4.11 POPULATION AND HOUSING

This section evaluates the potential impacts related to population and housing that could occur as a result of Scenarios 5 and 6. This analysis is based on the Regulatory Framework and Existing Conditions information provided in the February 2016 Draft EIR.

4.11.1 ENVIRONMENTAL SETTING

No revisions are required to the Regulatory Framework and Existing Conditions information presented in the February 2016 Draft EIR except for the following additional detail regarding *Plan Bay Area 2040* (deletions are shown in ~~strikethrough~~ and additions are underlined).

State and Regional Regulations

Association of Bay Area Governments Projections 2013

The Association of Bay Area Governments (ABAG) is the comprehensive regional planning agency for the San Francisco Bay Area region, which is composed of the nine counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma, which together contain 101 cities. ABAG has no local land use authority but produces growth forecasts on four-year cycles so that other regional agencies, including the Metropolitan Transportation Commission (MTC) and the Bay Area Air Quality Management District (BAAQMD) can use the forecasts to inform project funding and regulatory decisions. The most recent set of growth forecasts was published by ABAG in July 2013. ABAG's *Projections 2013* data for Palo Alto is shown in Table 4.11-1.

Local general plans, zoning regulations, and growth management programs inform ABAG's projections, which have practical consequences that shape growth and affect environmental quality. Specifically, the projections are the basis for the *MTC Regional Transportation Plan* (RTP) and the *Bay Area Air Quality Management District Regional Ozone Attainment Plan*. The ABAG projections also provide the basis for regional planning pursuant to Senate Bill (SB) 375 (see discussion of Sustainable Communities Strategy below).

It is important to note the following discrepancies between the housing and population data used for *Projections 2013*, which are presented in Table 4.11-1 above, and the City's housing and population data:

1. **Existing Housing in the City Limit.** Based on the City's building history, ABAG's *Projections 2013* overestimates the number of existing households in the city limit. The City estimates that there are 404 fewer existing (2014) households in the city compared to ABAG's *Projections 2013*.
2. **Existing Housing in the SOI.** The 2014 Stanford General Use Permit (GUP) Annual Report states that there were 1,358 housing units in the SOI ~~in~~ added from 2000 to 2010 and 1,884 housing units ~~in~~ added from 2000 to the SOI in 2014, for a gain of 526 housing units in those four years (2010 to 2014). However, ABAG's *Projections 2013* forecast a growth of only 54 households between 2010 and 2015. The

City estimates that *Projections 2013* underestimates existing (2014) housing in the SOI by approximately 400 households (adjusted from 526 housing units to account for vacancy status).

3. **Future Housing in the City Limit.** ABAG's *Projections 2013* projects higher growth within the city limit than would be expected based on past development trends and implies an average gain of 263 households per year between 2014 and 2030. In contrast, during the forty years from 1970 to 2010, the City added an average of 149 households per year, based on US Census data. Taking into account known pipeline projects and adopted Housing Element policies encouraging housing development in the City, that historic rate of growth may be expected to increase slightly from 2014 to 2030. The City's projection of expected growth, assuming no future regulatory changes, is expressed in Scenario 1. Projected growth in Scenario 1 would average 162 households per year.
4. **Future Housing in the SOI.** Stanford's 2000 GUP allows 2,000 units of student housing and 1,018 additional housing units. The 2014 GUP Annual Report indicates that 1,884 total housing units of that allowance have been built. Therefore, Stanford could build an additional 1,134 units of housing under the current GUP within Palo Alto's SOI. In addition, in late 2015, Stanford announced that it would seek Santa Clara County approval to build an additional 1,450 graduate student beds beyond what ~~is allowed~~ initially was authorized under the approved GUP.[1] The County authorized the additional units following environmental review showing that the project would not result in any new or substantially more severe impacts beyond those identified in previous environmental analysis for the approved Community Plan and GUP. However, ABAG's *Projections 2013* only reflects an increase of 161 units in the SOI between 2014 and 2030.

Sustainable Communities Strategy

Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC), in coordination with the Bay Area Air Quality Management District (BAAQMD) and the San Francisco Bay Conservation and Development Commission (BCDC), share joint responsibility for creating the Sustainable Communities Strategy (SCS) required for the nine-county Bay Area region to implement the statewide emission-reduction directives of Assembly Bill 32 (the California Global Warming Solutions Act of 2006) and SB 375 (the Sustainable Communities and Climate Protection Act of 2008). Each of the agencies involved in the SCS has a different role in regional planning. ABAG prepares regional projections and assesses land use, housing, environmental quality, and economic development issues, while MTC is tasked with regional transportation planning, coordinating, and financing. BAAQMD is responsible for regional air pollution regulation. BCDC is focused on preserving, enhancing, and ensuring the responsible use of the San Francisco Bay.

