

M. POPULATION, JOBS, AND HOUSING

INTRODUCTION

This section identifies and evaluates issues related to population, employment, and housing, specifically implications for the labor market and the housing market and for the jobs-housing relationship in Redwood City. The setting presents a local and regional context, describing trends and projections for employment and population in Redwood City, San Mateo County, and the rest of the Bay Area region, and presents background information on housing market conditions and labor market conditions. The setting also describes current employment and the characteristics of employees at the Abbott Laboratories/Perclose facility adjacent to the project site, as well as current employment at the project site. The impact assessment quantifies the number and type of jobs associated with the proposed project, and identifies labor market and housing market impacts.

SETTING

REGIONAL POPULATION AND HOUSING MARKET CONDITIONS

Population and Households

Redwood City is the third largest city in San Mateo County (measured by population), after Daly City and the City of San Mateo. In 2002, there were just over 76,000 people living in Redwood City—10,000 more people than were counted in the 1990 Census. Eleven percent of San Mateo County's population lives in Redwood City. As is generally true for older Bay Area communities, both new housing and changes in the occupancy of existing housing accommodate population growth in Redwood City. The 2000 Census counted an increase of 2,567 households in Redwood City between 1990 and 2000, over 20 percent of the countywide increase during that period. That household growth during the 1990s resulted from additions to the housing stock and occupancy of vacant units; in 2000, there were almost 500 fewer vacant housing units in Redwood City than was the case in 1990. Moreover, there has been a steady increase in household size, as has been the case throughout San Mateo County and the Bay Area, as a result of both demographic trends and housing market factors. The rate of population and household growth in Redwood City over the last decade was faster than that in the rest of San Mateo County and was about on pace with the rest of the nine-county Bay Area. Table IV.M-1 shows trends in population, households, and household size for Redwood City, San Mateo County, and the rest of the Bay Area.

Projections of Population and Households

The pace of population growth in Redwood City is expected to slow in the future, as a consequence of lower rates of housing and household growth and demographic factors leading to slower rates of increase in household size over time. Table IV.M-2 presents projections of population and households for Redwood City, the Redwood City Sphere-of-Influence (SOI), the

**TABLE IV.M-1
POPULATION AND HOUSEHOLDS IN REDWOOD CITY, SAN MATEO COUNTY,
AND THE BAY AREA: 1990, 2000, AND 2002**

	1990	2000	2002	1990-2000		2000-2002	
				Absolute Change	Annual Rate	Absolute Change	Annual Rate
Population							
Redwood City	66,072	75,402	76,325	9,330	1.3%	923	0.6%
Rest of San Mateo County	583,551	631,759	640,681	48,208	0.8%	8,922	0.7%
Rest of Bay Area	5,373,954	6,076,599	6,236,182	702,645	1.2%	159,583	1.3%
Households							
Redwood City	25,493	28,060	28,297	2,567	1.0%	237	0.4%
Rest of San Mateo County	216,421	226,043	228,183	9,622	0.4%	2,140	0.5%
Rest of Bay Area	2,004,328	2,211,916	2,253,355	207,588	1.0%	41,439	0.9%
Household Size							
Redwood City	2.52	2.62	2.63	0.10		0.01	
Rest of San Mateo County	2.65	2.76	2.77	0.11		0.01	
Rest of Bay Area	2.61	2.69	2.71	0.08		0.02	

SOURCE: U.S. Census Bureau, 1990 Census of Population and Housing and Census 2000; and State of California, Department of Finance, City/County Population and Housing Estimates, 2002, Revised 2001, with 2000 Census Counts, Sacramento CA, May 2002

rest of San Mateo County, and the rest of the Bay Area. Between 2000 and 2010, the projections show an increase of about 5,200 residents in Redwood City proper and an even smaller increase for the 2010-2020 period.

The rate of population growth is expected to be about half the rate of the 1990s. The Redwood City household projection for the 2000 – 2020 20-year period (an increase of 2,520 households) is the same as the increase experienced during the preceding 10-year period.

Meanwhile, population growth in the rest of San Mateo County is expected to maintain about the same pace as it did in the 1990s; and projections show more households added in each of the forecast periods than was the case during the 1990s. The rest of the Bay Area shows a slowing rate of population growth over time, although the increase in households is projected to be greater during the 2000 – 2010 decade than was the case during the 1990s. Household sizes in Redwood City are projected to continue to increase through 2020, while the pattern for San Mateo County and the region shows a leveling off after 2005.

**TABLE IV.M-2
PROJECTIONS OF POPULATION AND HOUSEHOLDS IN REDWOOD CITY,
SAN MATEO COUNTY, AND THE BAY AREA: 2000, 2010, AND 2020**

	2000	2010	2020	2000-2010		2010-2020		2000-2020	
				Absolute Change	Annual Rate	Absolute Change	Annual Rate	Absolute Change	Annual Rate
Population									
Redwood City ^a	75,402	80,600	83,800	5,198	0.7%	3,200	0.4%	8,398	0.5%
Redwood City SOI ^b	23,808	24,600	26,300	792	0.3%	1,700	0.7%	2,492	0.5%
Rest of San Mateo Co.	607,951	649,400	685,000	41,449	0.7%	35,600	0.5%	77,049	0.6%
Rest of Bay Area	6,076,599	6,759,200	7,219,000	682,601	1.1%	459,800	0.7%	1,142,401	0.9%
Households									
Redwood City ^a	28,060	29,300	30,580	1,240	0.4%	1,280	0.4%	2,520	0.4%
Redwood City SOI ^b	7,187	7,390	7,590	203	0.3%	200	0.3%	403	0.3%
Rest of San Mateo Co.	218,856	230,420	243,500	11,564	0.5%	13,080	0.6%	24,644	0.5%
Rest of Bay Area	2,211,916	2,429,970	2,612,700	218,054	0.9%	182,730	0.7%	400,784	0.8%
Household Size									
Redwood City ^c	2.75	2.80	2.81						
San Mateo County	2.74	2.78	2.78						
Bay Area	2.69	2.73	2.72						

^a Projections for the current jurisdictional boundary.

^b Projections for the sphere-of-influence including North Fair Oaks, Ampex, Friendly Acres, Selby, College, and Emerald Hills neighborhoods.

^c Household size for the Redwood City subregional study area including the sphere-of-influence.

SOURCE: Association of Bay Area Governments, *Projections 2002*, December 2001.

Housing Market Conditions

Recent Trends in the Redwood City Housing Supply

There are just over 29,000 housing units in Redwood City in 2002—11 percent of all the housing units in San Mateo County. Between 1980 and 2000, about 5,400 units were added in Redwood City. Most of the city’s older western residential neighborhoods were originally developed in the 1940s, 1950s, and 1960s and are essentially built-out. Most of the units added over the last 20 years were built in the Redwood Shores and Bair Island areas east of Highway 101. Since 2001, the Redwood Shores residential community has been fully built out, accounting for about 11,000 of the city’s housing units (Draft Housing Element, 2003). Table IV.M-3 presents information on changes to the city’s housing supply since 1980.

