobs rich” or jobs/housing balanced. While other approaches could be devised for such an adjustment, we selected this method because it was actually recommended by ABAG staff.

A County-wide allocation of approximately 16,000 units is assumed for purposes of the estimates based on the average of the last two allocation cycles.

Job Growth from Project and Relationship to ABAG Projections

The 2015-2022 RHNA cycle is anticipated to be based on a future edition of ABAG’s *Projections*; therefore, it is useful to evaluate how the project might be reflected in *Projections*.

New employment from the project is assumed to be reflected as existing employment (“existing” as of 2015 with the project built out) in the future edition of *Projections* to be used for the next RHNA. This assumption is based on guidance provided by ABAG staff.

The degree to which job growth from the Project may or may not be anticipated in current editions of *Projections* is not relevant since the RHNA will be based on a future edition of *Projections*. In the edition of *Projections* to be used in the RHNA either the Project will have been developed (or not) and the net new jobs from the Project will be reflected as existing jobs (or not).

An increase in existing employment in Menlo Park would likely interact within ABAG’s *Projections* modeling system and potentially increase the future growth allocation to Menlo Park in *Projections*. Allocation of job growth to specific geographic areas in ABAG’s models takes into account land use constraints based on information from local governments and the relative “utility” or attractiveness of areas for new jobs. Existing employment is treated as one of the factors making an area more attractive for job growth. ABAG’s technical documentation of the Projective Optimization Land Use Information System (POLIS) and Subarea Projections Model (SAM) which are used to derive *Projections* clearly indicate that existing employment is a factor in allocating future growth to specific geographic areas. However the documentation is not specific enough to quantify how the model would respond to a change in existing employment. In addition, there is always the potential that the model could be modified prior to the next RHNA cycle.

To address uncertainty as to how the Project would be reflected in ABAG’s projections and potentially interact within the ABAG model, we prepared both a “base” and “upper end” estimate as described below:

1. A “Base estimate” assuming the Project is built out by 2015 and reflected as existing employment in the future edition of ABAG’s *Projections* used in the next RHNA cycle. The “Base estimate” assumes further interaction with the geographic allocation of employment growth forecasts will be minimal. This is the approach suggested by ABAG staff.
2. An “Upper End” estimate that incorporates the Project as “existing employment” in a future edition of *Projections* in the same way as above but with the additional step of including an upper end estimate of how an increase in “existing employment” (as of 2015) might play through ABAG’s projections modeling system. The “upper end” estimate assumes the location of existing employment is the primary determinant in the allocation of future employment. This assumption is designed to bracket the high end of potential influence the project would have on the jobs numbers in *Projections*.

Performance targets proposed for incorporation into *Projections* 2009 would increase the allocation of growth to existing communities particularly those in proximity to transit (see

previous section). We cannot predict how performance targets would impact the allocation of growth to Menlo Park or how added jobs with the Project might further interact within the ABAG model with this adjustment. However, we observe that ABAG’s growth allocations are made at the census tract level and the Project is located in a census tract which is more than half-mile from fixed right-of-way transit station (the definition of “near transit” used in the most recent RHNA cycle; Caltrain is the only service in the vicinity that fits this definition). We can speculate that the census tract where the Project is located could be treated as relatively less attractive for growth under the performance targets framework based on lack of direct access to transit. This generally reinforces that the “upper end” estimate described above will produce a reasonable high end estimate for the analysis given the census tract where the Project is located.

Summary of Findings

The incremental Regional Housing Needs Allocation of units to the City of Menlo Park in the next allocation cycle is estimated as follows:

Projected Impact 2015-2022 RHNA	A. 2007-2014 Method	B. 1999-2006 Method	C. 50% Weight to Existing Jobs	D. “Job Bank Credit” Considered 1999-2006
Base Estimate	17 Units	0 Units	38 Units	0 Units
Upper End Estimate	38 Units	47 Units	38 Units	76 Units

The estimated range of impact on the Menlo Park RHNA is from zero impact to 76 units. With the Base Estimate, the incremental allocation to Menlo Park is zero for both scenarios B and D because those methods do not incorporate an allocation based on existing jobs. With the Upper End estimate, the project is assumed to increase future job growth allocated to Menlo Park in ABAG’s model; this job growth does factor into the formulas for methods B and D and yields a positive allocation of units.

Allocation by Income Tier

Estimates of the distribution of units to Menlo Park by income tier assume that the sub-regional process in effect for 2007 – 2014 will be implemented in the next cycle also and that the distribution by income level would again be the same County-wide. The 2007-2014 percentage distribution by income tier is shown in the inset table below:

Menlo Park Allocation by Income Tier for 2007- 2014 RHNA	
Very Low	22.8%
Low	16.4%
Moderate	19.3%
Above Moderate	41.5%
Total	100.0%

The distribution by income tier for jurisdictions in San Mateo County was equal to the regional distribution for 2007 – 2014. The estimated distribution by income level for each of the scenarios is summarized on Table V-4.

If the sub-regional process were not instituted in subsequent cycles or if the practice of allocating units using the same distribution by income tier County-wide were not continued, the allocation to Menlo Park would be affected. The methodology implemented by ABAG in the other eight counties of the Bay Area for 2007 – 2014 would have shifted the Menlo Park allocation toward the lower income tiers as compared to the regional average while the 1999-2006 methodology results in more units in the higher income tiers compared to the regional average.

Allocation Cycles Beyond 2015 to 2022

We have focused on how the Project would impact the allocation of units to Menlo Park in the first allocation cycle that would occur after completion. However, subsequent allocation cycles would also be impacted. The completion of the Project would continue to be reflected in ABAG’s *Projections* and would therefore continue to influence future allocation cycles to the extent the process resembles the current one. For projection purposes, we would anticipate a similar impact with subsequent cycles as has been estimated for the upcoming 2014 to 2022 cycle.

Annualized RHNA Impact

The above estimates are based on a RHNA cycle of seven years consistent with the last two allocations. This seven year length incorporates extension of the time frame granted by HCD which may or may not occur in the future. Assuming no extensions, future cycles would use a five year time-line consistent with the schedule identified in State law for housing element updates. With a shorter cycle, production targets for a particular RHNA cycle would be anticipated to be proportionally less consistent with proportionally lower household growth within a shorter time period. However, since each subsequent cycle is anticipated to experience an impact (absent modifications in the legal framework or allocation practice), production targets would theoretically be similar regardless of the length of the allocation cycle when viewed on an annualized basis. The results of the analysis on an annualized basis are presented below:

Annualized Projected RHNA Impact	A. 2007-2014 Method	B. 1999-2006 Method	C. 50% Weight to Existing Jobs	D. “Job Bank Credit” Considered 1999-2006
Base Estimate	2.5 Units	0 Units	5.5 Units	0 Units
Upper End Estimate	5.5 Units	6.7 Units	5.5 Units	10.9 Units

EIR Alternatives

Section III does not include an analysis of RHNA Impact for the five EIR alternatives (which would have eight scenarios each as above). Since RHNA impact is directly proportional to employment growth, impact is proportionally lower in each of the EIR alternatives given the reduced employment growth. Using this proportional relationship, the estimated impact of the EIR alternatives may be computed for any of the above scenarios using the following factors.

	Employment (Net Increase)	EIR Alternative as Percent of Proposed Project
Proposed Project	1,878	100%
Alternative 1	0	0%
Alternative 2	356	19%
Alternative 3	580	31%
Alternative 4	1,218	65%
Alternative 5	1,408	75%

For example, EIR Alternative 3 would entail 580 jobs or 31% of those entailed with the Proposed Project ($580 / 1878 = 31\%$) while Alternative 4 would entail 65% as many jobs.

