

4.11 Population and Housing

This section evaluates the population, employment and housing-related effects of the El Camino Real/Downtown Specific Plan. Potential impacts that would result from implementation of the Specific Plan are identified. This section also contains a discussion of the consistency of the Specific Plan with relevant housing and land use policies.¹

4.11.1 Environmental Setting

The following setting identifies existing conditions and projected future trends for the Plan area, the City of Menlo Park and San Mateo County. The citywide and regional context for population, employment, and housing is also presented, along with identification of the relationship between jobs and housing. Association of Bay Area Governments (ABAG) data is the primary data source for the environmental setting. ABAG is the regional planning agency for the nine counties and 101 cities and towns of the San Francisco Bay region. In addition, supplemental data from the United States Census (U.S. Census), California Department of Finance (DOF) and California Employment Development Department (EDD) is also provided. While U.S. Census data provides the baseline statistical data, information for communities such as Menlo Park is only collected during the nationwide Census performed every ten years. As a result, the most current actual Census count data is for 2000.

Population and other demographic estimates amongst California agencies frequently differ slightly due to their specific date as well as the jurisdiction or population they may represent. In addition, differences in the methodology and purpose for the estimates can result in minor variances in their estimates. ABAG data is used as the primary data source since it provides the future demographic and economic projections for the entire Bay Area that are most consistent and applicable for evaluating the City's currently expected future socioeconomic conditions.

The Plan area is located within the City of Menlo Park in San Mateo County. Menlo Park is situated approximately 30 miles south of San Francisco and approximately 20 miles north of San Jose. Located on the San Francisco Peninsula within the southern part of San Mateo County, the City's south border is marked by Palo Alto, Stanford University and East Palo Alto. San Francisco Bay lies to the East while the city's western border is marked by Ladera, Portola Valley and Woodside. Redwood City and Atherton are located north of Menlo Park. Menlo Park's incorporated area encompasses a total of 11,680 acres or approximately 18 square miles. However, nearly 12 square miles of this area is made up of the San Francisco Bay and wetlands. In addition, several additional unincorporated areas adjoining the City are recognized as being within Menlo Park's sphere of influence and as such are included in the city's General Plan. In California, "sphere of influence" has a legal meaning as a plan for the probable physical boundaries and service area of a local agency. Spheres of influence at California local agencies are regulated by Local Agency Formation Commissions (LAFCO) and as such recognize the unincorporated communities that would be best and most likely served by the city agencies and

¹ Policy conflicts only constitute a significant environmental impact if they would result in physical impacts.

hence, represent areas with the greater potential for annexation by the City. In most cases, ABAG provides more detailed demographic and employment projections for city's sphere of influence than for small cities such as Menlo Park. Consequently, unless otherwise specifically noted, all Menlo Park data represents the Menlo Park sphere of influence since only limited demographic data is available for the City's incorporated area.

The sphere of influence designation for the City of Menlo Park includes unincorporated West Menlo Park, Week End Acres, Menlo Oaks, as well as the Stanford Linear Accelerator (SLAC). With the exception of SLAC, these areas are zoned residential and are substantially developed.²

The Plan area is located along El Camino Real from Watkins Avenue in the northwest to San Francisquito Creek in the southeast. It extends east to the Caltrain right-of-way and around the Caltrain Menlo Park Station, and it extends west along Oak Grove Avenue, Santa Cruz Avenue, and Menlo Avenue to approximately University Drive. El Camino Real is designated as SR 82 and is one of the primary arterial roadways and commercial corridors of the San Francisco Peninsula, extending from Mission Street in San Francisco to The Alameda in Santa Clara, near San Jose International Airport. Caltrain is the major commuter rail line serving the San Francisco Peninsula, and it connects Menlo Park with San Francisco to the north and San Jose and Gilroy to the south.