**TABLE IV.M-3
CHANGES IN THE HOUSING STOCK IN REDWOOD CITY, 1980 – 2002**

	1980	1990	2000	2002	1980-1990		1990-2000		2000-2002	
					Absolute Change	Percent Change	Absolute Change	Percent Change	Absolute Change	Percent Change
Number of Housing Units	23,480	26,847	28,921	29,165	3,367	14%	2,074	8%	244	1%
Number of Vacant Units	559	1,354	861	868	795	142%	(493)	-36%	7	1%
Housing Vacancy Rate	2.38%	5.04%	2.98%	2.98%						

SOURCE: U.S. Department of Commerce, Bureau of the Census, 1980 Census of Population and Housing, 1990 Census of Population and Housing, and Census 2000; and State of California Department of Finance, City/County Population and Housing Estimates, 2002, Revised 2001, with 2000 Census Counts, Sacramento CA, May 2002.

The pace of additions to the housing stock slowed during the 1990s, as the supply of available sites diminished. The table also shows the trends in vacant units discussed above. High demand, particularly in the last part of the 1990s, resulted in the substantial reduction in the number of vacant units. Similar declines in the housing vacancy rate occurred throughout the rest of San Mateo County and the rest of the Bay Area. The 2000 Census shows a vacancy rate of 2.42 percent for the rest of San Mateo County outside Redwood City.

Future Housing Development Potential in Redwood City

Most future housing development potential in Redwood City relies on re-use and redevelopment. Table IV.M-4 lists the housing opportunities identified in the Draft Housing Element. That document identifies a total potential of about 7,200 additional units; almost two-thirds of those units would be developed in mixed use and other high-density residential projects in

**TABLE IV.M-4
OPPORTUNITIES FOR ADDITIONAL HOUSING IN REDWOOD CITY**

Location/Zoning	No. of Units
Residential Zones	68
Commercial Zones	
General Commercial with High Density Residential	721
Central Business Retail	284
Central Business	320
Central Administrative	277
Downtown Plan	3,200
Second Units	1,900
Density Bonus	401
Total Units	7,171

SOURCE: City of Redwood City, *Draft Housing Element*, November 5, 2001.

commercially-zoned areas and in the downtown. The Draft Housing Element counts a total of 3,200 units under the Downtown Plan, an area plan of the Strategic General Plan developed primarily to coordinate public investment and to attract private development to Redwood City’s downtown. (Downtown is bounded by Veterans Boulevard to the east, El Camino Real to the west, Whipple Avenue to the north, and Woodside Road to the south.) The proposed plan shows a range of 2,670 – 3,410 units on downtown opportunity sites, depending on the ultimate density of development.

In addition to this housing potential, the city is currently reviewing development applications for re-zoning commercial property to mixed use in the Bair Island Road area. In February 2003, Redwood City issued a draft Environmental Impact Report for the Marine Shores Village project, proposing 1,930 condominium residential units, 300,000 square feet of office space, 12,000 square feet of retail space, and related amenities. Another proposal to develop the Century Park Cinema property on East Bayshore Road to residential use (the Syufy Enterprises site) is not as far along in the development application process in mid-2003.

The household and population growth projections for Redwood City described above (see Table IV.M-2) reflect the lack of readily developable residential sites in the city. Housing production in the city is expected to occur at about half the rate of the recent past. The fact that the remaining development potential exists primarily on sites requiring re-use and redevelopment entails potential constraints on production such as land and construction costs, availability of financing, market acceptance, and affordability.

Accommodating Affordable Housing Needs

Redwood City's Draft Housing Element also describes the City's regional housing needs allocation for the 1999 – 2006 planning period, as distributed by the Association of Bay Area Governments, and identifies housing sites to accommodate those needs. To meet its share of regional housing need, Redwood City is required to plan for a total of 2,544 additional housing units during the 1999 – 2006 period. The City's allocation by income group is as follows: very low income—534 units, low income—256 units, moderate income—660 units, and above moderate income—1,094 units.

The Draft Housing Element identifies adequate sites to meet this housing need. Of the 7,171-unit development potential identified in Table IV.M-4, 2,643 units could be produced during the 1999 – 2006 period. This includes 318 units for which final permits had been issued between January 1, 1999 and July 31, 2001, 1,825 units on vacant and underutilized land in residential and commercial zones, and assumes about one-quarter of the Downtown Plan housing development potential. Almost one-quarter of the units added from January 1, 1999 through July 31, 2001 were affordable to either very-low- or moderate-income households. The city's density bonus law provides incentives to developers to produce, affordable housing as part of market-rate housing developments. At least 15 percent of the units developed in redevelopment areas (most of the Downtown Plan area) must be affordable.

Housing Prices and Rents

The Bay Area ranks as one of the least affordable housing markets in the country, and conditions on the San Francisco Peninsula are representative of that situation. Rapid expansion of economic activity and employment at the end of the 1990s, combined with income growth and traditionally slow rates of housing production, resulted in tremendous increases in housing prices and rents. More recently, historically low mortgage interest rates have contributed to maintaining housing price levels in spite of the significant downturn in economic activity in the region.

Rent levels, on the other hand, have declined substantially with the drop-off in demand. Rental housing market data show a substantial loosening of the inventory of vacant rental units in San Mateo County. Information for larger rental apartment complexes shows an increase from 1.8 percent vacancy in 2000 to 6.8 percent vacant in 2002. During that time period, the data show a 15 percent drop in rent levels (Real Estate Research Council of Northern California, 2003).

In 2002, the average price for a new house in San Mateo County was \$557,000 and the average price for an existing house reached \$592,000; both prices were 30 percent higher than the regional average. Since 1990, house prices in San Mateo County increased at a compound rate of five percent per year; since 1997, the rate of increase was 10 percent per year. For the most part, housing price levels in Redwood City are about in the middle of the price range for housing throughout San Mateo County communities (see Table IV.M-5).