**TABLE VI-1
SUMMARY OF 2007-2014 REGIONAL HOUSING NEED ALLOCATION - UNITS
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

2007 TO 2014 CYCLE

Menlo Park Part of Sub-Regional Allocation for San Mateo County

	ABAG Projections 2007¹			RHNA Weight²	Sub-Regional Housing Needs Allocation of Units
	San Mateo County-Wide	City of Menlo Park	City as % of County		
				County-Wide Total	15,738
Menlo Park Allocation Based On:					
Growth in Households 2007-2014	12,184	604	4.96%	45.0%	351
Existing Employment 2007	347,634	26,504	7.62%	22.5%	270
Growth in Employment 2007-2014	38,506	3,144	8.16%	22.5%	289
Growth in Households Near Transit ³ 2007-2014	4,437	293	6.60%	5.0%	52
Growth in Employment Near Transit ³ 2007-2014	10,029	390	3.89%	5.0%	31
				Menlo Park Total	993

Notes:

¹ Figures were provided by the San Mateo County Housing Department and are based on linear interpolation of figures for 2005, 2010, and 2015 provided in ABAG Projections 2007.

² San Mateo County opted out of the ABAG Regional Housing Needs Allocation process and initiated its own Sub-Regional Housing Needs Allocation process. The adopted allocation formula is the same formula as was adopted by ABAG except that negotiated transfers of units among jurisdictions was permitted and the allocation of units by income level is the same in all jurisdictions. Menlo Park did not negotiate any transfers of its RHNA allocation.

³ Defined as within 1/2 mile of fixed alignment public transit station (Caltrain is the only transit service which meets this criteria within Menlo Park). The proposed project is not within 1/2 mile of a Caltrain station.

**TABLE VI-2
SUMMARY OF 1999-2006 REGIONAL HOUSING NEED ALLOCATION - UNITS
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

1999 TO 2006 CYCLE

Menlo Park Part of Regional Allocation by ABAG

	<u>Nine-County Region¹</u>	<u>City of Menlo Park¹</u>	<u>City as % of Region</u>	<u>Weight</u>	<u>Housing Unit Allocation</u>
Menlo Park Allocation Based On:				Regional Total	230,743 Units
Growth in Households 1999 - 2006	177,318	331	0.19%	50.0%	215 Units
Growth in Employment 1999 - 2006	422,754	2,808	0.66%	50.0%	767 Units
				Menlo Park Total	<u>982</u> Units

Notes:

¹ Per ABAG *Projections 2007*.

**TABLE VI-3
SUMMARY OF REGIONAL HOUSING NEEDS ALLOCATION BY INCOME LEVEL
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

	Nine-County Total Determined by State	San Mateo County-Wide Allocation	City of Menlo Park Allocation
1999 TO 2006 CYCLE			
Very Low	47,258 20.5%	3,214 19.7%	184 18.7%
Low	25,090 10.9%	1,567 9.6%	90 9.2%
Moderate	60,816 26.4%	4,305 26.4%	245 24.9%
Above Moderate	97,579 42.3%	7,219 44.3%	463 47.1%
	230,743 100.0%	16,305 100.0%	982 100.0%
2007 TO 2014 CYCLE			
Very Low	48,840 22.8%	3,588 22.8%	226 22.8%
Low	35,102 16.4%	2,581 16.4%	163 16.4%
Moderate	41,316 19.3%	3,038 19.3%	192 19.3%
Above Moderate	89,242 41.5%	6,531 41.5%	412 41.5%
	214,500 100.0%	15,738 100.0%	993 100.0%

Source: Association of Bay Area Governments

**TABLE VI-4
SUMMARY OF PROJECTED INCREMENTAL INCREASE IN REGIONAL HOUSING NEEDS ALLOCATION
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

2015 TO 2022 RHNA CYCLE

	Distribution by Household Income Level	Method A. Method Used for 2007-2014	Method B. Method Used for 1999-2006	Method C. 50% Weight for Existing Jobs	Method D. "Job-Bank Credit" Considered for 99-06¹
	based on 2007-2014 allocation per Tbl V-3				
BASE ESTIMATE					
(Added employment fully reflected as existing employment in future version of ABAG's Projections to be used for 2015-2022 RHNA process)					
Very Low	22.8%	4	0	9	0
Low	16.4%	3	0	6	0
Moderate	19.3%	3	0	7	0
Above Moderate	41.5%	7	0	16	0
Total (Table V-5A)		17	0	38	0
UPPER END ESTIMATE					
(Added employment fully reflected as existing employment in future version of ABAG's Projections to be used for 2015-2022 RHNA process and upper end estimate of increased employment growth allocation)					
Very Low	22.8%	9	11	9	17
Low	16.4%	6	8	6	12
Moderate	19.3%	7	9	7	15
Above Moderate	41.5%	16	19	16	32
Total (Table V-5B)		38	47	38	76

Notes:

¹ One of the proposed methodologies identified for the 1999-2006 RHNA cycle included a "Job-Bank Credit" which reduced allocations to jurisdictions which are "housing rich" and increased allocations to jurisdictions that are "jobs rich" as determined based on the regional average jobs - housing ratio of 1.42. This methodology was not ultimately selected.

TABLE VI-5A

ESTIMATED INCREMENTAL INCREASE IN REGIONAL HOUSING NEEDS ALLOCATION -BASE ESTIMATE
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA

2015 TO 2022 RHNA CYCLE

Assume Sub-regional Allocation Process for San Mateo County

Projection of Incremental RHNA Housing Unit Allocation to Menlo Park

	Incremental Share Within Menlo Park As a Result of Project See Table V-6A	Method A. Method Used for 2007-2014		Method B. Method Used for 1999-2006		Method C. 50% Weight for Existing Jobs		Method D. "Job-Bank Credit" Considered for 99-06 ¹	
		Weighting	Units	Weighting	Units	Weighting	Units	Weighting	Units
		Incremental From Project							
Employment in 2015	0.479% of County	22.5%	17	N/A	0	50%	38	N/A	0
Employment Growth: 2015-2022	0.000% of County	22.5%	0	50%	0	N/A	0	N/A	0
Jobs/Housing Balance Adjusted Employment Growth: 2015-2022	0.000% of County	N/A	0	N/A	0	N/A	0	50%	0
Other Factors ³	0.000% of County	55%	0	50%	0	50%	0	50%	0
Total Number of Units		100%	17	100%	0	100%	38	100%	0

Projection of San Mateo County-wide Housing Allocation

1999-2006 Cycle	16,305
2007-2014 Cycle	15,738
Estimate of 2015-2022 Cycle - rounded	16,000 ²

RHNA = Regional Housing Needs Allocation

Notes:

- ¹ One of the proposed methodologies identified for the 1999-2006 RHNA cycle included a "Job-Bank Credit" which reduced allocations to jurisdictions which are "housing rich" and increased allocations to jurisdictions that are "jobs rich" as determined based on the regional average jobs - housing ratio of 1.42. This methodology was not ultimately selected.
- ² The total allocation for the region will be determined by the State Department of Housing and Community Development with the San Mateo County portion determined by ABAG (assuming a repeat of the sub-regional process implemented in San Mateo for the 2007-2014 cycle).
- ³ Which are not relevant for purposes of these estimates.