Population

Key demographic data and projections for Menlo Park, San Mateo County and the Bay Area Region are presented in **Table 4.11-1**. The information in the Table is from the ABAG Projections 2009. The information is based on Menlo Park's jurisdictional boundaries plus its sphere of influence. According to Projections 2009, the City of Menlo Park/sphere of influence is estimated to have had a population of 35,200 in 2005 and its 2010 population is estimated to be 36,200. The California Department of Finance's most recent population data estimates that the City of Menlo Park's jurisdictional population was 32,185 in January 2010. Over the last decade, the City's population has been relatively unchanged partly due to the economic downturn of the dot-com industry between 2000 and 2005 when the entire region experienced sharp declines in employment rates and significant out migration.³

ABAG projects a 14.9 percent increase in the City/sphere of influence's population between 2010 and 2030. During this same period, the County of San Mateo's population is expected to grow 17.7 percent while the entire Bay Area region population is projected to increase by 18.8 percent. The lower growth projections for San Mateo and Menlo Park largely reflect these areas' more limited developable land resources. ABAG expects that most of the County's future population

² San Mateo County Local Agency Formation Committee (LAFCO), *Municipal Service Review and Sphere of Influence Update for City of Menlo Park*. <http://www.co.sanmateo.ca.us/Attachments/lafco/pdfs/2009-07-07msrmp.pdf>, September 2009.

³ State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2009, with 2000 Benchmark*. Sacramento, California, May 2009.

**TABLE 4.11-1
KEY POPULATION, EMPLOYMENT AND HOUSING CHARACTERISTICS FOR MENLO PARK AND SAN MATEO COUNTY: 2005-2030**

	2005	2010	2015	2020	2025	2030	2010-2030	
							Change	%
Total Population								
Menlo Park ^a	35,200	36,200	37,900	39,300	40,600	41,600	5,400	14.9%
San Mateo County	721,900	733,300	766,900	801,300	832,400	862,800	129,500	17.7%
Total Bay Area^b	7,096,500	7,341,700	7,677,500	8,018,000	8,364,900	8,719,300	1,377,600	18.8%
Households								
Menlo Park ^a	14,180	14,630	15,160	15,710	16,260	16,810	2,180	14.9%
San Mateo County	260,070	264,400	275,680	287,350	299,220	310,970	46,570	17.6%
Total Bay Area^b	2,583,080	2,667,340	2,784,690	2,911,000	3,039,910	3,171,940	540,600	18.9%
Jobs								
Menlo Park ^a	28,820	29,400	29,850	30,390	33,450	36,640	7,240	24.6%
San Mateo County	337,350	346,320	373,370	404,400	439,850	473,290	126,970	36.7%
Total Bay Area^b	3,449,640	3,475,840	3,734,590	4,040,690	4,379,900	4,738,730	1,262,890	36.3%
Employed Residents								
Menlo Park ^a	15,260	16,520	17,180	18,810	20,170	21,510	4,990	30.2%
San Mateo County	318,600	330,700	364,700	379,300	408,600	437,200	106,500	32.2%
Total Bay Area^b	3,225,100	3,410,300	3,633,700	3,962,800	4,264,600	4,547,100	1,136,800	25.0%
Ratio Jobs-to-Employed Residents								
Menlo Park ^a	1.88:1	1.78:1	1.74:1	1.62:1	1.66:1	1.70:1		
San Mateo County	1.06:1	1.05:1	1.02:1	1.07:1	1.08:1	1.08:1		
Total Bay Area^b	1.07:1	1.02:1	1.03:1	1.02:1	1.03:1	1.04:1		
Employed Residents as Percent of Population								
Menlo Park ^a	43.4%	45.6%	45.3%	47.9%	49.7%	51.7%		
San Mateo County	44.1%	45.1%	47.6%	47.3%	49.1%	50.7%		
Total Bay Area^b	45.4%	46.5%	47.3%	49.4%	51.0%	52.1%		

^a Population, housing and employment data is for Menlo Park's sphere of influence which includes unincorporated areas of San Mateo County adjoining its municipal jurisdiction.

^b Total Bay Area includes all nine Bay Area Counties (i.e., Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma Counties).