**TABLE IV.M-5
RESIDENTIAL SALES ACTIVITY IN SAN MATEO COUNTY IN 2002**

Community	Zip Code	Number of Sales	Median Price	High Price	\$/sq.ft.
Atherton	94027	51	\$1,296,500	\$4,600,000	\$688
Belmont	94002	402	\$648,500	\$2,800,000	\$431
Brisbane	94005	78	\$450,000	\$825,000	\$433
Daly City	94014	461	\$439,500	\$812,200	\$383
Daly City	94015	661	\$455,000	\$1,420,000	\$386
Half Moon Bay	94019	274	\$582,000	\$1,440,000	\$335
Hillsborough	94010	496	\$890,000	\$8,500,000	\$525
Menlo Park	94025	439	\$657,750	\$3,100,000	\$505
Menlo Park	94028	31	\$1,250,000	\$4,200,000	\$635
Millbrae	94030	258	\$662,500	\$1,750,000	\$431
Montara	94037	45	\$549,000	\$821,000	\$356
Moss Beach	94038	38	\$558,500	\$1,850,000	\$322
Pacifica	94044	556	\$460,000	\$1,200,000	\$357
Palo Alto/East Palo Alto	94303	384	\$499,000	\$1,849,000	\$391
Redwood City	94061	397	\$565,000	\$1,575,000	\$452
Redwood City	94063	174	\$440,000	\$1,020,000	\$411
Redwood City	94065	343	\$598,000	\$1,750,000	\$403
San Bruno	94066	606	\$423,500	\$1,025,000	\$407
San Carlos	94070	512	\$640,000	\$3,300,000	\$447
San Mateo	94401	403	\$453,000	\$2,252,700	\$418
San Mateo	94402	345	\$750,000	\$3,751,000	\$467
San Mateo	94403	538	\$530,000	\$1,278,100	\$424
San Mateo	94404	637	\$527,750	\$1,270,000	\$358
South San Francisco	94080	745	\$453,500	\$1,119,500	\$370
Woodside/Redwood City^a	94062	334	\$750,000	\$4,650,000	\$480

NOTE: Reporting data for resale single-family residences and condominiums as well as new sales.

^a This large zip code area covers the Arlington, Eagle Hill, Sequoia, Canyon, and College neighborhoods in Redwood City, as well as Woodside and other unincorporated areas south to La Honda Road. Most of the housing in the Canyon and College neighborhoods is in the unincorporated areas.

SOURCE: Dataquick Real Estate News, San Francisco Chronicle Charts for the year 2002.

REGIONAL EMPLOYMENT, COMMUTE PATTERNS, AND THE LABOR MARKET

Regional Employment

There were about 62,000 jobs in Redwood City in 2000. Redwood City recorded strong job growth during the 1990s as businesses occupied large amounts of new office space east of the freeway in Redwood Shores. Estimates show an increase of 50 percent or 20,000 jobs over the 10-year period, representing almost 30 percent of total employment growth in San Mateo County. At an annual rate of four percent per year, the pace of job growth in Redwood City during the 1990s was more than double that of the rest of the county and the rest of the Bay Area region (which both grew at a rate of 1.6 percent per year). By 2000, Redwood City had more jobs than any other city in the county. Table IV.M-6 presents employment estimates for 1990 and 2000 for Redwood City, the unincorporated areas within Redwood City’s sphere of influence (SOI), and the rest of San Mateo County. The unincorporated areas in the city’s SOI are primarily residential neighborhoods.

**TABLE IV.M-6
TOTAL JOBS IN REDWOOD CITY AND THE REST OF SAN MATEO COUNTY:
1990 AND 2000**

	1990	2000	1990-2000	
			Absolute Change	Annual Rate
Jurisdiction				
Redwood City ^a	41,720	61,700	19,980	4.0%
Redwood City SOI ^b	300	300	-	0.0%
Rest of San Mateo County	284,650	333,890	49,240	1.6%
Total County	326,670	395,890	69,220	1.9%
Percent Distribution by Jurisdiction				
Redwood City ^a	12.8%	15.6%	28.9%	
Redwood City SOI ^b	0.1%	0.1%	0.0%	
Rest of San Mateo County	87.1%	84.3%	71.1%	
Total County	100.0%	100.0%	100.0%	

^a Estimates for the current jurisdictional boundary.

^b Estimates for the sphere-of-influence including North Fair Oaks, Ampex, Friendly Acres, Selby, College, and Emerald Hills neighborhoods.

SOURCE: Association of Bay Area Governments, *Projections 2002*, December 2001.

Redwood City is the county seat and government center for San Mateo County. It is also a center for medical services on the San Francisco Peninsula. Redwood City office developments house technology company headquarters, mid-sized companies, and start-ups, as well as a variety of financial and professional services companies. There are 10 million square feet of office space in Redwood City—over one-quarter of the county inventory of office space. Real estate inventories

also show substantial research and development (R&D) and industrial space in Redwood City; estimates range from 5.4 million square feet to 7.7 million square feet. This represents 15 – 20 percent of the San Mateo County/Northern Peninsula market area inventory (Cornish and Carey Commercial, 2002, and CB Richard Ellis, 2002).

The information in Table IV.M-7 describes employment trends by industry for Redwood City and the rest of San Mateo County. Employment more than doubled in the service sector, where computer and data processing and professional and business services companies are classified. There was little change in the level of manufacturing and wholesale employment in the city, by contrast to the decline registered in the rest of the county. Redwood City attracted manufacturers' headquarters offices and R&D facilities, and light industrial, manufacturing, and distribution facilities due to advantages afforded by the city's central location along the Highway 101 corridor.

**TABLE IV.M-7
JOBS BY INDUSTRY FOR REDWOOD CITY AND SAN MATEO COUNTY:
1990 AND 2000**

Industry	Redwood City SOI				Rest of San Mateo County			
	1990	2000	1990-2000	Annual Rate	1990	2000	1990-2000	Annual Rate
Agriculture and Mining	430	370	(60)	-1.5%	3,630	3,130	(500)	-1.5%
Manufacturing/Wholesale	7,570	7,270	(300)	-0.4%	53,830	51,880	(1,950)	-0.4%
Retail	6,600	7,510	910	1.3%	51,280	56,220	4,940	0.9%
Service	15,220	31,250	16,030	7.5%	87,810	127,310	39,500	3.8%
Other	12,200	15,600	3,400	2.5%	88,100	95,350	7,250	0.8%
Total	42,020	62,000	19,980	4.0%	284,650	333,890	49,240	1.6%

SOURCE: Association of Bay Area Governments, *Projections 2002*, December 2001.

In the last two years, Redwood City has endured substantial declines in economic activity. Some of the high-technology computer software and internet companies that fueled the 1990's growth surge are no longer in business or have had to scale-back operations and lay-off workers. Vacancy rates for both office and R&D spaces are among the highest in San Mateo County. In the first quarter of 2003, Redwood City's vacant inventory accounted for almost 40 percent of all vacant office space in San Mateo County and almost 30 percent of all vacant R&D space in the county (BT Commercial, 2003).¹

¹ Some of this vacant space represents a now over-built inventory of either speculative space or space that was pre-leased but never occupied. Therefore, the large inventory of vacant space does not translate directly to job losses in the City.

