

C. POPULATION, EMPLOYMENT, AND HOUSING

This section describes existing and projected population, employment, and housing statistics in Foster City and San Mateo County and evaluates potential socioeconomic impacts that could result from implementation of the proposed project.

1. Setting

The following section utilizes data from the U.S. Census Bureau (Census), California Department of Finance (DOF), the Association of Bay Area Governments (ABAG),¹ and the City of Foster City General Plan.

a. Population. Designed as a “Planned Community” in the early 1960’s and incorporated in 1971, Foster City’s population grew rapidly in its first decade as a city. However, planned communities typically develop around a pre-determined threshold population level and the City has nearly reached buildout capacity, in accordance with the original land use plan. As shown in Table V.C-1, the City has not experienced any significant population growth since 1990. The estimated 2008 population of Foster City is 30,308.²

Table V.C-1: Foster City Population Growth

Year	Population	10-Year Percent Increase
2000	28,803	2%
1990	28,176	21%
1980	23,287	145%
1970	9,522	---

Source: California Department of Finance, 2000. *Historical Census Populations of California Cities, Places, and Towns 1850-2000.*

While Foster City’s population increased by 19,281 residents between 1970 and 2000, a 202 percent increase, ABAG projects only a small, steady population increase for the years 2000-2030. The City’s 2005 population is estimated by ABAG at 29,900 and the 2010 population is projected to reach 30,300, representing only 1.3 percent growth during the 5-year period. In 2030, it is anticipated that the population of Foster City will increase to 32,300, representing a 6.6 percent increase over the 2010 population.³ Average annual growth rates under such projections would be approximately 0.3 percent.

According to ABAG, the estimated 2005 population of San Mateo County is 721,900, and is projected to increase by 2.6 percent, to 741,000, by 2010. Between 2000 and 2030, the population of San Mateo County is projected to increase by 19 percent, from 707,163 to 842,600. Average annual growth rates for the County under such projections would be approximately 0.63 percent, or double the projected annual growth rate for Foster City.

b. Housing. The following section describes the housing characteristics of Foster City and San Mateo County.

¹ Some ABAG data is for the City’s “subregional study area,” or its sphere of influence, and not its corporate boundaries. Subregional data is only used when no City level data is available. When subregional data is used, it is explicitly noted.

² State of California, Department of Finance 2008. E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2008, with 2000 Benchmark. Website: www.dof.ca.gov/research/demographic/reports/estimates/e-5_2001-06/ May 2008

³ Association of Bay Area Governments, 2006. *Projections 2007, Forecasts for the San Francisco Bay Area to the Year 2035.*

(1) **Households.** ABAG defines a household as an occupied dwelling unit. In 2000, Foster City had 11,613 households, comprising approximately 4.6 percent of the 254,104 households in San Mateo County. By 2035, ABAG currently estimates the number of Foster City households will increase by 14.3 percent to 13,270 households.⁴

The Department of Finance estimates that the average household size for Foster City was 2.47 persons in 2005, which was slightly less than the San Mateo County average of 2.75 persons per household.⁵ Average household size has remained relatively steady in Foster City and has slightly increased in San Mateo County since 1990, when it was 2.50 and 2.64, respectively.⁶ ABAG projects that household sizes for Foster City and San Mateo County will remain relatively constant through 2035, at 2.45 and 2.72, respectively.

(2) **Existing Housing Stock.** Foster City's estimated 2008 housing stock of 12,477 total units is characterized by a majority of single-family detached and attached homes (58 percent of total), a smaller percentage of multi-family units (42 percent of total) and relatively low vacancy rates (2.66 percent of total).⁷

(3) **Regional Housing Needs Allocation.** As required by State law, the Housing Element of the Foster City General Plan discusses the City's "fair share allocation" of regional housing need by income group as projected by ABAG. ABAG's determination of the local share of regional housing needs takes into consideration the following factors: market demand for housing; employment opportunities; availability of suitable sites and public facilities; commuting patterns; type and tenure of housing need; loss of units contained in assisted housing that changed to non-low-income use; and special needs housing requirements. The Foster City General Plan Housing Element was last updated in December 2001.