These agencies jointly created the SCS and regional transportation plan for the Bay Area, entitled *Plan Bay Area*, which was adopted in July 2013. SCS forecasts a land use pattern, which when integrated with the

[1] Stanford Report, January 14, 2016, "Escondido Village housing project moves ahead with revisions." Available online at http://news.stanford.edu/news/2016/january/escondido-village-housing-011416.html, accessed January 19, 2016.

transportation system, would reduce greenhouse gas (GHG) emissions from automobiles and light trucks, and is measured against a regional GHG emissions reduction target established by the California Air Resources Board (CARB). *Projections 2013* is an illustration of how the region will grow if local jurisdictions develop in a way that is consistent with the land use patterns assumed in the SCS.[2] State and federal law requires the regional transportation plan to be updated at least every four years to reflect new funding forecasts and respond to growth issues. ~~The next update to *Plan Bay Area*, called *Plan Bay Area 2040*, is scheduled for adoption in 2017.~~ In November 2016, MTC and ABAG adopted the *Plan Bay Area 2040 Final Preferred Land Use Scenario* (Final Preferred Scenario). The Final Preferred Scenario provides an updated regional pattern of household and employment growth by the year 2040. The forecast for Palo Alto projects a lower level of household and employment growth than projected in ABAG *Projections 2013* and are generally consistent with the development projections being considered by the City in Scenarios 1 through 6. Final adoption of *Plan Bay Area 2040* is expected in 2017.[3] The Final Preferred Scenario is currently being analyzed in an EIR.

Local Regulations

Stanford University 2000 General Use Permit

The Stanford University 2000 General Use Permit defines the amount of residential and non-residential development that Stanford is permitted to build. The 2000 General Use Permit allows:

- 2,035,000 net square feet of academic and academic support facilities.
- 2,000 new student housing units
- 1,018 new housing units
- 2,300 new parking spaces

Development allowed under the General Use Permit must be consistent with the *Stanford University Community Plan*. Environmental impacts associated with the development permitted under the General Use Permit was evaluated under the *Stanford University Draft Community Plan* and General Use Permit Application EIR (State Clearinghouse #1999112107), certified by Santa Clara County on December 12, 2000.

In addition, in late 2015, Stanford announced that it would seek Santa Clara County approval to build an additional 1,450 graduate student beds beyond what ~~is allowed~~ initially was authorized under the approved GUP.[4] The County authorized the additional units following environmental review showing that the project would not result in any new or substantially more severe impacts beyond those identified in previous environmental analysis for the approved Community Plan and GUP.

[2] Association of Bay Area Governments, *Projections 2013*, page 3.

[3] Metropolitan Transportation Commission, http://planbayarea.org/the-plan/Draft-Preferred-Scenario.html, accessed on November 29, 2016.

[4] Stanford Report, January 14, 2016, "Escondido Village housing project moves ahead with revisions." Available online at http://news.stanford.edu/news/2016/january/escondido-village-housing-011416.html, accessed January 19, 2016.

4.11.2 STANDARDS OF SIGNIFICANCE

The proposed Plan would result in a significant population and housing impact if it would:

- Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).
- Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.
- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.
- Create a substantial imbalance between employed residents and jobs.

In this instance, the proposed project is an update to the City's Comprehensive Plan and includes the growth that is anticipated to occur over the life of the Plan. Thus the growth in and of itself does not constitute a significant impact but all sections of the EIR, including this one, consider whether the anticipated growth will *cause* significant impacts. In this case, the proposed Plan would be considered to have a significant impact on population and housing if (1) the anticipated growth and/or other aspects of the Update would allow or *induce* growth that is unplanned for or that exceeds regional projections. A significant impact would also occur if (2) the updated comprehensive plan would exacerbate the City's current imbalance between employed residents and jobs, or if (3) it would displace existing housing or people.

4.11.3 IMPACT DISCUSSION

This section provides an analysis of the potential project impacts, including impacts from growth expected to occur during the life of the proposed Plan, as well as cumulative population and housing impacts that could occur as a result of the implementation of the proposed Plan when combined with projects outside of Palo Alto.

The conclusions below are based on the same analytical approach used in the impact discussions in the February 2016 Draft EIR.

This analysis evaluates the following housing and employment projections of Scenarios 5 and 6 (numbers below are for city only /city + SOI):

- Scenario 5:
  - New Housing Units: 3,545 / 4,710
  - New Population: 8,435 / 11,240
  - New Employees: 8,865 / 9,255

- Scenario 6:
  - New Housing Units: 6,000 / 7,165
  - New Population: 14,080 / 16,885
  - New Employees: 8,865 / 9,255

The relevant characteristics of Scenarios 5 and 6 are described in detail in Section 3.4 of Chapter 3, Project Description, of this Supplement to the Draft EIR.

POP-1	**Implementation of the proposed Plan would have the potential to induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure). (Less than Significant – Scenarios 5 and 6)**

February 2016 Draft EIR Findings: Less than significant for Scenarios 1 through 4.

Summary of Supplemental Analysis: The impact would be less than significant for Scenarios 5 and 6.