Projections of Employment

Over the long term, job growth is expected to continue in Redwood City and San Mateo County, although at a slower pace (see Table IV.M-8). The number of people working in Redwood City is expected to increase by 6,200 between 2000 and 2010 and by another 6,800 between 2010 and 2020. Redwood City's projected job growth for the 20-year period (about 13,000 jobs) is the largest job growth projected for any San Mateo County city. Projections for Redwood City show a continued diversity of employment growth by industry; manufacturing/wholesale, retail, and other sectors are expected to grow faster than the city average rate of one percent per year through 2020. The slowing rate of job growth from the 1990s reflects national and regional economic trends. In the longer-term, the pace of growth in Redwood City and San Mateo County slows relative to the pace of growth elsewhere in the region as the inventory of land available for new office and industrial development is diminishes.²

Commute Patterns

Places of Work for Employed Residents

In 2000, most employed residents of Redwood City worked relatively close to home. One quarter (24.8 percent) of employed persons living in Redwood City also worked in Redwood City. Another 39 percent worked elsewhere in San Mateo County, and six percent worked in San Francisco. Although data are not available at the city level, place-of-work data for San Mateo County employed residents indicate it is likely that many of the rest of the City's employed residents held jobs in Santa Clara County. Table IV.M-9 presents the Census data on the place of work for Redwood City employed residents as well as county-level place-of-work data for all employed residents of San Mateo County.

Places of Residence for Workers

The 9,945 people who lived and worked in Redwood City in 2000 (see Table IV.M-9) represent 16 percent of all jobs in Redwood City (61,700 in 2000, see Table IV.M-7). Most jobs in the City are held by people who do not live in Redwood City. People who live elsewhere in San Mateo County likely hold many of those Redwood City jobs.

In general, for the larger countywide area in 2000, almost 60 percent of those people working in San Mateo County also lived in San Mateo County. Commuters from San Francisco and commuters from Santa Clara County each accounted for about 12 percent of those employed in San Mateo County, and Alameda County commuters accounted for about 10 percent of the total. Less than five percent of the people working in San Mateo County in 2000 commuted from beyond the nine-county Bay Area region, although workers were at least as likely to commute from San Joaquin, Stanislaus, and Merced counties as they were from the more distant Bay Area

² The projections series depicted here (prepared by the Association of Bay Area Governments in 2001) captures some impact of the short-term recessionary economic cycle that currently prevails, but not the severity of the sustained downturn in technology and service sectors that has resulted in the high unemployment levels described later in this section. The projections are best interpreted as a scenario of the longer-term 15 –25 year outlook for the local and regional economy, reflecting underlying real estate market and labor market capacities.

**TABLE IV.M-8
PROJECTIONS OF JOBS BY INDUSTRY FOR REDWOOD CITY,
SAN MATEO COUNTY, AND THE BAY AREA: 2000, 2010, AND 2020**

	2000	2010	2020	2000-2010		2010-2020		2000-2020	
				Absolute Change	Annual Rate	Absolute Change	Annual Rate	Absolute Change	Annual Rate
Jobs by Industry for Redwood City SOI									
Agriculture and Mining	370	350	350	(20)	-0.6%	-	0.0%	(20)	-0.3%
Manufacturing/Wholesale	7,270	8,210	9,010	940	1.2%	800	0.9%	1,740	1.1%
Retail	7,510	8,690	9,730	1,180	1.5%	1,040	1.1%	2,220	1.3%
Service	31,250	32,750	35,160	1,500	0.5%	2,410	0.7%	3,910	0.6%
Other	15,600	18,210	20,740	2,610	1.6%	2,530	1.3%	5,140	1.4%
Total	62,000	68,210	74,990	6,210	1.0%	6,780	1.0%	12,990	1.0%
Total Jobs for Rest of San Mateo County	333,890	365,610	405,980	31,720	0.9%	40,370	1.1%	72,090	1.0%
Total Jobs for the Rest of Bay Area	3,357,780	3,791,210	4,228,990	433,430	1.2%	437,780	1.1%	871,210	1.2%

SOURCE: Association of Bay Area Governments, *Projections 2002*, December 2001.

**TABLE IV.M-9
EMPLOYED RESIDENTS BY PLACE OF WORK: 2000**

Place of Work	Number of Employed Residents	Percent of Total
<i>Redwood City Employed Residents</i>		
Worked in Redwood City	9,945	24.8%
Worked elsewhere in San Mateo County	15,724	39.2%
Worked in San Francisco	2,391	6.0%
Worked Elsewhere	12,039	30.0%
Total	40,099	100.0%
<i>San Mateo County Employed Residents</i>		
San Mateo County	206,093	58.2%
San Francisco County	71,702	20.2%
Santa Clara County	55,473	15.7%
Alameda County	14,783	4.2%
Contra Costa County	1,789	0.5%
Solano County	303	0.1%
Marin County	973	0.3%
Sonoma. County	345	0.1%
Napa County	141	0.0%
Subtotal Bay Area	351,602	99.3%
Other California	1,315	0.4%
Out of State	1,179	0.3%
Total	354,096	100.0%

SOURCE: U.S. Census Bureau, Census 2000 Summary File 3 and County-to-County Worker Flow Files.

counties (Sonoma and Napa). Table IV.M-10 presents the 2000 Census data describing places of residence for people holding jobs in San Mateo County.

Labor Market Conditions

The labor market for jobs in Redwood City is regional and, due to the housing market conditions described above, extends beyond the nine-county Bay Area region. Data from the 2000 Census described above indicate that the labor market is concentrated in San Mateo, San Francisco, and Santa Clara counties, however. In other words, the majority of the jobs in the three-county area are filled by residents of those same three counties and the majority of the labor force in those three counties (people over age 16 who are working or looking for work) finds jobs in those three counties.

**TABLE IV.M-10
PLACES OF RESIDENCE FOR PEOPLE EMPLOYED IN SAN MATEO COUNTY: 2000**

County of Residence	Number of Employees	Percent of Total
San Mateo County	206,093	58.3%
San Francisco County	43,306	12.3%
Santa Clara County	40,666	11.5%
Alameda County	33,501	9.5%
Contra Costa County	9,279	2.6%
Solano County	2,880	0.8%
Marin County	2,614	0.7%
Sonoma County	1,633	0.5%
Napa County	462	0.1%
Subtotal Bay Area	340,434	96.3%
Santa Cruz	2,010	0.6%
San Joaquin	1,434	0.4%
Stanislaus	899	0.3%
Merced	131	0.0%
Other California	5,567	1.6%
Out of State	2,901	0.8%
Total	353,376	100.0%

SOURCE: U.S. Census Bureau, Census 2000 County-to-County Worker Flow Files.