SOURCES: Association of Bay Area Governments (ABAG), *Projections 2009*, December, 2009.

growth will occur as a result of intensified development along the El Camino corridor, particularly within areas adjacent to the Caltrain line.⁴

In 2005, Menlo Park/sphere of influence's average household size is estimated to have been approximately 2.48 persons, which was considerably smaller than the County average of 2.78 persons per household. The City average household size in 2010 is projected to be 2.47 persons per household. Lower household sizes are typically representative of more affluent and established residential communities. Menlo Park's average household size is one of the lowest within San Mateo County. Given the City's older and more affluent population with a lower number of children per household, Menlo Park's household size is expected to remain unchanged for the foreseeable future.

Employment

Employment data and projections for Menlo Park, San Mateo County and the Bay Area Region are also presented in Table 4.11-1. Menlo Park is located within Silicon Valley. As a result, during the mid and late 1990s the City enjoyed major growth in high technology and financial sector jobs. During that period, both San Mateo County and San Francisco experienced a period of high employment and real wage growth. Following the downturn in the dot-com industry during mid-2000 and 2001, there was a major contraction in employment throughout the entire region. While employment levels began to recover during the years following the "dot-com bust", more recently employment has declined as unemployment rates have increased following the onset of the mortgage crisis and ensuing recession that started in 2007.

Current projections by ABAG foresee gradual employment growth for both Menlo Park and San Mateo County. The City's future job growth is projected to be just over one percent per year. The County's future job growth is expected to occur at a comparable rate of approximately 1.5 percent per year and San Mateo County is expected to re-attain its 2000 employment levels by 2015. However due to the severity of Menlo Park's job losses in 2001, future employment in the City is not expected to return to 2000 levels until after 2025.⁵

In 2005, the financial and professional services industries was the largest employment sector within Menlo Park and it provided approximately 40 percent of the city's jobs. While the manufacturing, wholesale and transportation employment decreased from its 2000 levels, it remains the second largest employment sector in Menlo Park and it provides approximately 21 percent of employment opportunities within the city. Health care, educational and recreational service jobs represent nearly 20 percent of the city's total employment while retail jobs account for about 6 percent of local employment. Other industries account for roughly 12 percent of remaining employment by a variety of other local industries and businesses.

ABAG projects that the financial and professional services sector will remain Menlo Park's largest employment sector and will account for a similar proportion of the City's jobs in 2010.

⁴ Association of Bay Area Governments (ABAG), *Projections 2009*, December, 2009.

⁵ Association of Bay Area Governments (ABAG), *Projections 2009*, December, 2009.

Manufacturing, wholesale and transportation employment in Menlo Park is projected to be nearly unchanged and the sector is expected to remain the second largest employment sector closely followed by the health care, educational and recreational service sector. By 2030, future job growth in Menlo Park is expected to add 7,240 new jobs locally—resulting in projected total employment levels of 36,640. This job growth would represent an increase of nearly 25 percent to Menlo Park’s 2010 employment conditions. The future employment within the city is expected to be relatively unchanged from its current job sector distribution.

While the employment data identifies the number of people employed within Menlo Park, the “employed residents” category represents the number of City residents that have jobs, although most work at a location outside of Menlo Park. As shown in Table 4.11-1, ABAG estimates that 15,260 Menlo Park residents had jobs in 2005, which was approximately 43.4 percent of the total population. Future job growth and demographic changes are expected to increase the proportion of employed residents in Menlo Park to nearly 50 percent by 2025.

Table 4.11-2 shows the place of employment for Menlo Park’s residents who have jobs. Most of Menlo Park’s residents work at locations widely dispersed through the Peninsula, San Francisco and beyond. Although nearly a third of Menlo Park residents are employed locally within the City, Palo Alto or at Stanford University, only 12 percent of city residents currently live and work in Menlo Park itself. This share is relatively low compared to most other cities in the Bay Area and is attributed to a range of factors: affordability constraints that limit workers’ ability to find housing within the City, the comparative large number of jobs within Menlo Park compared to its housing supply and the increasing propensity by Bay Area workers to commute.⁶

**TABLE 4.11-2
 MENLO PARK RESIDENTS’ PLACE OF EMPLOYMENT**

Place of Work	Menlo Park Residents (percentage)
Palo Alto	14%
Menlo Park	12%
Stanford	6%
San Jose	6%
Redwood City	6%
San Francisco	6%
Mountain View	5%
Sunnyvale	4%
Santa Clara	4%
San Mateo	3%
Other Locations	34%

SOURCE: Strategic Economics, 2009b.