TABLE VI-5B

**ESTIMATED INCREMENTAL INCREASE IN REGIONAL HOUSING NEEDS ALLOCATION -UPPER END ESTIMATE
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

2015 TO 2022 RHNA CYCLE

Assume Sub-regional Allocation Process for San Mateo County

		Projection of Incremental RHNA Housing Unit Allocation to Menlo Park							
		Method A. Method Used for 2007-2014		Method B. Method Used for 1999-2006		Method C. 50% Weight for Existing Jobs		Method D. "Job-Bank Credit" Considered for 99-06 ¹	
Incremental Share Within Menlo Park As a Result of Project See Table V - 6B		Weighting	Units	Weighting	Units	Weighting	Units	Weighting	Units
Incremental From Project									
Employment in 2015	0.479% of County	22.5%	17	N/A	0	50%	38	N/A	0
Employment Growth: 2015-2022	0.587% of County	22.5%	21	50%	47	N/A	0	N/A	0
Jobs/Housing Balance Adjusted Employment Growth: 2015-2022	0.951% of County	N/A	0	N/A	0	N/A	0	50%	76
Other Factors ³	0.000% of County	55%	0	50%	0	50%	0	50%	0
Total Number of Units		100%	38	100%	47	100%	38	100%	76

Projection of San Mateo County-wide Housing Allocation

1999-2006 Cycle	16,305
2007-2014 Cycle	15,738
Estimate of 2015-2022 Cycle - rounded	16,000 ²

RHNA = Regional Housing Needs Allocator

Notes:

- ¹ One of the proposed methodologies identified for the 1999-2006 RHNA cycle included a "Job-Bank Credit" which reduced allocations to jurisdictions which are "housing rich" and increased allocations to jurisdictions that are "jobs rich" as determined based on the regional average jobs - housing ratio of 1.42. This methodology was not ultimately selected.
- ² The total allocation for the region will be determined by the State Department of Housing and Community Development with the San Mateo County portion determined by ABAG (assuming a repeat of the sub-regional process implemented in San Mateo for the 2007-2014 cycle).
- ³ Which are not relevant for purposes of these estimates.

TABLE VI-6A

DEMOGRAPHIC INPUTS: FUTURE RHNA ALLOCATION - BASE ESTIMATE

BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS

CITY OF MENLO PARK, CA

	San Mateo County Estimate Per <i>Projections</i> ¹	Projected Incremental Increase Within Menlo Park As Result of Project ²	Increase within Menlo Park as Percent of County	<u>Note</u>
Employment in 2015	391,910	1,878	0.479%	Project anticipated to be complete by 2015. Per ABAG, to the extent new employment is present, it is reasonable to assume that it would be reflected in the future edition of ABAG's <i>Projections</i> that would become the basis of a future Regional Housing Needs Allocation.
Growth in Employment: 2015-2022	43,618	0	0.000%	No incremental job growth for 2015-2022. The project is assumed to have been built out and occupied by 2015; therefore, additional development would not be anticipated to occur on the site during the 2015-2022 period. Incremental employment growth from the project of zero is consistent with the constraint in ABAG's <i>Projections</i> based on available land for development. However, it does not address how increased existing employment might play through the steps in ABAG's <i>Projections</i> modeling system where regional or county level employment growth is allocated among specific geographic areas.
Employment Growth: 2015-2022 Adjusted for "Job Bank Credit" ³	26,918	0	0.000%	

Notes:

- ¹ Countywide household and employment figures are based on Projections 2007; however, the future 2015-2022 RHNA cycle will presumably be based on a future edition of ABAG's Projections which will be revised from the amounts indicated. 2022 employment numbers based on linear interpolation of 2020 and 2025 estimates consistent with RHNA approach. Countywide numbers per ABAG adjusted to reflect additional employment from the project.
- ² Estimate of how the project would be reflected in a future edition of ABAG's *Projections* that would become the basis for a future RHNA cycle. The project is not within half a mile of fixed alignment public transit and therefore would not qualify as "near transit" based on the measure used by ABAG in the 2007-2014 RHNA cycle.
- ³ One of the proposed methodologies identified for the 1999-2006 RHNA cycle included a "Job-Bank Credit" which reduced allocations to jurisdictions which are "housing rich" and increased allocations to jurisdictions that are "jobs rich" as determined based on the regional average jobs - housing ratio of 1.42. This methodology was not ultimately selected. See calculation on Table V-7.

TABLE VI-6B
DEMOGRAPHIC INPUTS: FUTURE RHNA ALLOCATION - UPPER END ESTIMATE
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA

	San Mateo County Estimate Per <i>Projections</i>¹	Projected Incremental Increase Within Menlo Park As Result of Project²	Increase within Menlo Park as Percent of County	Note
Employment in 2015	391,910	1,878	0.479%	Project anticipated to be complete by 2015. Per ABAG, to the extent new employment is present, it is reasonable to assume that it would be reflected in the future edition of ABAG's <i>Projections</i> that would become the basis of a future Regional Housing Needs Allocation.
Growth in Employment: 2015-2022	43,618	upper end estimate: 256 ⁴	0.587%	High end estimate of how an increase in existing employment in Menlo Park might play through ABAG's Projective Optimization Land Use Information System (POLIS) and Subarea Projections Model (SAM) and result in an increased allocation of projected employment growth to Menlo Park over the 2015 to 2022 period. Existing employment is one of several factors in the geographic allocation of employment growth projected in ABAGs regional and county level economic models. This high end estimate assumes existing employment is the only factor which determines geographic allocation of employment growth.
Employment Growth: 2015-2022 Adjusted for "Job Bank Credit" ³	26,918	upper end estimate: 256 ⁴	0.951%	

Notes:

- ¹ Countywide household and employment figures are based on Projections 2007; however, the future 2015-2022 RHNA cycle will presumably be based on a future edition of ABAG's Projections which will be revised from the amounts indicated. 2022 employment numbers based on linear interpolation of 2020 and 2025 estimates consistent with RHNA approach.
- ² Estimate of how the project would be reflected in a future edition of ABAG's *Projections* that would become the basis for a future RHNA cycle. The project is not within half a mile of fixed alignment public transit and therefore would not qualify as "near transit" based on the measure used by ABAG in the 2007-2014 RHNA cycle.
- ³ One of the proposed methodologies identified for the 1999-2006 RHNA cycle created a "Job-Bank Credit" which reduced allocations to jurisdictions which are "housing rich" and increased allocations to jurisdictions that are "jobs rich" as determined based on the regional average jobs - housing ratio of 1.42. This methodology was not ultimately selected. See calculation on Table 7.
- ⁴ Calculation of upper end estimate based on 6% increase in existing jobs as of 2015 (1,878 increase over 30,200 projected jobs) * 4,116 projected job growth in Menlo Park (2015-2022) yields 256 incremental projected job growth for the 2015-2022 period.

TABLE VI-7

COUNTY-WIDE EMPLOYMENT GROWTH 2015 - 2022 WITH "JOBS CREDIT" CONCEPT ¹
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA

	1	2	3	4	5	6	7	8
<i>Based on Projections 2007</i>	Households	2015	No of Jobs With	Job Growth	Adjusted	Job Growth	Share of	
	in 2015	Jobs in 2015	Job / Housing Ratio	Job / Housing Balance	"Jobs Credit" ²	2015-2022	With Credit	County
Atherton	2,510	2,780	1.11	3,550	770	98	0	0%
Belmont	11,170	8,520	0.76	15,799	7,279	1,348	0	0%
Brisbane	1,930	11,410	5.91	2,730	0	2,716	2,716	10.1%
Burlingame	13,080	25,140	1.92	18,500	0	3,426	3,426	12.7%
Colma	490	3,770	7.69	693	0	384	384	1.4%
Daly City	32,820	21,490	0.65	46,420	24,930	2,884	0	0%
East Palo Alto	8,890	3,370	0.38	12,574	9,204	1,192	0	0%
Foster City	12,530	16,590	1.32	17,722	1,132	2,124	992	3.7%
Half Moon Bay	4,830	5,470	1.13	6,831	1,361	144	0	0%
Hillsborough	3,900	1,790	0.46	5,516	3,726	112	0	0%
Menlo Park	13,270	30,200	2.28	18,769	0	4,116	4,116	15.3%
Millbrae	8,540	8,110	0.95	12,079	3,969	1,022	0	0%
Pacifica	14,550	6,950	0.48	20,579	13,629	422	0	0%
Portola Valley	1,840	1,830	0.99	2,602	772	34	0	0%
Redwood City	29,620	57,120	1.93	41,894	0	4,010	4,010	14.9%
San Bruno	16,560	16,630	1.00	23,422	6,792	2,994	0	0%
San Carlos	12,460	18,280	1.47	17,623	0	1,850	1,850	6.9%
San Mateo	41,880	51,880	1.24	59,234	7,354	5,318	0	0%
South San Francisco	21,660	46,490	2.15	30,635	0	5,004	5,004	18.6%
Woodside	2,080	2,640	1.27	2,942	302	0	0	0%
Unincorporated	22,480	51,450	2.29	31,795	0	4,420	4,420	16.4%
Total for County	277,090	391,910	1.41	391,910	81,220	43,618	26,918	100%