The San Francisco and San Jose metropolitan areas (San Mateo, San Francisco, Marin, and Santa Clara counties) are experiencing high levels of job losses and resulting unemployment. The losses over the last two years have been dramatic. From a peak of 2.1 million jobs in the combined four-county area in 2000, there was a net loss of 215,000 jobs (a ten percent decline in employment) through 2002. The three-county San Francisco metropolitan area (San Francisco, San Mateo, and Marin counties) lost 93,800 jobs (a nine percent decrease) and Santa Clara

County lost 121,200 jobs (12 percent decrease).³ Analysts have observed that these two metropolitan areas lost 100,000 more jobs than the rest of the entire state (Levy, 2003). Job losses were highly concentrated in technology manufacturing and related telecommunications, information technology, and professional and technical services sectors. The net change described above offsets even greater job losses for those sectors with gains in education and health care services and state and local government. As a result, the number of people participating in the labor force, i.e., working or looking for work, has declined and unemployment has increased. Table IV.M-11 shows the two-year trend in labor market data for the four-county area.

³ In 2000, San Mateo County jobs accounted for about 18 percent of jobs in the four-county area and 35 percent of jobs in the three-county San Francisco metropolitan area.

**TABLE IV.M-11
RECENT TRENDS IN EMPLOYMENT AND LABOR MARKET CONDITIONS IN THE
SAN MATEO COUNTY AREA: 2000-2002**

	2000	2001	2002	2000-2002
Total Employment by place of work, all industries^a				
San Francisco MSA	1,085,800	1,057,400	992,000	(93,800)
San Jose MSA	1,035,000	1,008,100	913,800	(121,200)
Total	2,120,800	2,065,500	1,905,800	(215,000)
Labor Force Data by County^b				
<i>San Mateo County</i>				
Labor Force	400,400	395,500	382,700	(17,700)
Employed Population	393,900	383,900	363,500	(30,400)
Unemployment	6,500	11,600	19,200	12,700
Unemployment Rate	1.6%	2.9%	5.0%	
<i>San Francisco County</i>				
Labor Force	436,700	437,000	423,000	(13,700)
Employed Population	424,600	414,200	392,100	(32,500)
Unemployment	12,100	22,800	30,900	18,800
Unemployment Rate	2.8%	5.2%	7.3%	
<i>Marin County</i>				
Labor Force	141,000	139,900	134,400	(6,600)
Employed Population	138,700	136,400	129,100	(9,600)
Unemployment	2,300	3,500	5,300	3,000
Unemployment Rate	1.6%	2.5%	3.9%	
<i>Santa Clara County</i>				
Labor Force	1,001,800	1,005,600	959,600	(42,200)
Employed Population	982,000	959,800	879,000	(103,000)
Unemployment	19,800	45,800	80,600	60,800
Unemployment Rate	2.0%	4.6%	8.4%	
Total Four County Area				
Labor Force	1,979,900	1,978,000	1,899,700	(80,200)
Employed Population	1,939,200	1,894,300	1,763,700	(175,500)
Unemployment	40,700	83,700	136,000	95,300
Unemployment Rate	2.1%	4.2%	7.2%	

^a No county-level industry employment data using the new North American Industry Classification System (NAICS) that replaces the previous Standard Industrial Classification (SIC) coding system will be available until late 2003. Therefore, the most recent employment data for San Mateo County are only available as part of the three-county metropolitan statistical area (MSA) totals for Marin, San Francisco, and San Mateo counties.

^b Labor force data are annual averages, not seasonally adjusted. The labor force data are revised to reflect the March 2002 benchmark.

SOURCE: State of California Employment Development Department, Annual Average Employment by Industry: San Francisco MSA; and Labor Force Data for Counties, March 2002 benchmark.

In the combined four-county area overall, the number of residents working decreased by 175,000 (nine percent). A large share of those losing jobs eventually stopped looking for work and left the labor force or left the area, and the number of people unemployed and looking for work more than tripled to over 95,000. In San Mateo County, labor market trends mirror those of the four-county region overall. From the high levels of employment in 2000, there were over 30,000 fewer county residents employed in 2002. As a result of job losses, about 18,000 people had left the labor force, and there were almost three times as many people unemployed in San Mateo County in 2002 compared to the extremely low unemployment of 2000 (a 1.6 percent unemployment rate). Within the three-county San Francisco metropolitan area (San Francisco, San Mateo, and Marin counties), San Mateo shows a disproportionate share of those leaving the labor force and a disproportionate share of the increase in unemployed.

Specific labor market conditions for Redwood City are difficult to describe with confidence. Sub-county area unemployment rates developed by the State of California show Redwood City's unemployment rate at 4.6 percent for 2002, lower than the countywide average and lower than the unemployment rates in the other large cities in the county (Daly City, San Mateo, and South San Francisco). The unemployment rate for the North Fair Oaks unincorporated area in Redwood City's sphere-of-influence is calculated at 10.9 percent, ranking second (among San Mateo County communities) below the 12.6 percent unemployment rate in East Palo Alto.

These sub-county estimates are based on each area's 1990 Census share of county employment (employed population) and unemployment. The State advises caution in using these estimates because there may have been a redistribution of employed population and labor force within the county during the decade, such that the 1990 relationships are no longer valid. Nevertheless, no matter how the Redwood City unemployment rate compares to that in other San Mateo County or Bay Area communities, the large increase in unemployment in the City and region over the last two years is unquestionable.

EMPLOYMENT AND EMPLOYED RESIDENTS – THE JOBS-HOUSING RELATIONSHIP

Table IV.M-12 summarizes information about job growth and population growth, and describes what is often referred to as the "jobs-housing relationship," i.e., the extent to which a community enjoys a balanced mix of land uses thereby offering job opportunities for local residents, and the potential to reduce the need for long commutes as workers extend their search for affordable housing to locations distant from the centers of economic activity. The table presents trends and projections for Redwood City, the rest of San Mateo County, and the rest of the Bay Area region.

In 1990, there were more workers living in Redwood City than there were people working in Redwood City, illustrated by a jobs-to-employed residents ratio of 0.86 jobs (counted by place of work) for every one employed resident (counted by place of residence). The strong job growth of the 1990s resulted in a significant change in that relationship; by 2000 there were more jobs in the city than employed residents. In fact, the ratio of jobs to employed residents was higher for Redwood City than for the rest of the county, as Redwood City became an important Peninsula job center.

