

## 4.10 POPULATION AND HOUSING

This chapter contains information on existing and projected population and housing in San Carlos, and analyzes how population and housing would be affected by the Draft 2030 General Plan and Climate Action Plan (CAP).

### A. *Existing Conditions*

This section discusses the existing population, housing and employment in San Carlos as it provides context for the analysis of the Draft 2030 General Plan and CAP in this Draft EIR.

#### 1. **Population**

The City of San Carlos has grown at a constant rate since it became an incorporated city in 1925. From 1985 to 2000, the population increased by approximately 3 percent every five years. The California Department of Finance estimates that the population of San Carlos was 28,857 in 2008.

The Association of Bay Area Governments (ABAG) projects the population to be 33,700 people by 2030 which is an increase of 4,843 people over the existing population. Population growth is expected to slow slightly between 2000 and 2010 with a projected growth of four percent. However, between 2010 and 2020 the growth is expected to increase by nine percent which would be the fastest rate compared to the previous two decades.

San Carlos' predicted growth rate according to ABAG is slightly higher than the countywide growth rate. San Carlos is one of the fastest growing incorporated cities in San Mateo County. Only the cities of Brisbane and East Palo Alto are projected to grow at a slightly faster rate from 2010 to 2020 and from 2020 to 2030.

Working aged adults, between the ages of 18 and 64, represent the majority of San Carlos residents, according to the US Census. The percentage of adults 65 and older remained the same from 1990 to 2008, comprising 15 percent of the population. However, the number of school-aged children between 5 to

17 years grew between 1990 and 2008. School-aged children comprised 13 percent of the population in 1990 and 17 percent in 2008.

The 2000 US Census showed that 85 percent of the population in San Carlos was white, 7.9 percent was Asian-American and the remaining 8 percent was Hispanic or other in 2000. By 2007, the total percentage of white people slightly decreased and the percentage of Asian-American people slightly increased.<sup>1</sup>

## **2. Employment**

Employment and housing trends are interrelated. Growth or decline in the number of jobs available in San Carlos in the future could also affect the housing market. If employment opportunities increase, market conditions could become more favorable for building additional housing within the community to provide homes for these workers. If employment opportunities decline, the housing market could decline as well. However, while there is a link between the number of jobs available and the housing market within San Carlos, the city's position in the greater Bay Area and at the edge of the Silicon Valley makes the housing and employment fluctuations in surrounding cities important in assessing the future market in San Carlos.

### **a. Employers**

Large employers play an important role in the local economy and job market as they provide steady employment for large numbers of workers in the community. In 2008 the largest private employer in San Carlos was Nektar Therapeutics, a biopharmaceutical company with over 400 employees. The largest public employer was SamTrans, which also employed over 400 people. Other significant private employers in San Carlos include Allied Waste, L3 Communications and Kelly-Moore Paints. In the fluctuating global economic conditions, employment trends may continue to fluctuate over the life of the Draft 2030 General Plan.

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<sup>1</sup> US Census Bureau Fact Finder, 2005-2007 American Community Survey 3-Year Estimate for San Carlos, California, <http://factfinder.census.gov>, accessed on May 20, 2009.

The types of employers and economic sectors within San Carlos also have an effect on the housing market within the community. As of 2008, approximately 29 percent of San Carlos residents have management/business occupations, 27 percent have professional occupations and 26 percent have jobs related to sales and office. The occupations of most San Carlos residents, or those in sales, finance, business and professional occupations, earn well above the average salary, \$59,185, of the San Francisco, San Mateo, Redwood City Metropolitan Statistical Area.<sup>2</sup>

b. Employment Trends

San Carlos is likely to experience economic growth that would increase the number of jobs available in various sectors within the community. According to a City-commissioned 2006 real estate market study prepared by Economics Research Associates (ERA), San Carlos has potential to capture growth in hotel development, retail, office space and high-technology companies. San Carlos is well positioned to capture some of the regional hotel demand and could likely support around 600 additional hotel rooms through 2025.

ERA also anticipates that San Carlos can support additional retail development in the range of 480,000 to 500,000 square feet over the next 20 years. San Carlos also has potential to capture between 2 to 3 percent of the county's demand for new office space in the next ten years. ERA estimates that this is between 42,000 and 63,000 square feet of office space between now and 2015 and an additional 204,000 to 339,000 square feet between 2015 and 2025.