Notes:

¹ One of the proposed methodologies identified for the 1999-2006 RHNA cycle created a "Job-Bank Credit" which reduced allocations to jurisdictions which are "housing rich" and increased allocations to jurisdictions that are "jobs rich" as determined based on the regional average jobs - housing ratio of 1.42. This methodology was not ultimately selected.

² For jurisdictions that are "housing rich" equals the number of jobs required to achieve jobs housing balance. For jurisdictions that are "job rich" or "balanced" equals zero.

Source: ABAG

APPENDIX TABLES

**APPENDIX TABLE 1
 INCOME LIMITS
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

		Household Size					
		1-person	2-person	3-person	4-person	5-person	6 + person
Household Income Limit							
Very Low Income	50% of AMI	\$39,600	\$45,250	\$50,900	\$56,550	\$61,050	\$65,600
Low Income	80% of AMI	\$63,350	\$72,400	\$81,450	\$90,500	\$97,700	\$104,950
Median Income	100% of AMI	\$66,500	\$76,000	\$85,500	\$95,000	\$102,600	\$110,200
Moderate Income	120% of AMI	\$79,800	\$91,200	\$102,600	\$114,000	\$123,100	\$132,200
Upper Moderate Income	150% of AMI	\$99,800	\$114,000	\$128,300	\$142,500	\$153,900	\$165,300

AMI = Area Median Income, San Mateo County 2007, 2008, 2009 (same limits apply to all three years)

Source: California Department of Housing and Community Development FY 2008 Income Limits for Santa Mateo County.

**APPENDIX TABLE 2
 DETAIL OF EXISTING OFFICE / R&D TENANTS
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

EXISTING BUILDING AREA (Sq.Ft.)

	Building Area (Sq. Ft.)			Estimated Employment¹	Description ²
	Office	R&D	Total		
Tenants by Industry/Sector					
<u>Legal</u>					
GDS Law Firm	48,288	0	48,288	161	Law firm
<u>Tech / R&D</u>					
Ideal Aerosmith	0	8,150	8,150	23	Precision inertial guidance test system manufacturer
Ideo Product Development	0	4,376	4,376	12	R&D / Design Consultant
Barosense	8,423	0	8,423	28	Medical Device Research and development
Xtent	15,140	0	15,140	51	Medical Device Research and development
Tech Shop	0	15,197	15,197	43	Tech workshop run as membership organization
Ultraclean holdings	17,115	46,245	63,360	189	Semiconductor capital equipment development & manufacture
Vacant	<u>42,087</u>	<u>13,710</u>	<u>55,797</u>	<u>180</u>	Assumes re-leasing of vacant space with tech / R&D tenants
	82,765	87,678	170,443	526	
Total	131,053	87,678	218,731	688	

Notes:

¹ Based on an allocation of employment estimate per Brion & Associates based on square footage.

² Based on web sites for individual tenants.

Sources: Brion & Associates Fiscal Analysis, June 2007. Websites of existing tenants.

**APPENDIX TABLE 3
 2006 NATIONAL OFFICE / TECH WORKER DISTRIBUTION BY OCCUPATION
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

Major Occupations (4% or more)	2006 National Office / Tech Industry Occupation Distribution	
	Count	Percentage
Management occupations	1,389,034	8.9%
Business and financial operations occupations	1,853,486	11.8%
Computer and mathematical occupations	3,807,020	24.3%
Architecture and engineering occupations	1,129,025	7.2%
Life, physical, and social science occupations	765,634	4.9%
Sales and related occupations	940,544	6.0%
Office and administrative support occupations	3,983,169	25.4%
All Other Office / Tech Related Occupations	<u>1,815,880</u>	<u>11.6%</u>
INDUSTRY TOTAL	15,683,792	100.0%

**APPENDIX TABLE 4
OFFICE / TECH - INDUSTRY MIX ASSUMPTION
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

Industries Assumed to Be Representative of Office / Tech Type Uses

4-Digit NAICS	Industry	Percent of Employment
541500	Computer Systems Design and Related Services	28%
541700	Scientific Research and Development Services	11%
541900	Other Professional, Scientific, and Technical Services	9%
541300	Architectural, Engineering, and Related Services	7%
511200	Software Publishers	6%
541600	Management, Scientific, and Technical Consulting Services	6%
522100	Depository Credit Intermediation	5%
551100	Management of Companies and Enterprises	5%
541100	Legal Services	5%
541200	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	4%
541800	Advertising and Related Services	3%
523900	Other Financial Investment Activities	2%
522200	Nondepository Credit Intermediation	2%
524100	Insurance Carriers	2%
518200	Data Processing, Hosting, and Related Services	2%
524200	Agencies, Brokerages, and Other Insurance Related Activities	1%
541400	Specialized Design Services	1%
518100	Internet Service Providers and Web Search Portals	1%
519100	Other Information Services	0%
		100%

NAICS = North American Industry Classification System

**APPENDIX TABLE 5
AVERAGE ANNUAL COMPENSATION, 2007
OFFICE / TECH WORKER OCCUPATIONS
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Office / Tech Workers
Page 1 of 3			
<i>Management occupations</i>			
Chief executives	\$145,600	5.7%	0.5%
General and operations managers	\$126,500	25.6%	2.3%
Marketing managers	\$139,800	6.5%	0.6%
Sales managers	\$125,300	5.3%	0.5%
Administrative services managers	\$97,200	3.4%	0.3%
Computer and information systems managers	\$139,100	17.5%	1.5%
Financial managers	\$132,400	11.7%	1.0%
Engineering managers	\$133,700	6.2%	0.6%
Managers, all other	\$112,900	5.9%	0.5%
All Other Management occupations (Avg. All Categories)	<u>\$117,500</u>	<u>12.1%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$128,800	100.0%	8.9%
 <i>Business and financial operations occupations</i>			
Training and development specialists	\$66,600	3.5%	0.4%
Management analysts	\$98,100	17.3%	2.0%
Business operations specialists, all other	\$70,800	11.5%	1.4%
Accountants and auditors	\$70,500	23.7%	2.8%
Financial analysts	\$113,200	5.6%	0.7%
Personal financial advisors	\$120,200	4.0%	0.5%
Loan officers	\$92,400	6.8%	0.8%
All Other Business and financial operations occupations (Avg. All Categories)	<u>\$78,900</u>	<u>27.6%</u>	<u>3.3%</u>
Weighted Mean Annual Wage	\$83,300	100.0%	11.8%
 <i>Computer and mathematical occupations</i>			
Computer programmers	\$89,100	16.7%	4.1%
Computer software engineers, applications	\$102,700	21.8%	5.3%
Computer software engineers, systems software	\$104,500	14.0%	3.4%
Computer support specialists	\$64,300	12.8%	3.1%
Computer systems analysts	\$87,400	13.9%	3.4%
Network and computer systems administrators	\$85,600	6.7%	1.6%
Network systems and data communications analysts	\$87,500	4.9%	1.2%
Computer specialists, all other	\$81,500	3.2%	0.8%
All Other Computer and mathematical occupations (Avg. All Categories)	<u>\$91,600</u>	<u>5.9%</u>	<u>1.4%</u>
Weighted Mean Annual Wage	\$90,400	100.0%	24.3%