**TABLE IV.M-12
TRENDS IN JOBS AND EMPLOYED RESIDENTS: REDWOOD CITY,
SAN MATEO COUNTY, AND THE BAY AREA REGION: 1990-2020**

	1990	2000	2010	2020	1990-2000		2000-2020	
					Absolute Change	Annual Rate	Absolute Change	Annual Rate
Total Jobs								
Redwood City SOI	42,020	62,000	68,210	74,990	19,980	4.0%	12,990	1.0%
Rest of San Mateo County	284,650	333,890	365,610	405,980	49,240	1.6%	72,090	1.0%
Rest of Bay Area	2,879,410	3,357,780	3,791,210	4,228,990	478,370	1.5%	871,210	1.2%
Employed Residents								
Redwood City SOI	48,616	57,607	61,200	64,600	8,991	1.7%	6,993	0.6%
Rest of San Mateo County	305,060	345,476	369,700	393,400	40,416	1.3%	47,924	0.7%
Rest of Bay Area	2,795,837	3,202,592	3,634,400	3,989,100	406,755	1.4%	786,508	1.1%
Ratio Jobs-to-Employed Residents								
Redwood City SOI	0.86	1.08	1.11	1.16				
Rest of San Mateo County	0.93	0.97	0.99	1.03				
Rest of Bay Area	1.03	1.05	1.04	1.06				
Employed Residents (workers) per Household								
Redwood City SOI	1.51	1.63	1.67	1.69				
Rest of San Mateo County	1.46	1.58	1.60	1.62				
Rest of Bay Area	1.40	1.45	1.50	1.53				

SOURCE: Association of Bay Area Governments, *Projections 2002*, December 2001.

Forecasters predict eventual recovery of the job losses sustained recently. Job growth and population and employed resident growth are expected in Redwood City and throughout the region over the next 20 years. Although growth is forecast at slower rates than in the past, similar trends are projected to continue, whereby job growth outpaces growth in employed residents. Therefore, projections show the ratio of jobs-to-employed residents increasing over time through 2020.

In Redwood City, this situation reflects to a large extent the different amounts of development capacity under Redwood City's General Plan (i.e., capacity for non-residential development compared to capacity for housing), in addition to the ability of the city to attract business development and employment growth. (Some Bay Area cities and other cities just beyond the boundaries of the Bay Area that supply an increasing number of commuters to Bay Area job centers have ample land planned and zoned for business park and other non-residential development. Nevertheless, the other factors that make a place an attractive business location are not strong enough in many of these areas to attract significant employment growth.)

Redwood City is not much different from the rest of San Mateo County and the rest of the Bay Area as a whole in terms of the trends in the jobs-housing relationship. Over the long-term projection period, assuming existing general plans and continuation of long-term trends in development densities and market factors, Redwood City, San Mateo County, and the rest of the Bay Area are expected to add relatively more jobs than employed residents, to experience housing market conditions characterized by high prices and rents that are not affordable to many workers, and to look to communities beyond the nine-county Bay Area to house an increasing share of the people working in the Bay Area.

These labor market and housing market conditions are also reflected in changes in the number of workers per household. During the 1990s, the increase in workers per household was dramatic for Redwood City and the rest of San Mateo County, increasing by about eight percent in each case. This trend is a consequence of both the need for multiple wage earners per household to contribute to the area's high costs of housing and other costs of living, as well as the strength of the economy during the period that attracted residents to the region and people to the labor force. While the average number of workers-per-household is expected to increase over the next 20 years throughout Redwood City, the rest of San Mateo County, and the rest of the Bay Area, the long-term pace of change is expected to slow considerably.

EXISTING CONDITIONS – ABBOTT LABORATORIES PROJECT SITE

Facilities and Employment

Abbott Laboratories' Perclose facility operates adjacent to the project site in 80,000 square feet of leased space in the Seaport Center Office Park in Redwood City. Perclose specializes in cardiovascular research and in the design and manufacture of vascular devices for medical uses. About 13,000 square feet of this space is office space for finance, administration, sales, and marketing staff. The balance of the building space, approximately 67,000 sf, is devoted to research and development (R&D) and manufacturing operations.

There were 495 people employed at Abbott Laboratories' Perclose facility in 2002 (see Table IV.M-13). Two-thirds of the employees worked in manufacturing operations; 11 percent worked in R&D, and just over 20 percent in administration and support departments. Manufacturing operations employees work in two shifts; about one-third work the evening shift from 2:30 p.m. until 11:00 p.m.

Many of the production jobs provide entry-level opportunities for workers with limited skills. Abbott provides on-the-job training, and there are low rates of job turnover.⁴

⁴ Personal communication, Steven Lake, Perclose, Inc. facilities manager, site visit, March 7, 2002.

**TABLE IV.M-13
ABBOTT LABORATORIES/PERCLOSE EMPLOYMENT IN REDWOOD CITY: 2002**

Department	Employment	Percent of Total
<i>Administration</i>		
Finance and Administration	24	5%
Human Resources	7	1%
Marketing/Sales	20	4%
<i>Support</i>		
Quality Assurance	44	9%
Medical Affairs	14	3%
Research & Development	53	11%
Manufacturing Operations	333	67%
Total	495	100%

SOURCE: Abbott Laboratories

Places of Residence for Abbott Laboratories/Perclose Redwood City Employees

Most Abbott Laboratories/Perclose facility staff live in San Mateo and Santa Clara counties (67 percent). About one-fifth (18 percent of all employees) live in Redwood City. This is about the same as the estimated share of all Redwood City jobs held by people also living in the City (16 percent in 2000). Other San Mateo County and Santa Clara County cities housing more than five percent of Abbott Laboratories/Perclose employees include: San Mateo, Palo Alto/East Palo Alto, and San Jose (see Table IV.M-14.).

Beyond the two-county area, the next largest share of employees commutes across the bay from Alameda County (16.5 percent of all employees). Another nine percent of the employees commute from San Francisco.

About eight percent of Abbott Laboratories/Perclose employees commute from more distant Bay Area counties such as Contra Costa County and Solano County, as well as from other neighboring counties. Most of these employees (over five percent of all employees) commute from San Joaquin and Stanislaus counties.

There are variations by department in the distribution of employees by place of residence. People working in administrative departments are most likely to live elsewhere in the Peninsula outside Redwood City—in nearby central San Mateo County communities and in San Francisco. Employees in the R&D and Support departments are concentrated in nearby Peninsula communities and in southern Alameda County. Employees in the Manufacturing Operations department (two-thirds of all employees) are most likely to live in Redwood City, East Palo Alto/Palo Alto, and San Francisco on the Peninsula; in central Alameda County communities; and in the most distant communities in San Joaquin, Stanislaus, and other Central Valley counties.