As described in the February 2016 Draft EIR, the proposed Plan would result in a significant impact related to population growth if it would lead to substantial unplanned growth, either directly or indirectly, that would create the need for unplanned housing units or infrastructure improvements that would affect the physical environment. The proposed Plan would be considered to have a significant impact on population and housing if the anticipated growth and/or other aspects of the proposed Plan itself would *induce* growth that is unplanned for or that exceeds regional projections. The potential impacts of the varying population, housing, and job growth projections considered under all scenarios are discussed below in relation to both local and regional planning efforts.

The proposed Plan is a comprehensive, long-range policy plan that would provide a policy context for growth that is projected to occur. No specific development projects are proposed as part of the Project evaluated in the February 2016 Draft EIR and this Supplement to the Draft EIR and, as such, the proposed Plan would not result in direct growth. Moreover, the proposed Plan is intended to provide a policy framework that would enable the City to accommodate growth that is already projected to occur in a way that minimizes the physical impacts of that growth.

Local Planning

As described in the February 2016 Draft EIR, the developable area of Palo Alto is already largely built out and the Study Area is well served by utility and transportation infrastructure and existing public services (see Chapter 4.12, Public Services and Recreation, and 4.14, Utilities and Service Systems, of this Supplement to the Draft EIR for a discussion of the proposed Plan's potential impacts to these facilities and

services). Nevertheless, the proposed Plan would support and lead to transportation infrastructure improvements that would be needed to accommodate growth in the Study Area through 2030.

However, future residential and non-residential development and redevelopment under the proposed Plan would be infill development on vacant or underutilized land. Scenario 5 would focus new housing primarily in Downtown and in the California Avenue area. Similarly, Scenario 6 would concentrate new housing in Downtown, in the California Avenue area, and along El Camino Real, including in some areas that are currently non-residential, like the Stanford Shopping Center and Stanford Research Park.

The Housing Element includes the following programs to guide and plan for growth in Palo Alto. Because the proposed Plan does not include an update to the Housing Element, these programs would be maintained under all scenarios, including Scenarios 5 and 6:

- Program H2.1.2: Allow increased residential densities and mixed use development only where adequate urban services and amenities, including roadway capacity, are available.
- Program H2.1.8: Promote redevelopment of underutilized sites by providing information about potential housing sites on the City's website, including the Housing Sites identified to meet the Regional Housing Needs Allocation (RHNA) and information about financial resources available through City housing programs.
- Program H5.1.3: Participate in regional planning efforts to ensure that the Regional Housing Needs Allocation targets areas that support sustainability by reducing congestion and greenhouse gas emissions.

Regional Planning

As described in the February 2016 Draft EIR, ABAG and MTC are responsible for regional planning in the nine-county Bay Area, which includes Palo Alto. ABAG and MTC have developed regional growth forecasts for the Bay Area as a whole and for constituent jurisdictions. The most recent set of adopted forecasts is ABAG's *Projections 2013*, described in Section 4.11.1.1 of the February 2016 Draft EIR.[5] Tables 4.11-17, 4.11-18, and 4.11-19 show population, housing, and job growth projections for Palo Alto that are included in the regional forecasts, compared against growth projected from implementation of all scenarios, including Scenarios 5 and 6. The proposed Plan would be considered to induce substantial growth if the estimated buildout resulting from future development permitted under the proposed Plan would substantially diverge from these regional growth projections for Palo Alto.

[5] As noted in Section 4.11.1, above, since the publication of the February 2016 Draft EIR, MTC has released projections for a Draft Preferred Scenario for Plan Bay Area 2040. Plan Bay Area 2040 is slated to final adoption in Summer 2017. Since it is not currently adopted, this Supplement to the Draft EIR continues to rely on *Projections 2013* for its analysis.

TABLE 4.11-17 2030 POPULATION PROJECTIONS

	2014 Population	2030 Population	Total Percent Change (2014-2030)	Average Annual Growth Rate (2014-2030)	2030 Difference from ABAG Projections	
					Number	Percent
City Limit Only						
ABAG Projections	66,800[a]	77,100	15%	0.90%	--	--
Scenario 1	65,685	72,285	10%	0.60%	-4,815	-6.66%
Scenario 2	65,685	72,285	10%	0.60%	-4,815	-6.66%
Scenario 3	65,685	74,120	13%	0.76%	-2,980	-4.02%
Scenario 4	65,685	76,140	16%	0.93%	-960	-1.26%
Scenario 5	65,685	74,120	13%	0.76%	-2,980	-4.02%
Scenario 6	65,685	79,765	21%	1.22%	+2,665	+3.34%
City Limit + SOI						
ABAG Projections[a]	81,035	92,300	14%	0.82%	--	--
Scenario 1	80,805	90,210	12%	0.69%	-2,090	-2.32%
Scenario 2	80,805	90,210	12%	0.69%	-2,090	-2.32%
Scenario 3	80,805	92,045	14%	0.82%	-255	-0.28%
Scenario 4	80,805	94,065	16%	0.95%	+1,765	+1.88%
Scenario 5	80,805	92,045	14%	0.82%	-255	-0.28%
Scenario 6	80,805	97,690	21%	1.19%	+5,390	5.52%

Note: This table is a reproduction and expansion of Table 4.11-17 in the February 2016 Draft EIR. Revisions to 2016 Draft EIR Table 4.11-17 are shown in ~~strikethrough~~ and underline.
a. ABAG data for 2010 and 2015 were interpolated to derive 2014 data.
Source: City of Palo Alto, PlaceWorks, 2015; and ABAG *2013 Projections*.