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Office / Tech Workers
Page 2 of 3			
<i>Architecture and engineering occupations</i>			
Architects, except landscape and naval	\$81,900	6.9%	0.5%
Surveyors	\$67,900	3.5%	0.3%
Civil engineers	\$92,200	10.2%	0.7%
Computer hardware engineers	\$101,800	6.4%	0.5%
Electrical engineers	\$98,500	5.8%	0.4%
Electronics engineers, except computer	\$100,300	5.1%	0.4%
Industrial engineers	\$89,800	4.6%	0.3%
Mechanical engineers	\$97,500	7.2%	0.5%
Engineers, all other	\$91,800	5.7%	0.4%
Architectural and civil drafters	\$59,600	6.7%	0.5%
Civil engineering technicians	\$58,900	3.4%	0.2%
Electrical and electronic engineering technicians	\$67,900	4.1%	0.3%
Surveying and mapping technicians	\$59,200	4.2%	0.3%
All Other Architecture and engineering occupations (Avg. All Categories)	<u>\$83,200</u>	<u>26.2%</u>	<u>1.9%</u>
Weighted Mean Annual Wage	\$84,200	100.0%	7.2%
<i>Life, physical, and social science occupations</i>			
Biochemists and biophysicists	\$90,800	3.6%	0.2%
Medical scientists, except epidemiologists	\$94,100	10.1%	0.5%
Chemists	\$78,000	6.8%	0.3%
Environmental scientists and specialists, including health	\$82,900	5.3%	0.3%
Market research analysts	\$79,100	18.7%	0.9%
Survey researchers	\$60,000	5.8%	0.3%
Biological technicians	\$47,100	8.4%	0.4%
Chemical technicians	\$51,600	4.3%	0.2%
Life, physical, and social science technicians, all other	\$47,700	3.5%	0.2%
All Other Life, physical, and social science occupations (Avg. All Categories)	<u>\$79,200</u>	<u>33.3%</u>	<u>1.6%</u>
Weighted Mean Annual Wage	\$75,100	100.0%	4.9%
<i>Sales and related occupations</i>			
First-line supervisors/managers of non-retail sales workers	\$86,500	5.8%	0.3%
Retail salespersons	\$26,900	3.3%	0.2%
Advertising sales agents	\$64,700	6.3%	0.4%
Securities, commodities, and financial services sales agents	\$127,600	4.7%	0.3%
Sales representatives, services, all other	\$74,200	21.9%	1.3%
Sales rep, wholesale & manufacturing, technical & scientific	\$88,500	16.4%	1.0%
Sales rep, wholesale & manufacturing, except technical & scientific	\$72,400	9.5%	0.6%
Sales engineers	\$98,200	4.5%	0.3%
Telemarketers	\$30,300	5.7%	0.3%
All Other Sales and related occupations (Avg. All Categories)	<u>\$49,100</u>	<u>22.0%</u>	<u>1.3%</u>
Weighted Mean Annual Wage	\$70,500	100.0%	6.0%

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Office / Tech Workers
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Page 3 of 3

Office and administrative support occupations

First-line supervisors/managers of office and administrative support workers	\$57,900	6.5%	1.7%
Bookkeeping, accounting, and auditing clerks	\$41,900	8.3%	2.1%
Tellers	\$29,700	6.4%	1.6%
Customer service representatives	\$39,700	11.2%	2.8%
Interviewers, except eligibility and loan	\$36,500	3.6%	0.9%
Receptionists and information clerks	\$30,200	5.4%	1.4%
Executive secretaries and administrative assistants	\$48,600	9.9%	2.5%
Legal secretaries	\$56,600	3.9%	1.0%
Secretaries, except legal, medical, and executive	\$39,800	7.1%	1.8%
Office clerks, general	\$31,500	11.8%	3.0%
All Other Office and administrative support occupations (Avg. All Categories)	<u>\$40,100</u>	<u>25.9%</u>	<u>6.6%</u>
Weighted Mean Annual Wage	\$40,500	100.0%	25.4%

88.4%

¹ Including occupations representing 3% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

³ Occupation percentages are based on the 2006 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2006 Occupational Employment Survey data for San Francisco, San Mateo-Redwood City MD (San Mateo, San Francisco, and Marin Counties) updated by the California Employment Development Department to 2007 wage levels.

**APPENDIX TABLE 6
 2006 NATIONAL RETAIL WORKER DISTRIBUTION BY OCCUPATION
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

Major Occupations (2% or more)	2006 National Retail Industry Occupation Distribution	
Management occupations	10,420	2.7%
Sales and related occupations	275,900	71.9%
Office and administrative support occupations	53,200	13.9%
Installation, maintenance, and repair occupations	13,790	3.6%
Transportation and material moving occupations	13,650	3.6%
All Other Retail Related Occupations	<u>16,510</u>	<u>4.3%</u>
INDUSTRY TOTAL	383,470	100.0%

APPENDIX TABLE 7
AVERAGE ANNUAL COMPENSATION, 2007
RETAIL WORKER OCCUPATIONS
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Retail Workers
Page 1 of 2			
<i>Management occupations</i>			
Chief executives	\$145,600	4.6%	0.1%
General and operations managers	\$126,500	61.2%	1.7%
Sales managers	\$125,300	21.6%	0.6%
Financial managers	\$132,400	3.4%	0.1%
All Other Management occupations (Avg. All Categories)	<u>\$117,500</u>	<u>9.2%</u>	<u>0.3%</u>
	Weighted Mean Annual Wage	\$126,500	100.0%
<i>Sales and related occupations</i>			
First-line supervisors/managers of retail sales workers	\$44,600	10.5%	7.6%
Cashiers	\$24,900	32.3%	23.3%
Retail salespersons	\$26,900	52.1%	37.5%
All Other Sales and related occupations (Avg. All Categories)	<u>\$49,100</u>	<u>5.0%</u>	<u>3.6%</u>
	Weighted Mean Annual Wage	\$29,200	100.0%
<i>Office and administrative support occupations</i>			
First-line supervisors/managers of office and administrative support workers	\$57,900	5.7%	0.8%
Bookkeeping, accounting, and auditing clerks	\$41,900	10.2%	1.4%
Customer service representatives	\$39,700	11.5%	1.6%
Order clerks	\$32,300	4.4%	0.6%
Shipping, receiving, and traffic clerks	\$33,000	9.5%	1.3%
Stock clerks and order fillers	\$28,200	29.5%	4.1%
Secretaries, except legal, medical, and executive	\$39,800	4.0%	0.6%
Office clerks, general	\$31,500	8.2%	1.1%
Office machine operators, except computer	\$32,600	3.3%	0.5%
All Other Office and administrative support occupations (Avg. All Categories)	<u>\$40,100</u>	<u>13.7%</u>	<u>1.9%</u>
	Weighted Mean Annual Wage	\$35,700	100.0%
<i>Installation, maintenance, and repair occupations</i>			
First-line supervisors/managers of mechanics, installers, and repairers	\$70,700	6.1%	0.2%
Computer, automated teller, and office machine repairers	\$48,300	81.1%	2.9%
Maintenance and repair workers, general	\$44,100	9.4%	0.3%
All Other Installation, maintenance, and repair occupations (Avg. All Categories)	<u>\$51,600</u>	<u>3.4%</u>	<u>0.1%</u>
	Weighted Mean Annual Wage	\$49,400	100.0%