**TABLE IV.M-14
PLACES OF RESIDENCE FOR ABBOTT LABORATORIES/PERCLOSE EMPLOYEES
IN REDWOOD CITY, BY DEPARTMENT, 2002**

Place of Residence	Number of Employees by Place of Residence by Department				Distribution of Employees by Place of Residence by Department			
	Administration	R&D/Support	Manuf. Operations	Total	Administration	R&D/Support	Manuf. Operations	Total
Redwood City	6	8	68	82	13.0%	7.6%	22.0%	17.8%
Palo Alto/East Palo Alto ^a	5	-	40	45	10.9%	-	12.9%	9.8%
San Jose	3	23	14	40	6.5%	21.9%	4.5%	8.7%
San Mateo	4	8	16	28	8.7%	7.6%	5.2%	6.1%
Rest of San Mateo County	7	15	33	55	15.2%	14.3%	10.7%	12.0%
Rest of Santa Clara County	7	26	27	60	15.2%	24.8%	8.7%	13.0%
Subtotal San Mateo and Santa Clara Counties	32	80	198	310	69.6%	76.2%	64.1%	67.4%
San Francisco	6	5	28	39	13.0%	4.8%	9.1%	8.5%
South Alameda County ^b	2	11	19	32	4.3%	10.5%	6.1%	7.0%
Central Alameda County ^c	2	4	30	36	4.3%	3.8%	9.7%	7.8%
Rest of Alameda County	1	-	7	8	2.2%	-	2.3%	1.7%
Subtotal Alameda County	5	15	56	76	10.9%	14.3%	18.1%	16.5%
Contra Costa County	2	-	1	3	4.3%	-	0.3%	0.7%
Solano County	1	-	1	2	2.2%	-	0.3%	0.4%
Santa Cruz	-	-	1	1	-	-	0.3%	0.2%
Monterey	-	2	-	2	-	1.9%	-	0.4%
San Joaquin	-	1	12	13	-	1.0%	3.9%	2.8%
Stanislaus	-	2	10	12	-	1.9%	3.2%	2.6%
Sacramento	-	-	1	1	-	-	0.3%	0.2%
Tulare	-	-	1	1	-	-	0.3%	0.2%
TOTAL	46	105	309	460	100.0%	100.0%	100.0%	100.0%

a Zip code 94303 covers East Palo Alto in San Mateo County and part of Palo Alto in Santa Clara County.

b Covers Fremont, Newark, and Union City.

c Covers San Leandro, San Lorenzo, Castro Valley, Hayward, and the Ashland and Cherryland-Fairview communities.

SOURCE: Abbott Laboratories, Perclose Employees by Zip Code and Department as of February 2002.

EXISTING PROJECT AREA POPULATION AND EMPLOYMENT

There is no existing residential population in the project area. There is no permanent onsite employment associated with the current use of the project site as a transfer point in the salt production process.⁵

⁵ About 200 workers are employed in Cargill’s remaining San Francisco Bay salt production facilities in Redwood City and Newark. (Jane Kay, “The transformation of South Bay salt ponds into natural tidal marshes is part of a habitat restoration of grand scope”, *San Francisco Chronicle*, April 6, 2000)

The Marine Science Institute (MSI) operates educational programs and ongoing scientific research focusing on the marine ecology of the San Francisco Bay out of facilities located on the site's northern waterfront. MSI facilities include piers and associated floating docks, a waterfront marine lab and classroom space (4,800 square feet), modular office space (2,160 square feet), outdoor meeting and classroom space, storage sheds, and a 90-foot research vessel. MSI currently serves about 32,000 K-12 students every year, employing a core staff of seven who manage a fluctuating staff of 25 – 40 instructors. MSI staff are responsible for institute management, shipboard operations and safety, educational development and delivery, fundraising, and administrative support. MSI employs people with high levels of skills and advanced degrees in sciences. These people are often beginning in their careers, and there is substantial staff turnover. (Marine Science Institute, Business Plan 2002)

APPLICABLE PLANS, POLICIES AND REGULATIONS

Redwood City Strategic General Plan

Redwood City's *Strategic General Plan* addresses opportunities for economic development and employment growth in its Land Use and Human Services sections. The applicable policies and goals are discussed below.

- Older, marginal industrial areas should be redeveloped with contemporary standards and modern infrastructure to provide for healthy employment and economic growth (Land Use Policy L-10, p.6-5).
- To ascertain that there are job opportunities for all employable adults in Redwood City; and to recognize that there may be special needs for youths and senior citizens (Human Services Goal 1, p. 15-9).
- In addition, Appendix 1 of the *Strategic General Plan* discusses economic policies for the city that were used in development of the plan. Among the economic strategies listed are the following:
 - Promote R&D and office uses (ES-17, p. A1-2).
 - Nurture smaller, innovation-type (*sic*) industries (ES-21, p. A1-2).

IMPACTS AND MITIGATION MEASURES

SIGNIFICANCE CRITERIA

Consistent with Appendix G of the CEQA Guidelines, development of the proposed project would be considered to result in a significant impact on the environment if it would:

- induce substantial population growth in an area, either directly (for example, by proposed new homes and businesses) or indirectly (for example, through extension of roads and other infrastructure);
- displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere; or,

- displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

APPROACH TO ANALYSIS

The proposed project would not displace any existing housing or existing residents. Therefore, this impact analysis concentrates on the employment growth associated with the project. Table IV.M-15 summarizes the change in employment in the project area that would result from development of the proposed Abbott Laboratories West Coast Research Center and the expanded permanent facility for the Marine Science Institute. The project area would accommodate an additional 1,531 jobs in 2010. Employment at the Marine Science Institute is not expected to increase as a result of the expansion of that facility.

**TABLE IV.M-15
PROPOSED PROJECT—CHANGE IN PROJECT AREA EMPLOYMENT:
2002 – BUILDOUT (2010)**

Facility	2002 ^a	2010	2002-2010
Abbott Laboratories	-	1,531	1,531
Marine Science Institute	7	7	-
Total	7	1,538	1,531

^a Abbott Laboratories existing employment at the Perclose facility is not located in the project area.

SOURCE: Abbott Laboratories, Marine Science Institute, and City of Redwood City.

This total change in employment in the project area is larger than the net change in employment for Abbott Laboratories in Redwood City, because Abbott would relocate workers from the existing Perclose facility to the new project area facility. The total change in employment for the project area, however, represents the increment of growth for Redwood City associated with the Abbott Laboratories project and is used to evaluate the magnitude of employment associated with the project. Assuming that the existing Perclose facility were eventually re-occupied by another business of similar employment density, the total employment accommodated in the proposed new facility would represent the amount of additional employment associated with the project.

The proposed Abbott Laboratories West Coast Research Center is by far the largest component of employment for the project area. Table IV.M-16 presents detail on the expected composition of employment at the research center.

Abbott Laboratories proposes to relocate the employees at the existing Perclose facility adjacent to the project area at the completion of Phase 1 of the research center. Therefore, while the research center would accommodate a total of about 1,530 employees at buildout, the net change

**TABLE IV.M-16
CHANGE IN ABBOTT LABORATORIES REDWOOD CITY EMPLOYMENT:
2002 – 2010 (BUILDOUT)**

Department	Existing Perclose Facility^a	Proposed Project Buildout – 2010^b	Net Change in Employment for Abbott Laboratories/Perclose in Redwood City
Administration	51	200	149
Support	58	153	95
R&D	53	678	625
Operations	333	500	167
Total	495	1,531	1,036
<i>Distribution of Employment by Department</i>			
Administration	10%	13%	14%
Support	12%	10%	9%
R&D	11%	44%	60%
Operations	67%	33%	16%
Total	100%	100%	100%

^a Employment in the existing Abbott Laboratories/Perclose facility located adjacent to the project area would relocate to the proposed project in Phase 1, freeing up the existing facility for occupancy by another business.