⁶ Keyser Marston Associates, *Housing Needs Analysis Bohannon Office / Hotel Mixed Use Project*, June 2009.

Typically, Menlo Park residents' incomes are relatively high—the median family income in the city averaged \$134,241 between 2005 and 2007. By comparison, median family incomes for San Mateo County and California residents were \$94,517 and \$66,420 respectively.⁷

Housing

The 2000 Census identified 30,785 people living within Menlo Park and 12,714 housing units within the city (see **Table 4.11-3**). Of the occupied housing units (12,387), 57 percent were owner-occupied and 43 percent renter-occupied.

**TABLE 4.11-3
HOUSING STOCK IN MENLO PARK, 2000**

	2000	
Total Housing Units	12,714	
Occupied Housing Units	12,387	97.4%
Vacant Housing Units	327	2.6%
Owner-occupied Housing	7,153	57.0%
Renter-occupied Housing	5,332	43.0%

NOTES: Housing data for City of Menlo Park not including unincorporated areas within the Menlo Park sphere of influence

SOURCE: U.S. Census, 2000.

According to ABAG, its household estimates represent occupied dwelling units. As shown in Table 4.11-1, ABAG estimates that in 2010 there are 14,630 occupied housing units within Menlo Park's sphere of influence and it projects that by 2030 there will be an additional 2,180 new homes resulting in a total housing supply of 16,810. The difference between the numbers presented by the U.S. Census and ABAG Projections 2009 are due to both the different years on which the data is based and the exclusion of the sphere of influence in the U.S. Census data and its inclusion in the ABAG data. Overall, the future housing/household growth rate for Menlo Park plus its sphere of influence is expected to be lower than the 17.6 percent growth projected county-wide in San Mateo and the 18.9 percent for the entire Bay Area region.

Housing prices in the Bay Area are among the highest in the country and San Mateo County has several of the most expensive residential communities in the Bay Area. Menlo Park is one of the more desirable communities within the county and as a result, home prices exceed the county levels. Most home prices in the Bay Area peaked in mid 2006 at which point the comparable median home price within San Mateo County was \$770,000 and in Menlo Park median home prices were \$782,500.

⁷ U.S. Census Bureau, *American Factfinder*, Census 2000 available at <http://factfinder.census.gov/home/saff/>, 2010.

In recent years following the mortgage crisis and economic downturn, throughout most of California home prices have decreased significantly from their peak values in mid-2006. Within most of the Bay Area, home value losses have been less severe except for the more suburban outlying areas of the region. While there has been some home price declines, in the more affluent communities of the Bay Area (such as San Francisco, San Mateo, and Marin) home values nonetheless remain relatively high and comparatively stable as a smaller proportion of homeowners have been forced to sell their homes as a result of mortgage financing difficulties. Within Menlo Park, median home values actually continued to appreciate until mid 2008 and have subsequently decreased. In 2009, the median price for new and existing homes in San Mateo County averaged \$580,000 and \$1,007,500 in Menlo Park. Most recent estimates for home values in May 2010 estimated that the median price for new and existing homes in San Mateo County averaged \$600,000 and \$959,000 in Menlo Park.⁸

The major land uses surrounding the Plan area are institutional and residential. The Plan area itself contains a relatively limited amount of housing, although a few residential and mixed-use buildings are present in certain parts of the Plan area.

4.11.2 Regulatory Setting

This section discusses the local policies relevant to population and housing. In addition, applicable plans and polices related to land use, transportation and circulation, noise, and other environmental categories are discussed in other relevant sections of this Draft EIR.

Menlo Park General Plan

Goals and Policies

Several goals and policies of the General Plan apply broadly to land use and development across the City. The land use and housing element goals and policies specifically relevant to population and housing for the Specific Plan are discussed below.⁹ Applicable policies of other elements are discussed in the relevant sections of this Draft EIR.