In May 2008, ABAG adopted the Final Regional Housing Needs Allocation (RHNA) for the period of 2007 to 2014, which allocates housing needs for different income levels among the jurisdictions within the nine-County Bay Area.⁸ Cities and Counties are required to account for the RHNA in the housing elements of their General Plans. Under State law, all housing elements must be reviewed by the California Department of Housing and Community Development (HCD); housing elements are certified if they comply with State law and meet certain planning objectives. According to ABAG, some public agencies and private foundations will not provide funding for housing and redevelopment projects to jurisdictions that do not have a certified Housing Element. In addition, jurisdictions without certified housing elements have faced lawsuits from housing advocacy organizations. While HCD requires cities and counties to show through their housing elements that they can accommodate a projected housing need, the presence of adequate land designated for residential uses does not necessarily result in the actual construction of adequate housing supplies.

⁴ Ibid.

⁵ California Department of Finance, 2005. Demographic Research Unit, Table 2: E-5 City/County Population and Housing Estimates, Revised 1/1/2005.

⁶ United States Census Bureau, 1990. Summary File 1 (STF 1) for Foster City and San Mateo County, 100-Percent Data, Table DP-1.

⁷ California Department of Finance, 2008. op. cit.

⁸ Association of Bay Area Governments, 2008. *Final Regional Housing Needs Allocation*. Website: www.abag.ca.gov/planning/housingneeds/pdfs/Final_RHNA.pdf. May 15.

There are no penalties imposed on cities and counties that do not build the number of units projected in their housing elements.

San Mateo County's allocation under the RHNA for the period of 2007-2014 calls for 15,738 new housing units: 3,588 units (23 percent) for very low income households, 2,581 units (16 percent) for low income households, 3,038 units (19 percent) for moderate income households, and 6,531 units (42 percent) for above moderate income households. Foster City's allocation is 111 units (23 percent) for very low income households, 80 units (16 percent) for low income households, 94 units (19 percent) for moderate income households, and 201 units (41 percent) for above moderate income households, for a total of 486 units.

Foster City expects to meet its 2007 to 2014 RHNA goal (for the total number of housing units) through the development of two projects, which are currently in different stages of the approval process. The Pilgrim-Triton project is approved for 730 units, while the Mirabella project (currently undergoing environmental review) would result in 440 units for a total of 1,170 new residential units. Between these two projects, the City would provide 684 more residential units than required by the RHNA. While the two projects would meet the City's RHNA goal for the total number of residential units, the projects would not provide enough very low income and low income units to meet the goals for each income level.

c. Employment. Foster City is located near employment centers on the San Francisco Peninsula and central Alameda County; however, the City itself has also developed as a local job center. Two types of employment data are described below: 1) total jobs – which indicate the number of all jobs within the community; and 2) employed residents – which indicate the number of residents of working age who actively participate in the civilian labor force. A comparison of these data can provide an indication of commute patterns in a community (i.e., if significant out-commuting or in-commuting occurs).

The civilian labor force includes those who are employed (excepting those in the armed forces) and those who are unemployed but actively seeking employment. Those residents who have never held a job, who have stopped looking for work, or who have been unemployed for a long period of time are not considered to be part of the labor force.

(1) Total Jobs. According to ABAG, San Mateo County will experience an average rate of job growth, compared to other Bay Area counties, in the 2000 to 2020 period. According to ABAG's subregional study data, in 2000, Foster City had 18,480 total jobs, comprising approximately 4.8 percent of all jobs in San Mateo County. The total number of jobs in Foster City decreased 23.0 percent to 14,230 total jobs over the 5-year period between 2000 and 2005. However, by 2035, ABAG projects that the total number of jobs in Foster City will increase 55.7 percent from 2005, reaching approximately 22,160 total jobs. Total jobs in the County decreased from 386,590 in 2000 to 337,350 in 2005 (a 12.7 percent decrease over the 5-year period) and are projected to increase to 522,000 in 2035 (or a 54.7 percent increase from 2005). Foster City jobs are expected to remain at 4.2 percent of the County total and the City is projected to contribute to only 2.7 percent of the total increase in County jobs through the year 2035.