As shown in Table 4.11-17 and 4.11-18, the 2030 population and housing estimates for Scenarios 5 are lower than ABAG projections for both the city limit only and for the city limit plus SOI (the EIR Study Area).

Scenario 6 anticipates higher housing and population growth than ABAG within the city limit and the city limit plus SOI. As described under Impact POP-4 and in the February 2016 Draft EIR, in 2015 Palo Alto had a jobs-per-employed-resident ratio 3.06 within the city limit and 2.80 within the city limit and SOI. This indicates that a large percentage of workers commute to Palo Alto from outside of the city. An imbalanced jobs-per-employed-resident ratio can lead to physical impacts on the environment that include increased traffic congestion, increased air pollutant emissions, increased noise, and increased GHG emissions. The exceedance of ABAG projections under Scenario 6 is intended to help to lower the jobs-to-employed-resident ratio by providing more local housing opportunities, thereby helping to alleviate the

TABLE 4.11-18 2030 HOUSING UNIT PROJECTIONS

	2014 Housing Units	2030 Housing Units	Total Percent Change (2014-2030)	Average Annual Growth Rate (2014-2030)	2030 Difference from ABAG Projections	
					Number	Percent
City Limit Only						
ABAG Projections[a]	28,970	33,400	15%	0.89%	--	--
Scenario 1	28,545	31,265	10%	0.57%	-2,135	-6.83%
Scenario 2	28,545	31,265	10%	0.57%	-2,135	-6.83%
Scenario 3	28,545	32,090	12%	0.73%	-1,310	-4.08%
Scenario 4	28,545	32,965	15%	0.90%	-435	-1.32%
Scenario 5	28,545	32,090	12%	0.73%	-1,310	-4.08%
Scenario 6	28,545	34,545	21%	1.20%	+1,145	+3.31%
City Limit + SOI						
ABAG Projections[a]	33,200	37,800	14%	0.7081%	--	--
Scenario 1	33,070	36,950	12%	0.70%	-850	-2.30%
Scenario 2	33,070	36,950	12%	0.70%	-850	-2.30%
Scenario 3	33,070	37,780	14%	0.84%	-20	-0.05%
Scenario 4	33,070	38,650	17%	0.98%	+850	+2.20%
Scenario 5	33,070	37,780	14%	0.84%	-20	-0.05%
Scenario 6	33,070	40,235	22%	1.23%	+2,430	+6.04%

Note: This table is a reproduction and expansion of Table 4.11-18 in the February 2016 Draft EIR. Revisions to 2016 Draft EIR Table 4.11-18 are shown in ~~strikethrough~~ and underline.

a. ABAG data for 2010 and 2015 were interpolated to derive 2014 data. ABAG *Projections 2013* does not forecast housing units City of Palo Alto staff assumed a 5 percent vacancy rate for households, based on 2010 US Census data, to arrive at the housing unit numbers for 2014-2030 for comparison purposes.

Source: City of Palo Alto, PlaceWorks, 2015; and ABAG 2013 Projections.

need for workers to commute to Palo Alto from other areas of the region. The exceedance of ABAG housing and population projections is also due to the City's inclusion of documented existing housing and allowed future housing within the SOI that is not accurately reflected in ABAG's *Projections 2013*. As described in the discussion in Section 4.11.1.1 of the February 2016 Draft EIR, ABAG's *Projections 2013* data for the 2010 to 2015 period does not take into account housing that was built and occupied in the SOI during this period, based on information provided in Stanford's 2014 GUP Annual Report. In addition, ABAG's *Projections 2013* only reflects an increase of 161 units in the SOI between 2014 and 2030, which does not accurately reflect the remaining capacity for an additional 1,134 units under Stanford's approved 2000 GUP. This difference, which is a result of an inaccuracy in ABAG's data and a higher level of detail in the City's estimates, accounts for some of the difference between ABAG projections and the buildout expected under Scenario 6.

TABLE 4.11-19 2030 EMPLOYMENT PROJECTIONS

	2014 Jobs	2030 Jobs	Total Percent Change (2014-2030)	Average Annual Growth Rate (2014-2030)	2030 Difference from ABAG Projections	
					Number	Percent
City Limit Only [a]						
ABAG Projections	95,460	110,940	16%	0.94%	--	--
Scenario 1	95,460	110,940	16%	0.94%	same	same
Scenario 2	95,460	105,310	10%	0.62%	-5,630	-5.35%
Scenario 3	95,460	108,215	13%	0.79%	-2,725	-2.39%
Scenario 4	95,460	110,940	16%	0.94%	same	same
Scenario 5	95,460	104,325	9%	0.56%	-6,615	-6.34%
Scenario 6	95,460	104,325	9%	0.56%	-6,615	-6.34%
City Limit + SOI [a]						
ABAG Projections	100,830	116,700	16%	0.92%	--	--
Scenario 1	100,830	116,700	16%	0.92%	same	same
Scenario 2	100,830	111,070	10%	0.61%	-5,630	-5.07%
Scenario 3	100,830	113,975	13%	0.75%	-2,725	-2.66%
Scenario 4	100,830	116,700	16%	0.92%	same	same
Scenario 5	100,830	110,085	9%	0.55%	-6,615	-6.05%
Scenario 6	100,830	110,085	9%	0.55%	-6,615	-6.05%