The Land Use Element of the City of Menlo Park General Plan (1994) contains the following applicable goals and policies with regard to population and housing.

Residential

Goal I-A: To maintain and improve the character and stability of Menlo Park's existing residential neighborhoods while providing for the development of a variety of housing types. The preservation of open space shall be encouraged.

- ***Policy I-A-1:*** New construction in existing neighborhoods shall be designed to emphasize the preservation and improvements of the stability and character of the individual neighborhoods.

⁸ Dataquick, *California Home Sales Activity by City, 2006 to 2010 Data*. July, 2010.

⁹ City of Menlo Park, *General Plan Policy Document*, adopted November 30 and December 1, 1994.

- *Policy I-A-2:* New residential developments shall be designed to be compatible with Menlo Park's residential character.
- *Policy I-A-3:* Quality design and usable open space shall be encouraged in the design of all new residential developments.
- *Policy I-A-4:* Residential uses may be combined with commercial uses in a mixed use project, if the project is designed to avoid conflicts between the uses, such as traffic, parking, noise, dust, and odors.
- *Policy I-A-5:* Development of housing, including housing for smaller households, is encouraged in commercially zoned areas in and near downtown. (Downtown is defined as the area bounded by Alma Street, Ravenswood Avenue / Menlo Avenue, University Drive and Oak Grove Avenue.) Provisions for adequate off-street parking must be assured.
- *Policy I-A-6:* Development of residential uses on the north side of Oak Grove Avenue and on the south side of Menlo Avenue adjacent to the downtown commercial area is encouraged.
- *Policy I-A-8:* Residential developments of ten or more units shall comply with the Requirements of the City's Below-Market Rate (BMR) Housing Program.

Commercial

Goal I-B: To strengthen downtown as a vital and competitive shopping area while encouraging the preservation and enhancement of downtown's historic atmosphere and character.

- *Policy I-B-1:* The downtown should include a complementary mix of stores and services in a quality design, adding natural amenities into the development pattern.
- *Policy I-B-2:* Parking which is sufficient to serve the retail needs of the downtown area and which is attractively designed to encourage retail patronage shall be provided.
- *Policy I-B-4:* Uses and activities shall be encouraged which will strengthen and complement the relationship between the Transportation Center and the downtown area and nearby El Camino Real corridor.

Goal I-C: To encourage creativity in development of the El Camino Real Corridor.

- *Policy I-C-1:* New and upgraded retail development shall be encouraged along El Camino Real near downtown, especially stores that will complement the retailing mix of downtown. Adequate parking must be provided and the density, location, and site design must not aggravate traffic at congested intersections. The livability of adjacent residential areas east and west of El Camino Real and north and south of downtown must be protected.
- *Policy I-C-2:* Small-scale office shall be allowed along most of El Camino Real in a balanced pattern with residential or retail development.

Housing Element

The following relevant policies are included in the City's Housing Element:

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

- *Policy III.A.4:* The City will promote the development of housing on appropriate City-owned land.
- *Policy III.A.5:* The City will promote development of mixed-use medium or high-density residential and commercial projects in the Central Business District and along El Camino Real as a means of providing more housing on job sites to help offset the impact of new employment on the regional housing market.
- *Policy III.A.6:* The City will explore the feasibility of using air rights in parking plazas in the Central Business District as a means of creating more housing opportunities in the city. The use of air rights in parking plazas must not result in the loss of parking and should increase the supply of parking beyond that needed for any new housing created.
- *Policy III.A.8:* The City will continue to require residential developers to contribute to the provision of below market rate housing opportunities in the city.
- *Policy III.A.9:* The City will continue to require developers of employment-generating commercial and industrial developments to contribute to the provision of below market rate housing opportunities in the city.
- *Policy III.A.10:* The City will increase the supply of land available for residential development by redesigning and rezoning targeted residential and non-residential parcels for multi-family residential use, particularly near public transit and major transportation corridors in the city.
- *Policy III.A.11:* The City will promote the distribution of new higher-density residential developments throughout the city, taking into consideration compatibility with surrounding existing residential uses, particularly near public transit and major transportation corridors in the city.