^b This number represents the increment of growth for Redwood City associated with the proposed Abbott Laboratories project. Assuming that the existing Perclose facility were occupied by another business of similar employment density, the total employment accommodated in the proposed new facility would represent the amount of additional employment associated with this part of the project, even though the net additional Redwood City employment from Abbott Laboratories’ perspective is a lower number.

SOURCE: Abbott Laboratories

in employment for Abbott Laboratories in Redwood City would be just over 1,000 employees. There would be an increase in jobs in all departments. While the existing Perclose facility is primarily a manufacturing operation, the proposed research center would be more heavily oriented to R&D activities. Sixty percent of the increase in employment would be in the R&D department. While there would be an increase in employment in the operations (manufacturing) department, the share of the total represented by that department would decline from two-thirds to one-third.

PROJECT OPERATIONS

Impact M.1: The proposed project would result in employment growth and an increase in job opportunities in Redwood City. (Beneficial)

The employment growth associated with the proposed project would represent one quarter of the job growth projected for Redwood City from 2000 through 2010 and 12 percent of the total job

growth projected for the city through 2020. The proposed Abbott Laboratories West Coast Research Center would likely be a particular boost to economic activity in Redwood City, where some of those businesses that had grown to be among the city's larger employers in the late 1990s have either substantially reduced their workforce or gone out of business. The Abbott Laboratories West Coast Research Center would offer job opportunities in a range of occupations and skill levels. In the short-term, this growth would provide employment options for some of those who have lost their jobs in the economic downturn that has severely affected the technology sector. In Phases 2 and 3, the expanded R&D facility would contribute to diversifying the City's economic base. This amount and type of economic activity is consistent with the longer-term regional forecast for growth in Redwood City, San Mateo County, and the rest of the Bay Area. The type of development and associated economic activity and employment represented by the proposed project are part of the economic base that underlies assumptions about continued economic growth and employment growth in the Bay Area.

Mitigation: None required.

Impact M.2: The proposed project would redevelop an older industrial area providing opportunities for R&D and office employment growth in an innovative industry. (Beneficial)

The proposed project would contribute to fulfilling the economic goals and policies identified in Redwood City's *Strategic General Plan*. The Abbott Laboratories West Coast Research Center would establish a major research and development presence in Redwood City. The proposed development would enable the expansion of a company that develops and manufactures cutting-edge medical products and devices.

Mitigation: None required.

Impact M.3: The proposed project would not induce population growth and associated housing demand in the near term and would not, by itself, contribute significantly to higher housing prices and rents in the local housing market. (Less than Significant)

In the near term (Phase 1), it is likely that people in the local labor market who are currently unemployed or underemployed would fill many of the jobs associated with the proposed project. The setting discussion in this section documented the magnitude of recent job losses and the current labor surplus conditions in San Mateo and surrounding counties. Phases 2 and 3 would involve more employment opportunities for highly-skilled R&D workers. The Bay Area is renowned for its highly-educated, skilled, technical labor pool and research capacity; these are key factors in the region's success growing and attracting biotechnology and other bioscience companies, as well as other high-technology businesses (Cortright and Mayer, 2002; Day, 2000). Nevertheless, the jobs offered by the proposed project would attract some new residents to the

area, particularly over the longer-term, but the numbers would be small in the context of the local housing market.

Total Redwood City employment growth associated with the proposed project would be about 1,500 jobs. If these workers chose the same places of residence exhibited by current Abbott Laboratories/Perclose employees in those departments, then about 200 would live in Redwood City (13 percent of the total workforce).⁶ Those 200 workers would represent just over five percent of the increase in employed population expected for Redwood City between 2000 and 2010 and about three percent of the increase expected over the long-term period through 2020. Of course, that analysis does not account for the demand represented by workers who would prefer to live closer to where they work, i.e., in Redwood City, but find more affordable housing elsewhere. Nevertheless, project-specific impacts would be less than significant.

Mitigation: None required.

CUMULATIVE IMPACTS

Impact M.4: The project would contribute to cumulative employment growth in Redwood City over the long-term, which would contribute to increased demand for housing, continued upward pressure on housing prices and rents, and resultant long commutes as workers find more affordable housing in the East Bay and in Central Valley communities.

Projections of employment growth and housing production in Redwood City show a continuation of the pattern whereby job growth outpaces growth in employed residents and, as a result, the ratio of jobs-to-employed residents increases over time. The consequence of this situation, evident in the housing and labor markets of today, is upward pressure on housing prices and rents in communities nearest to employment centers and an increase in the number and proportion of workers seeking affordable housing in more distant communities.

In the short-term, given the prevailing labor surplus conditions, cumulative employment growth in Redwood City would not have a direct impact on housing prices and rents. In fact, high and increasing housing prices have continued in spite of job losses over the last two years.

In the longer term, however, employment growth that outpaces housing supply results in a decrease in affordability in the local market. Typically, people share housing or endure long commutes to adapt to this situation.

⁶ This percentage is lower than the existing average for Abbott Laboratories/Perclose (18 percent) because the employment growth is more heavily weighted towards R&D jobs, and (according to company data) that department shows the smallest propensity to live in Redwood City (see Table IV.M-14).

Mitigation Measure M.4a: If Redwood City adopts a jobs-housing linkage program requiring non-residential projects to pay a fee per square foot to mitigate impacts to affordable housing, Abbott Laboratories shall pay the required fees for Phases 2 and 3 of the proposed project, if the program is in place when those phases are developed. (Identified in by this EIR)

Redwood City is considering adopting a jobs-housing linkage program. The City commissioned a study in 2002—*Jobs and Housing Growth Imbalance and What Local Cities Can Do About It* (Keyser Marston Associates, Inc., 2003) and may undertake a full-blown nexus study documenting the relationship between job growth and the demand for affordable housing in the City and establishing the basis for an in-lieu fee to mitigate housing market impacts. The fee revenue could be used to produce housing or provide financial resources that contribute to the production of affordable housing.

Mitigation Measure M.4b: Increase the residential development potential in the City through land use and zoning changes. (Identified by this EIR)

Redwood City has proposed changes to zoning in commercial districts and the downtown that will increase the development potential for higher density housing in the City. The City is currently undertaking a General Plan update and could consider additional zoning changes to increase the potential supply of housing even further.

Significance after Mitigation: Less than Significant.

REFERENCES – Population, Jobs, and Housing

(The references cited below are available at the Redwood City Planning Services Department, 1017 Middlefield Road, Redwood City, California, unless specified otherwise below.)

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