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Retail Workers
<i>Transportation and material moving occupations</i>			
Driver/sales workers	\$26,700	4.2%	0.2%
Truck drivers, heavy and tractor-trailer	\$39,200	4.8%	0.2%
Truck drivers, light or delivery services	\$31,600	39.3%	1.4%
Industrial truck and tractor operators	\$35,100	8.3%	0.3%
Laborers and freight, stock, and material movers, hand	\$27,900	30.4%	1.1%
Packers and packagers, hand	\$19,200	6.7%	0.2%
All Other Transportation and material moving occupations (Avg. All Categories)	<u>\$37,900</u>	<u>6.3%</u>	<u>0.2%</u>
	Weighted Mean Annual Wage	\$30,500	100.0%
			95.7%

¹ Including occupations representing 3% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

³ Occupation percentages are based on the 2006 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2006 Occupational Employment Survey data for San Francisco, San Mateo-Redwood City MD (San Mateo, San Francisco, and Marin Counties) updated by the California Employment Development Department to 2007 wage levels.

**APPENDIX TABLE 8
 2006 NATIONAL HOTEL WORKER DISTRIBUTION BY OCCUPATION
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

Major Occupations (3% or more)	2006 National Hotel Industry Occupation Distribution	
Management occupations	64,470	3.7%
Food preparation and serving related occupations	456,730	26.2%
Building and grounds cleaning and maintenance occupations	512,480	29.4%
Personal care and service occupations	123,870	7.1%
Office and administrative support occupations	326,280	18.7%
Installation, maintenance, and repair occupations	74,740	4.3%
All Other Hotel Related Occupations	<u>185,780</u>	<u>10.7%</u>
INDUSTRY TOTAL	1,744,350	100.0%

**APPENDIX TABLE 9
AVERAGE ANNUAL COMPENSATION, 2007
HOTEL WORKER OCCUPATIONS
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Hotel Workers
Page 1 of 2			
<i>Management occupations</i>			
General and operations managers	\$126,500	16.2%	0.6%
Sales managers	\$125,300	8.3%	0.3%
Administrative services managers	\$97,200	3.3%	0.1%
Financial managers	\$132,400	4.4%	0.2%
Food service managers	\$53,500	11.9%	0.4%
Lodging managers	\$56,600	42.6%	1.6%
All Other Management occupations (Avg. All Categories)	<u>\$117,500</u>	<u>13.3%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$86,000	100.0%	3.7%
<i>Food preparation and serving related occupations</i>			
First-line supervisors/managers of food preparation and serving workers	\$30,800	5.0%	1.3%
Cooks, restaurant	\$26,800	12.2%	3.2%
Food preparation workers	\$22,500	4.3%	1.1%
Bartenders	\$22,400	7.8%	2.0%
Combined food preparation and serving workers, including fast food	\$21,900	4.0%	1.1%
Waiters and waitresses	\$21,200	28.4%	7.4%
Food servers, nonrestaurant	\$29,500	8.9%	2.3%
Dining room and cafeteria attendants and bartender helpers	\$20,500	10.0%	2.6%
Dishwashers	\$20,200	7.1%	1.9%
Hosts and hostesses, restaurant, lounge, and coffee shop	\$22,800	4.1%	1.1%
All Other Food preparation and serving related occupations (Avg. All Categories)	<u>\$23,300</u>	<u>8.3%</u>	<u>2.2%</u>
Weighted Mean Annual Wage	\$23,400	100.0%	26.2%
<i>Building and grounds cleaning and maintenance occupations</i>			
First-line supervisors/managers of housekeeping and janitorial workers	\$43,300	6.0%	1.8%
Janitors and cleaners, except maids and housekeeping cleaners	\$26,200	9.6%	2.8%
Maids and housekeeping cleaners	\$27,200	80.5%	23.7%
Landscaping and groundskeeping workers	\$31,700	3.1%	0.9%
All Other Building and grounds cleaning and maintenance occupations (Avg. All Cat)	<u>\$28,500</u>	<u>0.8%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$28,200	100.0%	29.4%
<i>Personal care and service occupations</i>			
Amusement and recreation attendants	\$21,400	8.4%	0.6%
Baggage porters and bellhops	\$27,100	19.9%	1.4%
Concierges	\$35,100	6.4%	0.5%
Recreation workers	\$28,400	3.2%	0.2%
Personal care and service workers, all other	\$25,900	3.5%	0.2%
All Other Personal care and service occupations (Avg. All Categories)	<u>\$33,300</u>	<u>58.6%</u>	<u>4.2%</u>
Weighted Mean Annual Wage	\$30,800	100.0%	7.1%

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Hotel Workers
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Page 2 of 2

Office and administrative support occupations

First-line supervisors/managers of office and administrative support workers	\$57,900	7.1%	1.3%
Bookkeeping, accounting, and auditing clerks	\$41,900	6.7%	1.3%
Hotel, motel, and resort desk clerks	\$30,100	61.3%	11.5%
Reservation and transportation ticket agents and travel clerks	\$33,200	3.8%	0.7%
All Other Office and administrative support occupations (Avg. All Categories)	<u>\$40,100</u>	<u>21.2%</u>	<u>4.0%</u>
Weighted Mean Annual Wage	\$35,100	100.0%	18.7%

Installation, maintenance, and repair occupations

First-line supervisors/managers of mechanics, installers, and repairers	\$70,700	8.1%	0.3%
Maintenance and repair workers, general	\$44,100	84.8%	3.6%
All Other Installation, maintenance, and repair occupations (Avg. All Categories)	<u>\$51,600</u>	<u>7.1%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$46,800	100.0%	4.3%

89.3%

¹ Including occupations representing 3% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

³ Occupation percentages are based on the 2006 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2006 Occupational Employment Survey data for San Francisco, San Mateo-Redwood City MD (San Mateo, San Francisco, and Marin Counties) updated by the California Employment Development Department to 2007 wage levels.

**APPENDIX TABLE 10
 2006 NATIONAL HEALTH CLUB WORKER DISTRIBUTION BY OCCUPATION
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

Major Occupations (2% or more)	2006 National Health Club Industry Occupation Distribution	
Management occupations	12,040	2.5%
Arts, design, entertainment, sports, and media occupations	18,890	4.0%
Protective service occupations	23,850	5.0%
Food preparation and serving related occupations	56,500	11.9%
Building and grounds cleaning and maintenance occupations	40,090	8.4%
Personal care and service occupations	220,660	46.3%
Sales and related occupations	27,060	5.7%
Office and administrative support occupations	51,340	10.8%
All Other Health Club Related Occupations	<u>26,030</u>	<u>5.5%</u>
INDUSTRY TOTAL	476,460	100.0%