State Housing Element Law requires cities in California to plan for the future development of adequate new housing units to meet their share of their regional housing needs. ABAG is ultimately responsible for determining the share of regional housing needs to be met by each city in the Bay Area. State housing law has established four housing affordability categories. The categories are based on the region's median income, taking into account households ranging in size from one to six people. These four affordability categories are used by ABAG in allocating regional housing needs and are as follows:

- *Very Low* – 0 to 50 percent of the area's median income
- *Low* – 50 to 80 percent of the area's median income
- *Moderate* – 80 to 120 percent of the area's median income
- *Above Moderate* – over 120 percent of the area's median income

During the most recent allocation process, San Mateo County elected to manage its own "sub-regional" allocation process. In May 2008, ABAG adopted the County's proposed allocation. Under this allocation, Menlo Park is required to identify sites for 993 total housing units,

including sites that could accommodate about 390 units affordable to lower income households. Developable sites zoned at 30 units per acre or more are generally considered to be suitable for lower income households.

4.11.3 Impacts and Mitigation Measures

Significance Criteria

Implementation of the Plan would have a significant impact on population and housing if it would:

- Displace a substantial number of existing housing units or people, necessitating the construction of replacement housing elsewhere; and/or
- Induce substantial population growth in an area either directly or indirectly.

Impacts

Impact POP-1: The project would not displace existing housing or people such that construction of replacement facilities elsewhere would be required. (Less than Significant)

The proposed Specific Plan is intended to be implemented gradually over the next 30 years. The rate and type of development would be primarily determined by the private sector and would occur predominantly as market demand and individual property owners choose to sell or redevelop their properties. If existing housing units are removed, subsequent redevelopment under the Specific Plan would likely include new residential development that would replace any lost units and add additional housing in the Plan area. The majority of the opportunity sites identified as likely redevelopment sites are in commercial use or vacant, with fewer than 25 dwelling units located on these parcels. Since more units would be built than would be demolished, construction of replacement housing outside the Specific Plan area would not be required. The permitted residential development would also assist the City in meeting its share of regional housing needs. Because residences are to be permitted at 30 units per acre and more, the sites so zoned would be considered to be suitable for lower income housing. In addition, residential development would be required to comply with the City's existing affordable housing ordinance, which requires between 10 to 15 percent of new residences to be affordable to very low-, low- and moderate-income households. Consequently, the Specific Plan would not cause growth elsewhere from the displacement of existing residents within the Plan area.

Therefore, the Specific Plan would have a less-than-significant effect in requiring construction of replacement facilities outside the Plan area.

Mitigation: None required.

Impact POP-2: The project would not induce substantial population growth, either directly by proposing new housing, or indirectly through infrastructure improvements and job growth. (Less than Significant)

Market and demographic analysis performed by Strategic Economics determined that there is strong potential for new housing development within the Plan area to meet existing housing demand from several population groups. The Plan area's proximity to employment centers, regional transportation options, educational institutions and downtown Menlo Park's retail can be expected to be attractive to a variety of groups including professionals, students and seniors. A wide range of demographic and household types would likely be attracted to new housing given the area's strong school system, good community facilities, village-like community atmosphere and central location.¹⁰

Strategic Economics derived a household size of 2.38 persons per household based on the weighted average of owner and renter average household size in Menlo Park as of the 2000 Census. Renters are generally a good proxy for average household size for multi-family units, but Strategic Economics determined that Menlo Park's average renter household size of 2.01 persons per household was too low given information from developers suggesting that families are also moving into recently built condominiums in the City. Furthermore, given the relatively high price point for new, market-rate housing in Menlo Park and nearby areas, compared with the older multi-family units appearing in the Census, it may be expected that households will generally be older and/or wealthier than current renters. Consequently, if full build out of the Specific Plan occurs, the future residential population is estimated to be 1,537 new residents.¹¹ As shown in Table 4.11-1, ABAG projects that the Menlo Park plus its sphere of influence's population is projected to be 41,600 in 2030, an increase of 5,400 from the current 2010 population.¹² The Specific Plan's growth of 1,537 new residents would represent approximately 28.5 percent of the expected future City plus its sphere of influence population growth over this timeframe.