Note: This table is a reproduction and expansion of Table 4.11-19 in the February 2016 Draft EIR. Revisions to 2016 Draft EIR Table 4.11-19 are shown in ~~strikethrough~~ and underline.
a. ABAG data for 2010 and 2015 were interpolated to derive 2014 data.
Source: PlaceWorks and ABAG 2013 Projections.

In terms of employment growth, Scenarios 5 and 6 are each lower than ABAG *Projections 2013*. As with the residential projections, this is a critical feature of both scenarios intended to address the existing jobs-housing imbalance and thereby reduce negative environmental impacts of substantial in-commuting. Growth under the proposed Plan would occur incrementally over a period of approximately 15 years and would be guided by a policy framework in the proposed Plan that is generally consistent with many of the principal goals and objectives established in regional planning initiatives for the Bay Area. As discussed above, one of the key concepts of *Plan Bay Area* is the idea of focusing future growth into transit-oriented, infill development opportunity areas within existing communities that are expected to host the majority of future development.

In addition, as previously discussed, growth anticipated by Scenarios 5 and 6 would largely be infill development on vacant or underutilized parcels focused along El Camino Real, a major transit corridor,

within a ½-mile of a Caltrain stop, within Downtown Palo Alto, and/or within the California Avenue Priority Development Area (PDA). Scenario 6 would also involve new housing in Stanford Research Park and near Stanford University Medical Center. Implementation of Scenarios 5 and 6 would facilitate infill growth, promote housing in close proximity to employment opportunities, and support regional planning efforts.

As described above, Scenario 5 is below ABAG's population, housing, and employment projections. Scenario 6 would exceed ABAG housing and population projections because the City has chosen to accurately count existing units in the SOI, more accurately reflect the likelihood that Stanford will build allowed housing, and to consider a scenario that would increase housing opportunities for workers that currently commute into the city. Moreover, Scenarios 5 and 6 are consistent with the planning principles that underlie *Projections 2013*. Therefore, Scenarios 5 and 6 would not result in a significant impact associated with inducing growth beyond what is already projected to occur.

Applicable Regulations:

- Sustainable Communities Strategy
- Regional Housing Needs Allocation

Significance before Mitigation: The impact would be less than significant for Scenarios 5 and 6, and no mitigation would be required.

POP-2	**Implementation of the proposed Plan would not displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere. (Less than Significant – Scenarios 5 and 6)**

February 2016 Draft EIR Findings: Less than significant for Scenarios 1 through 4.

Summary of Supplemental Analysis: The impact would be less than significant for Scenarios 5 and 6.

The proposed Plan would substantially displace existing housing if it would result in a decreased housing supply that would necessitate the construction of replacement housing elsewhere.

Under Scenario 5, new housing would be concentrated primarily in Downtown and in the California Avenue area, where the Pedestrian and Transit-Oriented Development Combining District (PTOD) zone would apply, by increasing density in those areas while removing Housing Element residential sites (though not actual housing units) in the south of the city. Scenario 5 would encourage smaller units (studio and 1-bedroom) geared towards empty-nest seniors and young singles with jobs in Palo Alto. Scenario 5 would result in a net increase of 4,710 housing units in the EIR Study Area.

Scenario 6 would concentrate new housing in areas similar to Scenario 5, with the addition of residential sites along El Camino Real. Housing growth would be focused in Downtown and near transit. Housing

would also be permitted on the western portion of the Stanford Research Park and near the Stanford University Medical Center. Scenario 6 would result in a net increase of 7,165 housing units in the EIR Study Area.

Existing Housing Element policy and programs help preserve existing housing stock or to replace in excess if targeted for redevelopment. These programs and policies are as follows:

- Program H1.1.3: Provide incentives to developers such as reduced fees and flexible development standards to encourage the preservation of existing rental cottages and duplexes currently located in the R-1 and R-2 residential areas.
- Policy H1.2: Support efforts to preserve multifamily housing units in existing neighborhoods.
- Program H1.2.1: When a loss of rental housing occurs due to subdivision or condominium conversion approvals, the project shall require 25 percent Below Market Rate (BMR) units.

Because the proposed Plan would allow a net increase of housing under Scenarios 5 and 6, and because the existing Housing Element includes policies and programs that protect existing neighborhoods and housing, the impact related to housing displacement would be less than significant. Therefore, construction of replacement housing elsewhere would not be necessary and the impact would be *less than significant*.