**APPENDIX TABLE 11
AVERAGE ANNUAL COMPENSATION, 2007
HEALTH CLUB WORKER OCCUPATIONS
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Health Club Workers
<i>Page 1 of 2</i>			
<i>Management occupations</i>			
Chief executives	\$145,600	5.1%	0.1%
General and operations managers	\$126,500	60.9%	1.5%
Administrative services managers	\$97,200	5.1%	0.1%
Financial managers	\$132,400	3.7%	0.1%
Food service managers	\$53,500	9.7%	0.2%
Managers, all other	\$112,900	7.6%	0.2%
All Other Management occupations (Avg. All Categories)	<u>\$117,500</u>	<u>7.9%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$117,400	100.0%	2.5%
 <i>Arts, design, entertainment, sports, and media occupations</i>			
Coaches and scouts	\$39,500	79.4%	3.1%
Umpires, referees, and other sports officials	\$32,000	7.2%	0.3%
All Other Arts, design, entertainment, sports, and media occupations (Avg. All Categories)	<u>\$66,500</u>	<u>13.4%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$42,600	100.0%	4.0%
 <i>Protective service occupations</i>			
Security guards	\$27,400	9.4%	0.5%
Lifeguards, ski patrol, and other recreational protective service workers	\$27,500	87.5%	4.4%
All Other Protective service occupations (Avg. All Categories)	<u>\$49,000</u>	<u>3.1%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$28,200	100.0%	5.0%
 <i>Food preparation and serving related occupations</i>			
Chefs and head cooks	\$44,600	3.6%	0.4%
First-line supervisors/managers of food preparation and serving workers	\$30,800	4.0%	0.5%
Cooks, restaurant	\$26,800	9.0%	1.1%
Food preparation workers	\$22,500	5.8%	0.7%
Bartenders	\$22,400	9.9%	1.2%
Combined food preparation and serving workers, including fast food	\$21,900	6.4%	0.8%
Counter attendants, cafeteria, food concession, and coffee shop	\$20,400	9.0%	1.1%
Waiters and waitresses	\$21,200	32.1%	3.8%
Dining room and cafeteria attendants and bartender helpers	\$20,500	5.1%	0.6%
Dishwashers	\$20,200	7.0%	0.8%
All Other Food preparation and serving related occupations (Avg. All Categories)	<u>\$23,300</u>	<u>8.1%</u>	<u>1.0%</u>
Weighted Mean Annual Wage	\$23,200	100.0%	11.9%

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Health Club Workers
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Page 2 of 2

Building and grounds cleaning and maintenance occupations

First-line supervisors/managers of housekeeping and janitorial workers	\$43,300	3.5%	0.3%
First-line supervisors/managers of landscaping, lawn service, and groundskeeping v	\$53,300	5.7%	0.5%
Janitors and cleaners, except maids and housekeeping cleaners	\$26,200	33.8%	2.8%
Maids and housekeeping cleaners	\$27,200	10.2%	0.9%
Landscaping and groundskeeping workers	\$31,700	46.1%	3.9%
All Other Building and grounds cleaning and maintenance occupations (Avg. All Cat	<u>\$28,500</u>	<u>0.6%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$31,000	100.0%	8.4%

Personal care and service occupations

First-line supervisors/managers of personal service workers	\$49,800	4.6%	2.1%
Amusement and recreation attendants	\$21,400	14.4%	6.7%
Child care workers	\$26,600	12.5%	5.8%
Fitness trainers and aerobics instructors	\$55,000	59.9%	27.7%
All Other Personal care and service occupations (Avg. All Categories)	<u>\$33,300</u>	<u>8.7%</u>	<u>4.0%</u>
Weighted Mean Annual Wage	\$44,500	100.0%	46.3%

Sales and related occupations

First-line supervisors/managers of retail sales workers	\$44,600	5.0%	0.3%
Cashiers	\$24,900	25.0%	1.4%
Counter and rental clerks	\$29,700	27.0%	1.5%
Retail salespersons	\$26,900	20.2%	1.1%
Sales representatives, services, all other	\$74,200	16.8%	1.0%
All Other Sales and related occupations (Avg. All Categories)	<u>\$49,100</u>	<u>6.0%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$37,300	100.0%	5.7%

Office and administrative support occupations

First-line supervisors/managers of office and administrative support workers	\$57,900	5.4%	0.6%
Bookkeeping, accounting, and auditing clerks	\$41,900	10.0%	1.1%
Customer service representatives	\$39,700	5.0%	0.5%
Receptionists and information clerks	\$30,200	53.3%	5.7%
Executive secretaries and administrative assistants	\$48,600	3.1%	0.3%
Secretaries, except legal, medical, and executive	\$39,800	4.6%	0.5%
Office clerks, general	\$31,500	14.5%	1.6%
All Other Office and administrative support occupations (Avg. All Categories)	<u>\$40,100</u>	<u>4.2%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$34,900	100.0%	10.8%

94.5%

¹ Including occupations representing 3% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

³ Occupation percentages are based on the 2006 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2006 Occupational Employment Survey data for San Francisco, San Mateo-Redwood City MD (San Mateo, San Francisco, and Marin Counties) updated by the California Employment Development Department to 2007 wage levels.

**APPENDIX TABLE 12
 2006 NATIONAL RESTAURANT WORKER DISTRIBUTION BY OCCUPATION
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

Major Occupations (2% or more)	2006 National Restaurant Industry Occupation Distribution	
Management occupations	92,250	2.1%
Food preparation and serving related occupations	4,104,910	93.8%
All Other Restaurant Related Occupations	<u>180,270</u>	<u>4.1%</u>
INDUSTRY TOTAL	4,377,430	100.0%

**APPENDIX TABLE 13
AVERAGE ANNUAL COMPENSATION, 2007
RESTAURANT WORKER OCCUPATIONS
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Restaurant Workers
<i>Management occupations</i>			
Chief executives	\$145,560	2.6%	0.1%
General and operations managers	\$126,500	25.8%	0.5%
Food service managers	\$53,500	67.4%	1.4%
All Other Management occupations (Avg. All Categories)	<u>\$117,500</u>	<u>4.2%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$77,400	100.0%	2.1%
<i>Food preparation and serving related occupations</i>			
First-line supervisors/managers of food preparation and serving workers	\$30,800	4.7%	4.4%
Cooks, restaurant	\$26,800	15.8%	14.8%
Cooks, short order	\$26,200	2.0%	1.9%
Food preparation workers	\$22,500	5.1%	4.8%
Bartenders	\$22,400	4.5%	4.2%
Combined food preparation and serving workers, including fast food	\$21,900	3.2%	3.0%
Waiters and waitresses	\$21,200	41.2%	38.6%
Dining room and cafeteria attendants and bartender helpers	\$20,500	5.3%	5.0%
Dishwashers	\$20,200	7.8%	7.3%
Hosts and hostesses, restaurant, lounge, and coffee shop	\$22,800	6.9%	6.4%
All Other Food preparation and serving related occupations (Avg. All Categories)	<u>\$23,300</u>	<u>3.6%</u>	<u>3.4%</u>
Weighted Mean Annual Wage	\$22,800	100.0%	93.8%
			95.9%

¹ Including occupations representing 2% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

³ Occupation percentages are based on the 2006 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2006 Occupational Employment Survey data for San Francisco, San Mateo-Redwood City MD (San Mateo, San Francisco, and Marin Counties) updated by the California Employment Development Department to 2007 wage levels.

**APPENDIX TABLE 14
 2006 NATIONAL LAW OFFICE WORKER DISTRIBUTION BY OCCUPATION
 BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
 CITY OF MENLO PARK, CA**

Major Occupations (4% or more)	2006 National Law Office Industry Occupation Distribution	
Legal occupations	580,330	49.4%
Office and administrative support occupations	522,650	44.5%
All Other Law Office Related Occupations	<u>70,770</u>	<u>6.0%</u>
INDUSTRY TOTAL	1,173,750	100.0%

APPENDIX TABLE 15
AVERAGE ANNUAL COMPENSATION, 2007
LAW OFFICE WORKER OCCUPATIONS
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Law Office Workers
<i>Legal occupations</i>			
Lawyers	\$144,300	62.4%	30.8%
Paralegals and legal assistants	\$60,800	28.8%	14.2%
Title examiners, abstractors, and searchers	\$56,100	4.9%	2.4%
All Other Legal occupations (Avg. All Categories)	<u>\$115,400</u>	<u>4.0%</u>	<u>2.0%</u>
Weighted Mean Annual Wage	\$114,800	100.0%	49.4%
 <i>Office and administrative support occupations</i>			
First-line supervisors/managers of office and administrative support workers	\$57,900	3.6%	1.6%
Bookkeeping, accounting, and auditing clerks	\$41,900	5.3%	2.4%
File clerks	\$32,200	4.3%	1.9%
Receptionists and information clerks	\$30,200	6.6%	2.9%
Executive secretaries and administrative assistants	\$48,600	3.6%	1.6%
Legal secretaries	\$56,600	44.5%	19.8%
Secretaries, except legal, medical, and executive	\$39,800	9.0%	4.0%
Office clerks, general	\$31,500	9.4%	4.2%
All Other Office and administrative support occupations (Avg. All Categories)	<u>\$40,100</u>	<u>13.7%</u>	<u>6.1%</u>
Weighted Mean Annual Wage	\$46,700	100.0%	44.5%
			<hr/> <hr/> 94.0%

¹ Including occupations representing 3% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

³ Occupation percentages are based on the 2006 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2006 Occupational Employment Survey data for San Francisco, San Mateo-Redwood City MD (San Mateo, San Francisco, and Marin Counties) updated by the California Employment Development Department to 2007 wage levels.