(2) Employed Residents. According to ABAG, the City's subregional study area contained 16,432 employed residents in 2000. ABAG defines employed residents as employed people who

“live in the identified community or county but do not necessarily work there.” Unemployed residents are not counted as employed residents, even if they are actively seeking employment.

ABAG projects that the number of employed residents in Foster City will decrease from 16,432 in 2000 to 15,240 in 2010, then increase to 17,960 in 2025, and 19,390 in 2035. This overall growth in employed residents represents an approximately 18 percent increase from 2000 to 2035 (or an annual rate of 0.51 percent), somewhat lower than the annual County-wide increase expected during the same time period (0.76 percent). The number of employed residents in the County is expected to increase by 26.6 percent, from 369,725 in 2000 to 468,000 in 2035.

d. Jobs-to-Housing Balance. The jobs-to-housing concept is used to determine whether a community has an adequate number of jobs available to provide employment for all the residents within the community seeking employment. Understanding this concept can be useful in examining the relationship between housing affordability, traffic flows and congestion, and air quality within a community and its larger region. However, the jobs/housing ratio is best analyzed at the sub-regional or regional level due to the tendency of people to commute at least some distance, often from one city to the next, to jobs.

(1) Methodology. Typically, the term “jobs-to-housing balance” is used to refer to a relationship between jobs and housing units within a community. A jobs-to-housing units ratio of 1.5 is considered ideal, which takes into account residents who do not participate in the labor force (e.g. those who are retired, disabled, students, or non-working parents). The 1.5 jobs-to-housing units ratio indicates a community has an adequate number of jobs to meet the demand for jobs by its residents, and therefore, is in balance.

A more helpful indicator of balance, however, is the relationship between the number of jobs provided to the number of residents seeking employment (i.e., employed residents). An ideal jobs-to-employed residents ratio is 1.0, which indicates that there is a job for every employed resident in the community.

A jobs-to-employed residents ratio that is greater than 1.0 indicates the community provides more jobs than it has residents seeking jobs. With this out-of-balance condition, the community is likely to experience traffic congestion associated with people coming to jobs from outside the area, as well as intensified pressure for additional residential development to house the labor force. Conversely, a jobs-to-employed residents ratio of less than 1.0 indicates a community has fewer jobs than employed residents. Under this converse, out-of-balance condition, some residents need to commute outside of the community (i.e. out-commute) for employment. The resulting commuting patterns can lead to traffic congestion and adverse effects on both local and regional air quality.

This ratio does not, however, account for regional in- or out-commuting due to job/labor mismatches or housing affordability. Even if a community has a numerical balance between jobs and housing/employed residents, sizeable levels of in- and out-commuting are possible, especially where employment opportunities do not match local skills and/or the educational characteristics of the local labor force. In such instances, regional commuting tends to occur. For example, a numerically balanced community may have high housing costs and low-wage jobs, thus encouraging its residents to out-commute to their high wage jobs elsewhere, and its workers to in-commute from outside the community where housing costs are affordable in relation to their low wage incomes. This condition

is often referred to as a jobs-to-housing *mismatch*. A jobs-to-housing match occurs when the types of jobs provided in a community “match” the income needs of the employed workers within the community.

(2) Jobs-to-Employed Residents in Foster City and San Mateo County. According to ABAG, San Mateo County had slightly fewer employed residents than total jobs in 2000 and 2005, indicating only a moderate level of in-commuting. Foster City’s jobs-to-employed residents ratios in 2000 and 2005 of 1.12 and 0.99, respectively, indicate that the community has moved toward and then slightly beyond a balance over the 5-year period, with an adequate number of jobs available to accommodate Foster City’s demand for jobs. San Mateo County has a rough balance of employed residents and jobs, as indicated by a jobs-to-employed residents ratio of 1.05 in 2000, and 1.06 in 2005. By 2035, ABAG projects that Foster City’s jobs-to-employed residents ratio will increase to 1.14, indicating that in the future the City will have more jobs than workers. San Mateo County’s jobs-to-employed residents ratio will remain relatively constant through 2035 at 1.12, with more jobs than workers County-wide.