Lastly, ERA estimates demand for three million square feet of Research and Development (R&D) space within San Mateo County over the next 20 years. San Carlos has potential to capture between 10 and 12 percent of the regional R&D development over this timeframe, which is between 377,000 and 455,000 square feet.

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<sup>2</sup> State Employment Development Department, Labor Market Statistics, 2008.

ABAG projects that job growth in San Carlos and San Mateo County will increase at a steady pace from 2005 to 2030. The period between 2025 and 2030 is anticipated to experience the highest growth in jobs, a 10 percent increase when compared to the previous period. According to ABAG projects, the total job growth rate between 2005 and 2030 will be 31 percent in San Carlos and will increase by 33 percent in San Mateo County.

c. Jobs and Housing Balance

The availability of housing in a community affects the likelihood of people working and living in the same place. If there is sufficient housing supply, there is a higher chance that people will choose to live and work in the same city. Providing a good job to housing balance is important because it could potentially improve regional traffic and reduce pollution. ABAG projects San Carlos will have 1.4 jobs per home by 2010 which is considered a good ratio. By 2030, it is projected that there will be 1.7 jobs per home which suggests that the availability of jobs will be greater than homes. These trends are similar to the rest of San Mateo County.

**3. Housing**

The current condition and future conditions of the housing stock in San Carlos play an important role in the discussion of population growth in the city.

a. Types of Housing Stock

While the predominant housing type in San Carlos is the single-family home, the Department of Finance projects that multi-family housing will increase over the life of the Draft 2030 General Plan. In 2008, 74 percent of all housing units in San Carlos were single family homes. Between 2000 and 2008, multi-family housing units increased by 7 percent compared to only 1 percent for single-family units.<sup>3</sup> The percentage of multi-family housing units is expected to increase due to increased infill development.

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<sup>3</sup> State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2008, with 2000 Benchmark, May 2008.

The housing stock is of varying ages in San Carlos. According to the Census, approximately 56 percent of the city's current housing stock was built before 1960. Approximately 14 percent of the housing stock in San Carlos is less than 30 years old. Since the majority of the San Carlos housing stock is older than 30 years old, many of the homes may be in need of repair and maintenance.

The housing vacancy rate is an indication of whether the housing supply is meeting demand in the community. A high vacancy rate can be a sign of an excess in housing supply while a very low vacancy rate can imply that there is not sufficient housing to meet demand. Low vacancy rates can also indicate rising housing prices due to an inadequate housing supply. According to the US Census, San Carlos had a vacancy rate of 2 percent in 2000. The vacancy rate decreased to 1.4 percent in 2008. San Carlos's vacancy rate indicates a tight housing market and limited supply to meet local housing demand.

b. Tenure

San Carlos has a high rate of home ownership. In 2000, approximately 73 percent of housing units in San Carlos were owner occupied. This figure increased slightly from 1990, when approximately 72 percent of housing units were owner-occupied. However, by 2008 the percentage of home owners decreased to 1990 levels.<sup>4</sup>

c. Housing Costs and Affordability

The cost of housing in San Carlos can have an effect on population growth trends and demographics as well. Home prices in San Carlos are among the most expensive in San Mateo County. The median home price in San Carlos was \$900,000 in 2008.<sup>5</sup> This figure is higher than the median home prices for

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<sup>4</sup> US Census Bureau Fact Finder, <http://factfinder.census.gov>, accessed on April 15, 2009.; Claritas, 2008.

<sup>5</sup> DQNews.com, *Bay Area Home Sale Activity*, <http://www.dqnews.com/Charts/Annual-Charts/SF-Chronicle-Charts/ZIPSF08.aspx>, accessed on June 17, 2009.

the neighboring communities of Redwood City (\$694,300) and Belmont (\$868,300).

Housing prices in San Carlos have increased by 40 percent from 1998 to 2007. In 2008 and 2009, the recent market downturn has caused home prices to decline in San Carlos. Prices have fallen approximately 11 percent from \$895,500 in the first quarter of 2008 to \$795,000 in the first quarter of 2009. The highest yearly increase in housing was in 2000 with a 26 percent increase from the previous year.<sup>6</sup>

Typical costs for rental units in San Carlos are relatively similar to neighboring communities. Rents in San Carlos range from \$1,025 for a one-bedroom unit to over \$5,700 for a four-bedroom unit. These costs are equivalent to rentals in neighboring Redwood City, less expensive than Menlo Park and more expensive than in Belmont and San Mateo.<sup>7</sup>