Applicable Regulations:

- None

Significance before Mitigation: The proposed Plan would allow a net increase of housing, and the existing Housing Element includes policies and programs that protect existing neighborhoods and housing. Therefore, construction of replacement housing elsewhere would not be necessary and the impact would be less than significant for Scenarios 5 and 6.

POP-3	**Implementation of the proposed Plan would not displace substantial numbers of people, necessitating the construction of replacement housing elsewhere. (Less than Significant– Scenarios 5 and 6)**

February 2016 Draft EIR Findings: Less than significant for Scenarios 1 through 4.

Summary of Supplemental Analysis: The impact would be less than significant for Scenarios 5 and 6.

The proposed Plan would displace a substantial number of people, necessitating the construction of replacement housing elsewhere, if it would result in a decreased housing supply that would require the construction of replacement housing elsewhere.

As described under Impact POP-2, Scenarios 5 and 6 would result in a net increase of housing. New housing will mostly be built on vacant residential sites or underutilized commercial sites that do not currently

include existing housing units. However, there is the potential that proposed and existing Comp Plan policies could encourage increased residential growth that could temporarily displace existing housing units that would temporarily displace existing occupants while the new residential units are under construction. However, Scenarios 5 and 6 would result in a net increase of housing that would accommodate the following net increases in population in the city limit plus the SOI:

- Scenario 5: 11,240 net new residents.
- Scenario 6: 16,885 net new residents.

Although no housing would be displaced as part of this project, there is the possibility that existing residents could be displaced from housing due to rising home costs in Palo Alto. As discussed in Section 10.1.2 of the February 2016 Draft EIR, Palo Alto has some of the highest home sale and rental prices in Santa Clara County. As of 2013, the median home sales price of $1,720,000 in Palo Alto was more than 2.5 times that of the County median price of $645,000. In addition, the 2014 housing rental survey found that the average 2-bedroom unit in Palo Alto rented for approximately 1.8 times the affordable rental price for a low-income family of four in Santa Clara County. It is likely that housing affordability will continue to be an issue in the future as Palo Alto's job growth is projected to outpace its housing growth under all four scenarios. However, quantifying the number or percentage of existing residents who would be displaced if costs continue to increase, the potential for booms and busts in housing costs, and/or increases or decreases in wages by 2030 would be speculative, so this potential impact is not considered further, in accordance with CEQA Guidelines Section 15145.

As discussed above, existing occupants could temporarily be displaced from existing housing while new residential units are under construction. The possibility for permanent displacement from housing arises if the existing housing stock is rebuilt and new housing prices are at a rate not affordable to lower- and moderate-income households. However, the City has the following existing Housing Element programs in place to address the potential loss of rental housing and displacement of lower and moderate income households due to new development:

- Program H3.1.1 amends the City's Below Market Rental (BMR) ordinance to lower the BMR thresholds to apply to projects of three or more units.
- Program H3.1.2 implements the BMR ordinance which requires:
  - A minimum of 15 percent of all new housing units in a project to be affordable to very low-, low-, and moderate-income households. Projects that cause the loss of existing rental housing may be subject to providing 25 percent of all new housing units to be affordable to very low-, low-, and moderate-income households.
  - If the providing on-site BMR housing is not feasible, developers must build BMR units off-site or pay into the Residential Housing Fund.
- Program 3.1.4 requires the City to monitor affordable housing developments at risk of market rate conversions.

- Program 3.1.6 requires developers of employment-generating commercial and industrial developments to pay commercial in-lieu fess to contribute to the supply of low- and moderate-income housing.
- Program 3.1.7 requires that the Zoning Code allow innovative housing types, such as co-housing, to encourage smaller, and thus more affordable, units.
- Program 3.1.8 calls for any redevelopment of the Buena Vista Mobile Home Park to preserve the existing units on the site.
- Program 3.1.11 calls for the City, when using Housing Development funds for residential projects, to give strong preference to developments that service extremely low-, very low-, and low-income households.
- Program 3.1.12 calls for the City to amend the Zoning Code to provide incentives to developers who provide service extremely low-, very low-, and low-income housing units above and beyond what is required by the BMR program.
- Program 3.1.13 calls for the City to work with owners of affordable developments at risk to market rate conversions to explore the possibility of extending the affordability of the development.

The Housing Element programs described above either help generate new affordable housing or maintain existing affordable housing. Therefore, not only is the proposed Plan anticipated to result in an increase in residential units under Scenarios 5 and 6, but also, should some types of individual development projects be permitted under the proposed Plan that would potentially displace people due to housing affordability, provisions of the Housing Element as outlined above would serve to minimize impacts. Therefore, the construction of replacement housing elsewhere would not be warranted and the impact would be *less than significant* under Scenarios 5 and 6.

Applicable Regulations:

- None

Significance before Mitigation: The Housing Element includes programs that would generate new affordable housing or maintain existing affordable housing, and provisions that would minimize impacts to the potential displacement of people due to housing affordability. Further, the proposed Plan is anticipated to result in an increase in residential units, and the construction of replacement housing elsewhere would not be warranted. Therefore, the impact would be less than significant for Scenarios 5 and 6.