Table IV.C-2 provides housing and employment data for Foster City and San Mateo County.⁹ This table also provides data indicating projected jobs-to-housing units and jobs-to-employed residents ratios. As described earlier in this section, a jobs-to-housing units ratio of 1.5 is considered ideal and indicates that a balanced number of jobs are provided given the number of housing units within the community. Similarly, a jobs-to-employed residents ratio of 1.0 is considered ideal.

Table V.C-2: Housing and Employment Data – Foster City and San Mateo County

	2005		2020		2035	
	City	County	City	County	City	County
Total Jobs	14,230	337,350	18,170	423,100	22,160	522,000
Employed Residents	14,380	318,600	17,210	398,500	19,390	468,000
Housing Units	12,090	260,070	12,770	287,470	13,270	312,030
Jobs-to-Housing Unit Ratio (Ideal is 1.5)	1.18	1.30	1.42	1.47	1.67	1.67
Jobs-to-Employed Residents Ratio (Ideal is 1)	0.99	1.06	1.06	1.06	1.14	1.12

Source: ABAG, 2006. *Projections 2007*; LSA Associates, Inc., 2008

e. Foster City General Plan. Applicable population, employment, and housing goals from the Foster City General Plan are presented below.

Land Use and Circulation Element

- *Goal LUC-C: Provide for Economic Development.* Provide for economic development which: (1) maintains the City’s ability to finance City services and construction and maintenance of public improvements; (2) offers local employment opportunities for Foster City residents so that inter-city commuting can be reduced; (3) assures the availability and diversity of resident-serving goods and services; and (4) allows for specialized commercial uses, such as automobile service station, water-oriented commercial uses and day care facilities.

⁹ The ABAG housing and resident numbers do not take into account certain recently-approved projects or projects under review in Foster City. The Pilgrim/Triton project (approved) and Mirabella project (undergoing environmental review) will add 730 units and 440 units, respectively, to the City’s housing stock. However, these new residential units would not change the conclusions of the analysis in this section as they relate to the proposed Master Plan’s potential significant impacts related to population and housing.

- *Policy LUC-8: Jobs/Housing Balance.* The City will continue to strive for a balance between the number of jobs in the City and the number of housing units available to house workers. To achieve and maintain such a balance, the City will encourage and support, through other policies and programs of this element, mixed use projects which provide both housing and employment opportunities, and whenever possible, the development of affordable housing.

2. Impacts and Mitigation Measures

This section includes an analysis of impacts related to population, employment, and housing that could result from implementation of the proposed Master Plan. The section begins with the criteria of significance, which establish the thresholds to determine whether an impact is significant. The latter part of this section presents the impacts associated with the proposed project and identifies mitigation measures, as appropriate.

a. Criteria of Significance. The proposed Master Plan would have a significant impact on population, employment, and housing if it would:

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

b. Less-than-Significant Population, Employment and Housing Impacts. The following discussion examines potential less-than-significant impacts of the proposed project.

(1) Induce Substantial Population Growth. The proposed project would increase the amount of office and research and development laboratory space on the project site, increasing total interior square footage from 629,154 square feet to up to 1,200,480 square feet. The new building area would contain office and research and development uses (similar to uses that currently exist on the site), though accessory uses such as cafeterias and exercise facilities would also be developed in some of the new buildings. The additional 571,326 square feet of interior building space is expected to accommodate up to approximately 1,900 new jobs on the site. After buildout of the Master Plan, the campus would support a staff of up to 3,100. The Master Plan does not propose any new residential units, and would not directly generate housing-related population growth. However, population growth could be induced by development of land uses that generate new employment opportunities, and could increase the demand for housing within the community.

The creation of 1,900 new jobs on the campus could cause people to move to Foster City or surrounding communities, which would generate additional housing demand in the region. To estimate how many employees would be likely to move to Foster City, it was assumed that the new employees would have the same geographic distribution (in terms of primary residence) as Gilead's existing employees (see Table IV.C-3). Currently, of the 1,200 employees on the site, approximately 10.4 percent live in Foster City, while the other approximately 90 percent live in other parts of the Bay Area. As shown in Table V.C-3, based on existing employee addresses, approximately 198 employees would relocate to Foster City as a result of project implementation; assuming that none of these employees would be existing Foster City residents, and assuming that none would share households, the project would increase demand for housing in Foster City by 198 housing units.