**APPENDIX TABLE 16
2006 NATIONAL TECH / R&D WORKER DISTRIBUTION BY OCCUPATION
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA**

Major Occupations (4% or more)	2006 National Tech / R&D Industry Occupation Distribution	
Management occupations	191,577	8.1%
Business and financial operations occupations	116,346	4.9%
Computer and mathematical occupations	152,899	6.5%
Architecture and engineering occupations	403,422	17.1%
Sales and related occupations	106,470	4.5%
Office and administrative support occupations	265,895	11.3%
Production occupations	890,999	37.8%
All Other Tech / R&D Related Occupations	<u>231,401</u>	<u>9.8%</u>
INDUSTRY TOTAL	2,359,010	100.0%

APPENDIX TABLE 17
AVERAGE ANNUAL COMPENSATION, 2007
TECH / R&D WORKER OCCUPATIONS
BOHANNON MIXED USE PROJECT - HOUSING NEEDS ANALYSIS
CITY OF MENLO PARK, CA

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Tech / R&D Workers
Page 1 of 3			
<i>Management occupations</i>			
Chief executives	\$145,600	4.7%	0.4%
General and operations managers	\$126,500	17.3%	1.4%
Marketing managers	\$139,800	7.8%	0.6%
Sales managers	\$125,300	6.0%	0.5%
Computer and information systems managers	\$139,100	6.7%	0.5%
Financial managers	\$132,400	7.1%	0.6%
Industrial production managers	\$105,100	11.0%	0.9%
Purchasing managers	\$96,200	3.3%	0.3%
Engineering managers	\$133,700	22.0%	1.8%
All Other Management occupations (Avg. All Categories)	<u>\$117,500</u>	<u>14.3%</u>	<u>1.2%</u>
	Weighted Mean Annual Wage	100.0%	8.1%
	\$126,600		
<i>Business and financial operations occupations</i>			
Purchasing agents, except wholesale, retail, and farm products	\$68,700	23.2%	1.1%
Training and development specialists	\$66,600	5.0%	0.2%
Human resources, training, and labor relations specialists, all other	\$77,200	4.4%	0.2%
Logisticians	\$72,500	7.0%	0.3%
Management analysts	\$98,100	7.4%	0.4%
Business operations specialists, all other	\$70,800	15.0%	0.7%
Accountants and auditors	\$70,500	18.0%	0.9%
All Other Business and financial operations occupations (Avg. All Categories)	<u>\$78,900</u>	<u>20.0%</u>	<u>1.0%</u>
	Weighted Mean Annual Wage	100.0%	4.9%
	\$74,100		
<i>Computer and mathematical occupations</i>			
Computer programmers	\$89,100	7.5%	0.5%
Computer software engineers, applications	\$102,700	8.1%	0.5%
Computer software engineers, systems software	\$104,500	22.6%	1.5%
Computer support specialists	\$64,300	11.5%	0.7%
Computer systems analysts	\$87,400	12.7%	0.8%
Network and computer systems administrators	\$85,600	7.3%	0.5%
All Other Computer and mathematical occupations (Avg. All Categories)	<u>\$91,600</u>	<u>30.2%</u>	<u>2.0%</u>
	Weighted Mean Annual Wage	100.0%	6.5%
	\$91,100		

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Tech / R&D Workers
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Architecture and engineering occupations

Electrical engineers	\$98,500	11.5%	2.0%
Electronics engineers, except computer	\$100,300	15.7%	2.7%
Industrial engineers	\$89,800	12.1%	2.1%
Mechanical engineers	\$97,500	6.0%	1.0%
Engineers, all other	\$91,800	3.6%	0.6%
Electrical and electronic engineering technicians	\$67,900	16.7%	2.9%
All Other Architecture and engineering occupations (Avg. All Categories)	<u>\$83,200</u>	<u>34.3%</u>	<u>5.9%</u>
Weighted Mean Annual Wage	\$87,000	100.0%	17.1%

Sales and related occupations

First-line supervisors/managers of non-retail sales workers	\$86,500	7.3%	0.3%
Sales representatives, wholesale and manufacturing, technical and scientific product	\$88,500	39.4%	1.8%
Sales representatives, wholesale and manufacturing, except technical and scientific	\$72,400	31.6%	1.4%
Sales engineers	\$98,200	3.4%	0.2%
All Other Sales and related occupations (Avg. All Categories)	<u>\$49,100</u>	<u>18.3%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$76,400	100.0%	4.5%

Office and administrative support occupations

First-line supervisors/managers of office and administrative support workers	\$57,900	5.9%	0.7%
Bookkeeping, accounting, and auditing clerks	\$41,900	8.7%	1.0%
Customer service representatives	\$39,700	12.2%	1.4%
Order clerks	\$32,300	3.3%	0.4%
Receptionists and information clerks	\$30,200	3.0%	0.3%
Production, planning, and expediting clerks	\$47,400	9.2%	1.0%
Shipping, receiving, and traffic clerks	\$33,000	13.1%	1.5%
Stock clerks and order fillers	\$28,200	8.1%	0.9%
Executive secretaries and administrative assistants	\$48,600	10.2%	1.1%
Secretaries, except legal, medical, and executive	\$39,800	4.3%	0.5%
Office clerks, general	\$31,500	10.4%	1.2%
All Other Office and administrative support occupations (Avg. All Categories)	<u>\$40,100</u>	<u>11.4%</u>	<u>1.3%</u>
Weighted Mean Annual Wage	\$39,400	100.0%	11.3%

Occupation ¹	2007 Avg. Compensation ²	% of Total Occupation Group ³	% of Total Tech / R&D Workers
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Production occupations

First-line supervisors/managers of production and operating workers	\$60,100	6.5%	2.5%
Electrical and electronic equipment assemblers	\$35,200	19.8%	7.5%
Electromechanical equipment assemblers	\$32,700	3.8%	1.4%
Team assemblers	\$31,900	13.8%	5.2%
Inspectors, testers, sorters, samplers, and weighers	\$36,600	8.4%	3.2%
Dental laboratory technicians	\$38,700	5.4%	2.0%
Semiconductor processors	\$41,800	13.6%	5.1%
All Other Production occupations (Avg. All Categories)	<u>\$35,700</u>	<u>28.7%</u>	<u>10.8%</u>
Weighted Mean Annual Wage	\$37,600	100.0%	37.8%

90.2%

¹ Including occupations representing 3% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

³ Occupation percentages are based on the 2006 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2006 Occupational Employment Survey data for San Francisco, San Mateo-Redwood City MD (San Mateo, San Francisco, and Marin Counties) updated by the California Employment Development Department to 2007 wage levels.