POP-4	**Implementation of the proposed Plan would not create a substantial imbalance between employed residents and jobs. (Less than Significant – Scenarios 5 and 6)**

February 2016 Draft EIR Findings: Less than significant for Scenarios 1 through 4. However, the February 2016 Draft EIR includes Mitigation Measures POP-4a and POP-4b in support of the City's efforts to address the existing imbalance of employed residents to jobs.

Summary of Supplemental Analysis: The impact would be less than significant for Scenarios 5 and 6. Mitigation Measures POP-4a and POP-4b have been removed to reflect the City's progress since February 2016 in implementing these measures to reduce the existing imbalance of employed residents to jobs.

~~**Mitigation Measure POP-4a:** Conduct a nexus study and update the City's affordable housing linkage fee for commercial development to ensure that new job-generating development adequately mitigates the costs of its impacts on housing affordability in Palo Alto.~~

~~**Mitigation Measure POP-4b:** Continue to increase the supply of housing in the city through implementation of the adopted Housing Element policies and programs, and/or slow the rate of job growth in the city. Possible zoning adjustments to accomplish more housing and/or fewer jobs could include changes to allow more residential density by right in areas that are well-served by services and transit, somewhat reducing commercial FAR and replacing it with residential FAR, and/or implementing an annual limit on new office and R&D development.~~

The proposed Plan would create a substantial imbalance between employed residents and jobs if it would substantially worsen the existing jobs to employed resident ratio.

The ratio of jobs to employed residents demonstrates the balance between jobs and employed residents within a community. It is found by dividing the number of jobs in the community by the number of employed residents in the same area. A higher number of jobs than employed residents, as found in Palo Alto, indicates that workers must commute into the community. (By contrast, a low number of jobs and high number of employed residents would mean that residents must commute out of the community to work.) Examining the potential impacts related to an imbalance of employed residents and jobs is important because an imbalanced ratio can lead to physical impacts on the environment that include increased traffic congestion, increased air pollutant emissions, increased noise, and increased GHG emissions; the physical impacts of the jobs-to-employed-residents ratio are evaluated in the February 2016 Draft EIR and this Supplement to the Draft EIR under Sections 4.2, Air Quality; 4.6, Greenhouse Gas Emissions; 4.10, Noise; and 4.13, Traffic and Transportation. A healthy jobs-to-employed-residents ratio, which is region-specific, as described further below, increases opportunities for residents to work locally, thus decreasing vehicle miles traveled, vehicular air and noise emissions, and congestion and commute time, improving workers' productivity and quality of life.

Economists and land use planners often use the region as a benchmark for a healthy jobs-to-employed-residents ratio, based on the notion that Bay Area employers generally draw their workforce from within the region. As shown in Table 4.11-15 of the February 2016 Draft EIR, based on data interpolated from ABAG's *Projections 2013*, the region had approximately 1.03 jobs per employed resident in 2014, and Santa Clara

County as a whole had a ratio of 1.14 jobs per employed resident. In contrast, Palo Alto's 2014 ratio was 2.80 jobs per employed resident within the city limit and SOI, indicating that Palo Alto draws a large percentage of workers from outside the city.

As shown in Table 4.11-20, in the city limit only, the 2030 jobs-to-employed-residents ratio would decrease from the existing ratio of 3.06 jobs per employed resident to 2.93 under Scenario 5 and 2.72 under Scenario 6.

Table 4.11-21 shows that Scenarios 5 and 6 would also decrease the jobs-to-employed-residents ratio within the city limit plus SOI (the EIR Study Area).

In summary, within both the city limit only and the city limit plus SOI, Scenarios 5 and 6 would slightly decrease the existing ratio of jobs per employed resident. Therefore, the impact under Scenarios 5 and 6 would be *less than significant*.

Although this impact was also less than significant before mitigation for Scenarios 1 through 4, the February 2016 Draft EIR includes Mitigation Measures POP-4a and POP-4b. Under Mitigation Measure POP-4a, the City would conduct a nexus study and update the City's affordable housing linkage fee for commercial development to mitigate the effects of new job-generating development on the costs of housing in Palo Alto. Under Mitigation Measure POP-4b, the City would continue to increase the supply of housing in the city through implementation of the adopted Housing Element policies and programs, and/or slow the rate of job growth in the city. These mitigation measures have been removed because the City is already implementing these measures. The City has completed the Commercial and Residential Impact Fee Nexus Studies called for in Mitigation Measure POP-4a. With regard to Mitigation Measure POP-4b, the City continues to implement its Housing Element, has adopted an interim annual limit on office/research and development (R&D) development, in addition to a longstanding "cap" on new non-residential square footage. This change does not affect the findings of this EIR because the impact is less than significant without mitigation.

Applicable Regulations:

- None

Significance before Mitigation: Scenarios 5 and 6 would not create a substantial imbalance of employed residents to jobs when compared to the existing imbalance in the city, so the impact would be less than significant.