In all communities where induced housing growth from the proposed Master Plan would be expected, the ABAG-projected household growth would exceed the induced housing demand from the proposed Master Plan. In other words, the regional supply of housing (based on expected household growth) would be expected to accommodate the increase in demand for housing that could result as part of the

Table V.C-3: Projected Master Plan Housing Demand by City Based on Residential Location of Current Gilead Employees

	Residential Location of Current Gilead Employees (percent of total) ^a	Projected Household Growth (2005-2020) ^b	Projected Master Plan Related Housing Demand (units)	Master Plan Housing Demand as Percent of Household Growth
Foster City	10.4 %	680	198	28.0 %
San Mateo	9.0 %	5,910	171	3.0 %
Redwood City	5.2 %	3,310	99	3.0 %
Burlingame	4.5 %	720	86	12.0 %
San Carlos	3.5 %	1,330	70	5.0 %
Belmont	3.0 %	880	56	6.0 %
San Bruno	1.7 %	2,060	32	1.5 %
Pacifica	1.5 %	660	29	4.0%
Menlo Park	1.3 %	1,360	25	1.0 %
South San Francisco	1.1 %	2,400	21	0.8 %
Daly City	1.0 %	3,110	19	0.6 %
Half Moon Bay	0.8 %	750	16	2.0 %
Millbrae	0.8 %	820	16	2.0 %
Portola Valley	0.2 %	190	3	2.0 %
Brisbane	0.1 %	390	2	0.5 %
Atherton	0.1 %	90	2	2.0 %
Unincorporated San Mateo County ^c	0.7 %	200	13	6.5 %
All Other Bay Area Counties	55.0 %	963,100	1,045	0.1 %
Total	100 %		1,903 ^d	

^a Employee data provided by Gilead Sciences. Percentages have been rounded to the nearest 1/100 of one percent.

^b The year 2020 was chosen because it will be the approximate time of Master Plan buildout. Projections obtained from: ABAG, 2006, *Projections 2007*.

^c Includes the communities of Moss Beach, Montara, El Granada, and La Honda.

^d The total is slightly higher than 1,900 due to independent rounding.

Source: LSA Associates, Inc, 2008.

project. As a result, the induced housing demand from the proposed Master Plan would have a less-than-significant impact on housing supplies. To further confirm the availability of projected housing units to satisfy the proposed Master Plan’s induced housing demand, the required RHNA for the three communities expected to experience the greatest demand were reviewed, and shown in Table V.C-4.

Table V.C-4 shows that the required RHNA housing units expected to be constructed in the near term would more than satisfy the demand associated with the proposed project. As a result, the proposed project would have a less-than-significant impact related to indirect population growth, since the housing demand associated with this growth lies within the housing projections of various communities where the induced housing demand would be expected.

(2) Displacement of Housing or People. There are no existing housing units on the project site. Development of the proposed project would not result in the displacement of housing or people, and therefore, would not necessitate the construction of replacement housing elsewhere.

Table V.C-4: Project Housing Demand Compared to Housing Elements

	ABAG RHNA (2007-2014) ^a	Projected Demand from Master Plan	Master Plan Housing Demand as Percent of Required RHNA Development
Foster City	486	198	40.7%
San Mateo	3,051	171	5.6%
Redwood City	1,856	99	5.3%

^a Association of Bay Area Governments, 2008. *San Francisco Bay Area Housing Needs Plan 2007-2008*. June. "ABAG RHNA" = Association of Bay Area Governments Regional Housing Needs Allocation."

Source: LSA Associates, Inc., 2008.