Consequently, the Specific Plan proposed housing development would not be expected to result in population growth beyond that already projected in ABAG's published reports.

In addition to the new housing, full build out of the Specific Plan could result in a total net increase of approximately 332,000 square feet of new retail and commercial development. Also, 380 rooms of new hotel lodging are projected to be developed. The total future employment

¹⁰ Strategic Economics, *Menlo Park Downtown and El Camino Real Specific Plan – Market Study*, May 2009.

¹¹ Strategic Economics, *Menlo Park Downtown and El Camino Real Specific Plan – Fiscal Impact Analysis*, November 2009.

¹² ABAG's population projections are for the Menlo Park sphere of influence (i.e. also includes some adjoining unincorporated communities) and consequently the population estimate is approximately 10.6 percent higher than the Department of Finance estimate for solely the City of Menlo Park. Only ABAG generates future population, housing and job projections for cities within the Bay Area. Therefore, its reported projections are used for the impact analysis. If the future growth is assumed to occur evenly throughout the sphere of influence (which is unlikely given that most of the under-utilized areas are located within the City), the expected City population growth would be approximately 4,878 (i.e. 90.3% of 5,400) and the Specific Plan related population growth if full built out occurs would still represent less than 32% of the expected future City population growth.

growth associated with the proposed new retail, commercial, and hotel development is estimated to be 1,357.¹³

As shown in Table 4.11-1, in 2030, the Menlo Park plus its sphere of influence employment is projected to be 36,640 jobs¹⁴ – an increase of 7,240 from the current 2010 employment. If fully built out, the Specific Plan projected related job growth of 1,357 new jobs would represent approximately 17 percent of the City’s expected future job growth. If full build-out occurs, the Specific Plan’s new housing unit total of 680 can be expected to have a similar number of employed residents per household as is projected for the overall Menlo Park population in 2030 (1.28 employed residents per household). This would result in a new employed resident population of 870 for the Specific Plan. For the Specific Plan, the ratio of new jobs (1,357) to the new employed resident population (870) would be 1.56, below the overall ratio for 2030 Menlo Park plus its sphere of influence of 1.70. Both figures would be below the current ratio of 1.78, indicating an improvement in the ratio of jobs and housing. In addition, this analysis is conservative and potentially understates the number of employed residents per household, given that most new housing in the Plan area would be multi-family attached residences, which typically generate higher ratios of employed residents per household in comparison to single-family detached residences. Consequently, the Specific Plan’s proposed retail and commercial development would not be expected to result in substantial unanticipated indirect population growth from increased local employment.

The Plan area is located within the City’s existing retail and service areas and as such is currently served by urban infrastructure, services and transit options. Individual elements of infrastructure may need to be upgraded or expanded on a project-by-project basis, but no new infrastructure would be extended to undeveloped areas, and consequently the Specific Plan would not require infrastructure improvements resulting in substantial indirect population growth.

Overall, the Specific Plan is not expected to induce growth in excess of current projections either directly or indirectly. Consequently, the Specific Plan would have a less-than-significant impact on the City of Menlo Park’s population and housing.

Mitigation: None required.

¹³ Strategic Economics, *Menlo Park Downtown and El Camino Real Specific Plan – Fiscal Impact Analysis*, November 2009 with September 2010 clarification by Strategic Economics.

¹⁴ ABAG’s job projections are for the Menlo Park sphere of influence (i.e. also includes some adjoining unincorporated communities) and based on their population estimate is approximately 10.6 percent higher than the Department of Finance estimate for solely the City of Menlo Park. Only ABAG generates future population, housing and job projections for cities within the Bay Area. Therefore, its reported projections are used for the impact analysis. If the future job growth is assumed to occur evenly throughout the Menlo Park sphere of influence (which is unlikely given that most of the under-utilized areas are located within the City and except for the SLAC the unincorporated communities are mostly residential), the expected City job growth would be conservatively assumed to be approximately 6,790 and the Specific Plan related job growth if full built out occurs would still represent less than 20% of the City’s expected future job growth.