TABLE 4.11-20 EXISTING AND 2030 PALO ALTO JOBS TO EMPLOYED RESIDENTS RATIO (CITY ONLY)

	A Jobs	B Population	C Employed Residents[a]	D Jobs to Employed Residents Ratio (A ÷ C)
Existing Conditions	95,460	65,685	31,165[b]	3.06
Scenario 1	110,940	72,285	34,697	3.20
Scenario 2	105,311	72,285	34,697	3.04
Scenario 3	107,915	74,120	35,578	3.03
Scenario 4	110,940	76,140	36,547	3.04
Scenario 5	104,325	74,120	35,578	2.93
Scenario 6	104,325	79,765	38,287	2.72

Note: This table is a reproduction and expansion of Table 4.11-20 in the February 2016 Draft EIR. Revisions to 2016 Draft EIR Table 4.11-20 are shown in ~~strikethrough~~ and underline.
a. To determine the number of employed residents in the scenarios, PlaceWorks assumed that 48 percent of the 2030 (city limit) population (Column B) would be employed, which the same percentage of employed residents to total population only as is found in ABAG *Projections 2013* year 2030 projections for the city only (37,150 employed residents ÷ 77,100 population = 0.48).
b. The number of existing employed residents is taken from the US Census Bureau, American Community Survey, Demographic and Housing 2011-2013 3-Year Estimates, Table DP03, Selected Economic Characteristics
Source: PlaceWorks, 2015 and ABAG *Projections 2013*.

TABLE 4.11-21 EXISTING AND 2030 PALO ALTO JOBS TO EMPLOYED RESIDENTS RATIO (CITY +SOI)

	A Jobs	B Population	C Employed Residents[a]	D Jobs to Employed Residents Ratio (A ÷ C)
Existing Conditions	100,830[b]	80,805[c]	36,004[b,d]	2.80
Scenario 1	116,700	90,210	40,595	2.87
Scenario 2	111,070	90,210	40,595	2.74
Scenario 3	113,975	92,045	41,420	2.75
Scenario 4	116,700	94,065	42,329	2.76
Scenario 5	110,085	92,045	44,182	2.49
Scenario 6	110,085	97,690	46,891	2.35

Note: This table is a reproduction and expansion of Table 4.11-21 in the February 2016 Draft EIR. Revisions to 2016 Draft EIR Table 4.11-21 are shown in ~~strikethrough.~~ and underline.
a. To determine the number of employed residents in the scenarios, PlaceWorks assumed that 45 percent of the 2030 population would be employed, which the same percentage of employed residents to total population as is found in ABAG *Projections 2013* year 2030 projections for the City + SOI (41,850 employed residents in 2030 ÷ 92,300 population = 0.45).
b. Existing numbers of jobs and employed residents for the City + SOI are based on published data in ABAG *Projections 2013;* ABAG data for 2010 and 2015 were interpolated to derive 2014 data.
c. Existing population is based on City analysis and is consistent with the number used throughout this EIR.
d. Existing number of employed residents is interpolated from ABAG's 2010 and 2015 numbers of employed residents. It is not calculated based on a percent of the existing population in column B.
Source: PlaceWorks, 2016 and ABAG *Projections 2013*.

4.11.4 CUMULATIVE IMPACTS

POP-5	**Implementation of the proposed Plan, in combination with past, present, and reasonably foreseeable projects, would not substantially cumulatively exceed regional or local population projections. (Less than Significant – Scenarios 5 and 6)**

February 2016 Draft EIR Findings: Less-than-significant cumulative impact for Scenarios 1 through 4.

Summary of Supplemental Analysis: The cumulative impact would be less than significant for Scenarios 5 and 6.

As discussed the February 2016 Draft EIR, this analysis takes into account growth projected by the proposed Plan within the city limit and SOI, including impacts from projected growth in Stanford University as set forth in the 2000 Stanford General Use Permit, and projected growth from the rest of Santa Clara County, and the surrounding region, as forecast by ABAG. ABAG projects that Santa Clara County's population will increase from 1,877,700 people in 2015 to 2,188,500 people in 2030, an increase of 310,800 people. The nine-county Bay Area as a whole is projected to increase from 7,461,400 people to 8,496,800 people in the same period, an increase of over 1 million. Within this context, the various differences of the scenarios from ABAG projections are not cumulatively considerable.

Impacts from cumulative growth are considered in the context of their consistency with regional planning efforts. As described above, Scenarios 5 and 6 would not induce a substantial amount of growth that has not been adequately planned for or require the construction of replacement housing elsewhere. Cumulative growth would be consistent with regional planning efforts. Thus, when considered along with Scenarios 5 and 6, cumulative growth would not displace substantial numbers of people or housing, exceed planned levels of growth, exacerbate an imbalance between jobs and employed residents. Therefore, cumulative impacts would be *less than significant* under Scenarios 5 and 6.

Applicable Regulations:

- None

Significance before Mitigation: Implementation of Scenarios 5 and 6 would not contribute to a substantial cumulative exceedance of regional population projections, so the impact would be less than significant.