(3) Jobs-to-Housing Ratio. The following discussion of the jobs-to-housing and jobs-to-employed residents ratios that would result from the project is provided for informational purposes; changes in the ratios on the local or County levels would not result in physical environmental impacts. Buildout of the Master Plan would result in the creation of 1,900 new jobs in Foster City. Table V.C-5 provides 2005 and 2035 housing and employment data for the City and San Mateo County, with and without the proposed project. This table is based on the assumption that the existing (2005) and projected (2035) number of employed residents and housing units in the City and County do not take into account project-generated employment growth. As mentioned above, a small number of Gilead employees may move to Foster City after implementation of the Master Plan (and could increase demand for housing, resulting in a marginal increase in the number of future housing units in the City and County, and a more balanced jobs/housing ratio than shown in Table V.C-5). The jobs/housing balance could also improve if future Gilead employees already live in the City. Table V.C-4 was thus developed to illustrate the "worst case" effects of the Master Plan on the area's jobs/housing balance.

Table V.C-5: Housing and Employment Data Without and With Project

	2005 (without project)		2005 (with project)		2035 (without project)		2035 (with project)	
	City	County	City	County	City	County	City	County
Total Jobs	14,230	337,350	16,130	339,250	22,160	522,000	24,060	523,900
Employed Residents	14,380	318,600	14,380	318,600	19,390	468,000	19,390	468,000
Housing Units	12,090	260,070	12,090	260,070	13,270	312,030	13,270	312,030
Jobs-to-Housing Unit Ratio (Ideal is 1.5)	1.18	1.30	1.33	1.30	1.67	1.67	1.81	1.67
Jobs-to-Employed Residents Ratio (Ideal is 1)	0.99	1.06	1.12	1.06	1.14	1.12	1.24	1.12

Source: ABAG, 2006. *Projections 2007*; LSA Associates, Inc., 2008

As previously stated, 1.5 is the most desirable jobs-to-housing units ratio. As shown in the table, the addition of 1,900 jobs with no net change in housing units would cause the City's estimated 2005 jobs-to-housing units ratio to increase from 1.18 to 1.33, and the County's 2005 ratio to remain at approximately 1.30. The proposed project would also increase the City's projected 2035 jobs-to-housing units ratio from 1.67 to 1.81, but it would not change the County's projected ratio of 1.67. In the short term (2005), the addition of the 1,900 jobs on the project site would improve the City's jobs-to-housing units ratio, while in the long-term (2035) it would make that ratio marginally more

unbalanced. This indicates that in the long term, the proposed project would contribute to the City's job supply being out of balance with the number of residents seeking employment.

Table V.C-5 also shows that the project would not affect the County's jobs-to-housing units ratio in the short or long term. While the proposed project would cause a slightly more imbalanced long-term jobs-to-housing units ratio in the City, this change in ratio (on a City-wide as opposed to a County-wide scale) would not be expected to result in substantial adverse environmental effects related to in-commuting or housing demand. As such, the incremental changes that the proposed project would cause to the estimated 2005 and projected 2035 jobs-to-housing units ratios for both the City and County would represent a less-than-significant impact.

(4) Jobs-to-Employed Residents Ratio. As previously described, 1.0 is the most desirable jobs-to-employed residents ratio. Assuming no future Gilead employees move to Foster City, the jobs generated by the proposed project would increase the City's 2005 estimated jobs-to-employed residents ratio from 0.99 to 1.12 and would increase the City's 2035 ratio from 1.14 to 1.24. The project would cause the City to have a more unbalanced jobs-to-employed residents ratio in the near and long term, indicating that with the addition of the jobs created by the Master Plan, the City would provide more jobs than it has employed residents. However, in the short and long term, the increase in jobs from the proposed project would not change the County's projected ratios, indicating that on a regional level, the proposed project would not adversely affect the jobs-to-employed residents ratio. In addition, while Table V.C-5 assumes an increase in jobs in the City, it does not take into account the increase in employed residents that would likely be associated with the proposed project because it is not known exactly how many employees would become residents of Foster City. It is likely that if these additional employed residents were taken into account, the ratio would be more balanced. As such, the change that the proposed project would cause to the jobs-to-employed residents ratios for the City and the County would be considered a less-than-significant impact.

c. Significant Population, Employment and Housing Impacts. Implementation of the proposed project would not result in any significant population, employment, or housing impacts.