Households spending more than 30 percent of household income on housing costs are generally considered to be overpaying for housing. According to US Census data, approximately 31 percent of San Carlos households were overpaying for housing in 2000. The Census defines the income groups as follows:

- ◆ Extremely Low Income – less than 30 percent of the Median Family Income
- ◆ Very Low Income – 30 percent to 50 percent of the Median Family Income
- ◆ Low Income – 50 percent to 80 percent of the Median Family Income
- ◆ Moderate Income and Above Moderate Income – greater than 80 percent of the Median Family Income

In general, households with lower incomes were more likely to overpay for housing. Overpaying for housing was most prevalent for extremely low-, very low- and low-income households, more than half of whom overpaid for

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<sup>6</sup> DataQuick, 2008.

housing in 2000. Approximately 70 percent of extremely low-income households, 67 percent of very low-income households and 51 percent of low-income households overpaid for housing in 2000. Of the 8,316 moderate-income and above moderate-income households in San Carlos, 1,647 households (20 percent) overpaid for housing.<sup>8</sup>

d. Future Housing Needs

State law requires the General Plan Housing Element to demonstrate that the city can accommodate its projected housing need for the 2009-2014 planning period. ABAG generates a Regional Housing Needs Allocation (RHNA) figure for San Carlos which is the minimum number of housing units necessary to accommodate population growth for all income levels in city. The RHNA figure for San Carlos in this time period indicates that San Carlos must be able to accommodate a total of 599 new dwelling units by 2014.<sup>9</sup> As described in the Draft 2030 General Plan Housing Element, 495 units have already been constructed, approved, or proposed within this planning period.<sup>10</sup> The City could accommodate the remaining 104 units through new single-family homes and new second units as allowed by the Draft 2030 General Plan.

***B. Standards of Significance***

A population and housing impact would occur if the 2030 General Plan would:

- a. 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).

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<sup>7</sup> Craigslist.com, 2008.

<sup>8</sup> US Census Bureau Fact Finder, <http://factfinder.census.gov>.

<sup>9</sup> Association of Bay Area Governments, *San Francisco Bay Area Housing Needs Plan 2007 – 2014*, 2008.

<sup>10</sup> City of San Carlos, *2030 General Plan, Housing Element*, 2009, page 58.

- b. Displace substantial numbers of existing housing units, necessitating the construction of replacement housing elsewhere.
- c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

### *C. Impact Discussion*

This section discusses the potential impacts from the implementation of the Draft 2030 General Plan and CAP on population and housing in the city. It discusses project impacts as well as cumulative impacts.

#### **1. Draft 2030 General Plan Project Impacts**

This section is organized by and responds to each of the potential impacts identified in the previous section, Standards of Significance.

##### **a. Population Growth**

Implementation of the Draft 2030 General Plan would allow an approximate additional 1,400 homes and 3,400 people in San Carlos, as shown in Table 4.10-1. This increase is in addition to the estimated existing 28,900 people,<sup>11</sup> for a total population of 32,300. This increase in population would be a 12 percent increase over the existing population, which is not a substantial increase in the context of the Bay Area. Furthermore, ABAG projects San Carlos' population to grow by 17 percent to 33,700 people by 2030, and San Mateo County's population to grow by 19 percent from 721,900 to 861,600 people by 2030. San Carlos' estimated 12 percent population increase under the Draft 2030 General Plan would be well under the ABAG projected population increase of 17 percent for the city and 19 percent for the County.

The Draft 2030 General Plan would allow a small amount of additional housing to be built in already developed areas. These areas include the El Camino

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<sup>11</sup> State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2008, with 2000 Benchmark, May 2008.

Real corridor and the downtown area along San Carlos Avenue. In these two areas, as properties are renovated and potentially redeveloped over the life of the Draft 2030 General Plan, they could be built at higher residential densities with increased numbers of housing units. In addition, vacant properties in the western portion of the city could be developed with housing, adding a small amount of housing stock to the city as well. These small additions in housing stock would together account for the additional 1,436 units as indicated in Table 4.10-1. The methodology used to determine the Draft 2030 General Plan buildout as shown in this table is described in the Project Description under Section G, Buildout Methodology. However, this small increase in housing stock would not create a substantial increase in population in the city.

The projected increase in jobs, as shown in Table 4.10-1, could increase the demand for housing and could be a factor in creating population increase in the city as well. With the addition of about 9,165 jobs in the city, more workers may need places to live within San Carlos.