Cumulative Impacts

Impact POP-3: Implementation of the Menlo Park El Camino Real/Downtown Specific Plan, in combination with other past, present, and reasonably foreseeable future plans and projects, would not result in cumulatively considerable impacts to population and housing. (Less than Significant)

As shown in Table 4-1, there are pending and approved projects which if constructed would be expected to add 403 net new housing units. Assuming an average of 2.38 residents per unit (consistent with the City's current average household size and Strategic Economics projections for future Specific Plan residential growth), future additional population growth of up to 959 new residents may be expected.¹⁵

As discussed above under POP-1, the future residential population growth by 2030 after full buildout of the Specific Plan is estimated to be 1,537. Therefore, combined with the 959 new future residents currently expected to live in approved or proposed residential projects, the cumulative housing growth impact would be up to 2,496 new residents.

As shown in Table 4.11-1, in 2030, Menlo Park's sphere of influence population is projected to be 41,600 – an increase of 5,400 from the current 2010 population. In which case, the cumulative growth of the Specific Plan and other foreseeable projects of 2,496 new residents would represent approximately 46.2 percent of the City's expected future population growth. Such growth is consistent with the most recent ABAG projections.

Consequently, the Specific Plan projected housing development would not be expected to result directly in substantial unanticipated population growth.

As shown in Table 4-1, there are office, retail and other commercial development projects approved/pending within Menlo Park. The total net new office square footage for these various office and research/development projects is approximately 1,200,000 square feet.

The largest of the pending projects is the Menlo Gateway Project (which has been approved by the City Council and by the voters in the November 2010 election), which would construct a 230-room hotel, 69,467 square feet of new health club, and 6,947 square feet of restaurant in addition to its planned development of 525,485 square feet of net new office space. Recent analysis for the Menlo Gateway Project projects that it will result in a net increase of 1,878 employees in Menlo Park.¹⁶

Applying an employment density factor of 300 square feet per employee (which is the same as that used for the Specific Plan and Menlo Gateway Project job estimates), it is estimated that the 674,438 square feet of the other proposed office and research/development projects (i.e. not

¹⁵ This is considered a conservative population estimate since many of the proposed new housing units may be condominium or multi-family units that might be expected to have a lower number of occupants per unit (Strategic Economics, May, 2009). Strategic Economics projections are used since they are more specific to Menlo Park than the more general approach ABAG uses to develop its regional and city population and housing projections.

¹⁶ Keyser Marston Associates, *Housing Needs Analysis Bohannon Office / Hotel Mixed Use Project*, June 2009.

including the Menlo Gateway Project) would create approximately 2,248 additional jobs within the City if they are all built out.¹⁷ Altogether, the cumulative job impact of these approved or pending future projects would be up to approximately 4,126 new jobs for Menlo Park.

Future employment growth associated with the proposed new retail, commercial, and hotel development under the Specific Plan is estimated to be up to 1,357 if full build-out occurs. As shown in Table 4.11-1 and discussed in POP-1, by 2030, Menlo Park's sphere of influence employment is projected to be 36,640 jobs – an increase of 7,240 from its current 2010 employment levels.

The cumulative job growth impact of the Specific Plan and currently foreseen projects will be 5,483 new jobs and would represent 75.7 percent of the City's anticipated future 2030 job growth. As with housing, future commercial growth within the Plan area is anticipated and does not exceed ABAG's projections. Consequently, the Specific Plan proposed office, retail and other commercial development would not be expected to result in substantial unanticipated indirect population growth from increased local employment. Therefore, the cumulative impact of the Specific Plan would be expected to have a less than significant impact on the City of Menlo Park's population and housing.

Mitigation: None required.

¹⁷ City of Menlo Park, 2009b. Project List. Community Development Department. Obtained online at http://www.menlopark.org/projects/proj_comdev.htm on January 20, 2010.