However, the addition of approximately 9,165 jobs is not a substantial increase as compared to regional growth projections. ABAG estimates that in 2005 there were 15,560 jobs, and that in 2030 there will be 23,120 jobs in San Carlos.<sup>12</sup> This projection indicates an estimated additional 7,600 jobs or a 49 percent increase by 2030. As the Draft 2030 General Plan would allow an estimated 9,165 jobs, or a 59 percent increase, it is similar to ABAG's projected increase.

The Draft 2030 General Plan would not include any infrastructure improvements that could indirectly cause growth within the city. The City's Traffic Impacts and Mitigation Strategies Study identified future roadway and intersection improvements in 2002. However, these improvements were identified to improve existing conditions, and are not based on the Draft 2030 General Plan.

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<sup>12</sup> Association of Bay Area Governments, *Projections 2007, 2007*.

TABLE 4.10-1 **DRAFT 2030 GENERAL PLAN BUILDOUT**

<b>Residential</b>	<b>Commercial</b>	<b>Office</b>	<b>Industrial</b>
Additional 1,436 Units	Additional 724,030 Square Feet	Additional 572,006 Square Feet	Additional 2,141,177 Square Feet
Additional 3,446 People	Additional 1,795 Jobs	Additional 1,995 Jobs	Additional 5,375 Jobs

Source: DC&E, 2009.

The Circulation and Scenic Highways Element does identify roadway improvements for the Brittan Avenue/Industrial Road intersection, Holly Street/Industrial Road intersection, and Holly Street/U.S. 101 interchange to improve the level of service for these locations. These improvements include widening on-ramps onto U.S. 101, installing a traffic signal at the Holly Street/U.S. 101 interchange, widening Holly Street and adding a dedicated left-turn lane to Brittan Avenue.

As noted above, the increased housing, employment and population anticipated under implementation of the Draft 2030 General Plan would be similar to the ABAG projected growth rates and would not be a substantial increase. Therefore, the Draft 2030 General Plan would have a *less-than-significant* impact on population growth.

b. Displace Existing Housing Units

The Draft 2030 General Plan would not result in the displacement of substantial amounts of housing or population. No substantial redevelopment projects are envisioned, and all new development would be infill development. There are no residential areas which would be re-designated for other uses. Some parcels along San Carlos Avenue and East San Carlos Avenue that are designated for residential uses in the existing General Plan would be re-designated for mixed-use housing and commercial development. The Draft 2030 General Plan would encourage residential development in these areas in combination with commercial development. Any redevelopment in these areas would be at an increased residential density, would increase the amount

of housing available in the city, and would not require replacement housing for any existing housing units that might be lost in the redevelopment process.

In addition, the Draft 2030 General Plan strongly emphasizes the preservation of the quality and integrity of the city's neighborhoods. Through goals and policies the Draft 2030 General Plan would support existing housing and neighborhood preservation as indicated in Goal LU-9 and Policies LU-9.1 through LU-9.20 of the Land Use Element, which protect the character of all residential neighborhoods.

In consideration of all of the above aspects, the impacts of the Draft 2030 General Plan on displacing housing units would be *less than significant*.

c. Displace People

As discussed in response b), implementation of the Draft 2030 General Plan is not expected to result in the displacement of a substantial number of housing units. Furthermore, implementation of the Draft 2030 General Plan would result in increased jobs in the community. The increased employment and housing opportunities in the community would support the existing population and would not cause the displacement of people. As a result, the Draft 2030 General Plan is not expected to displace substantial numbers of people who either live, work or both live and work within the city. Therefore, implementation of the Draft 2030 General Plan would have a *less-than-significant* impact regarding the displacement of people.

**2. Climate Action Plan Project Impacts**

The CAP would not induce substantial population growth nor displace substantial numbers of housing units or people. Therefore, implementation of the CAP would have *no impact* to population and housing in San Carlos.

**3. Cumulative Impacts**

As described above, the Draft 2030 General Plan would not have significant impacts on population growth or the displacement of either housing or peo-

ple. The surrounding communities in San Mateo County are expected to accommodate similar or greater amounts of growth over the period of the Draft 2030 General Plan, and the region will have increased employment opportunities and population. However, as the Draft 2030 General Plan would not induce substantial growth, the cumulative effect on population and housing in the region would be *less than significant*.

The CAP would have *no cumulative impact* on housing and population.

#### *D. Impacts and Mitigation Measures*

Since the Draft 2030 General Plan and CAP would not induce any significant impacts, no mitigation measures are necessary.