



November 17, 2020

Mayor Jesse Arreguín, President
Association of Bay Area Governments, Executive Board
375 Beale Street, Suite 800
San Francisco, CA 94105-2066
Email: RHNA@bayareametro.gov

RE: Proposed RHNA Methodology

Dear Board President Arreguín,

The City of Dublin (City) wishes to express concerns regarding the proposed Regional Housing Needs Allocation (RHNA) methodology that the Association of Bay Area Governments (ABAG) Executive Board is scheduled to take final action on at its January 21, 2021 meeting.

The City appreciates the urgency of the statewide housing crisis and the responsibility of local jurisdictions to facilitate housing construction to help alleviate this crisis. Dublin was the fastest growing city in California between 2010 and 2019 due to significant steps taken to facilitate the construction of both market-rate and affordable housing. During the current RHNA cycle, the City issued building permits for the construction of 4,138 dwelling units compared to our allocation of 2,285 units. Specifically, as of September 30, 2020, the City had issued permits for 3,993 above-moderate income, 80 moderate income, 39 low-income, and 26 very low-income units.

In the near future, the City anticipates construction of additional new affordable housing utilizing the City's Affordable Housing Fund and Alameda County Measure A-1 Bond funding. In July 2020, the City issued a Notice of Funding Availability for approximately \$10 million in funding to support predevelopment, acquisition, and construction of affordable rental housing and is currently reviewing proposals.

The 6th Cycle RHNA process presents significant challenges and the City appreciates the efforts and dedication of the Housing Methodology Committee. However, the City urges the Executive Board to reject their proposed methodology and consider alternative factors and weights, in order to more appropriately balance the RHNA statutory requirements including equity and fair housing goals, as well as those related to efficient growth patterns and greenhouse gas emissions.

The City is concerned with the disproportionate emphasis on factors that allocate RHNA to high opportunity areas, without consideration of the negative consequences of the resultant land use patterns. The following points reflect our specific concerns with the proposed methodology:

- Does not adequately address factors related to jobs proximity and locates housing a considerable distance from the Bay Area's major employment centers of the South Bay, Oakland, and San Francisco.

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City Manager
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Community Development
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Economic Development
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Finance/IT
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925.833.6606
Human Resources
925.833.6605
Parks & Community Services
925.833.6645
Police
925.833.6670
Public Works
925.833.6630

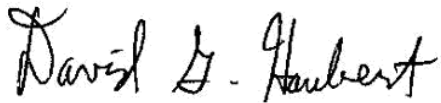
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- Allocates growth in a manner that promotes auto dependency, prolongs longer commutes, and exacerbates associated GHG emissions. In addition to the environmental factors, it impacts time away from families and economic strain on household finances, particularly for lower-income households.
- Pushes significant housing allocations to the outer ring of Bay Area suburbs, exasperating the jobs/housing imbalance.
- Fails to consider progress made during current RHNA cycle, as outlined above.

Given these concerns, the City urges the Executive Board to reject the proposed methodology recommended by the Housing Methodology Committee and refine the methodology to consider factors and weights that focus housing in areas most proximate to highest concentration of jobs as well as recent housing production efforts.

Should you have any questions, please do not hesitate to contact Michael Cass, Principal Planner, at (925) 833-6610 or Michael.Cass@dublin.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "David G. Haubert". The signature is written in a cursive, flowing style.

David Haubert, Mayor
City of Dublin

cc. Linda Smith, City Manager
Jeff Baker, Community Development Director
Kristie Wheeler, Assistant Community Development Director
Michael P. Cass, Principal Planner

From: [REDACTED]
To: [MTC-ABAG Info](#)
Subject: Proposed RHNA Methodology and Subregional Shares
Date: Friday, January 15, 2021 9:34:31 AM

External Email

January 15, 2020

Mayor Jesse Arreguin, President
Executive Board, Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco, CA 94105

RE: Proposed Regional Housing Needs Allocation (RHNA) Methodology and Subregional Shares
- Support for **Option 8A** using the Plan Bay Area 2050 **Households** Baseline with the **Equity Adjustment**

Dear President Arreguin and ABAG Executive Board,

I am writing to provide comment on the proposed RHNA Methodology and subregional shares for ABAG RHNA Cycle 6.

My understanding as a Bay Area resident is that the RHNA methodology is designed to "reduce the cost of living in the Bay Area," "provide housing affordability for low-income families," and "reduce racial inequities;" while growing the middle class. That is why I stand with a diverse set of organizations and stakeholders from across the region focusing on housing, the environment, and the economy in **strong support of ABAG's proposed RHNA methodology, known as the "High Opportunity Areas Emphasis & Job Proximity" methodology ("Option 8A"), but believe the methodology needs to be further refined to more fully meet the statutory objective for affirmatively furthering fair housing.**

This adjustment will result in thousands of more affordable units in high-opportunity exclusive neighborhoods which will move us closer to an inclusive and prosperous region where all residents have a safe and affordable home and equal access to environmental, economic, and educational opportunity.

ABAG adopted the Housing Methodology Committee's recommendation due to its strong performance on the statutory objectives of RHNA. A majority of the Committee also supported an equity adjustment. We urge you to continue to respect the integrity of this process and move forward with the Committee's recommendation, with the equity adjustment.

Housing is the foundation for healthy, strong communities. Housing, and affordable housing

especially, has been proven to revitalize distressed areas, reduce traffic and improve air quality, and promote economic and social integration while building community. For the Bay Area, housing opportunities give our region a competitive edge and help keep our communities diverse and equitable. The RHNA process offers our region a tangible opportunity to actively plan for our future housing needs for the next eight years — while actively designing strategies to address existing housing affordability, patterns of residential segregation, and exclusionary zoning practices.

Now is the time for all Bay Area cities and counties to come together and move collectively toward a more equitable, sustainable, inclusive future where people of all racial and economic backgrounds have access to housing and resources.

ABAG's proposed methodology with the Equity Adjustment will help us get there. For these reasons, I am pleased to support **Option 8A** using the Plan Bay Area 2050 **Households** Baseline with the **Equity Adjustment**.

Thank you again for the opportunity to provide feedback.

Sincerely,

William Goodwin



Mayor Jesse Arreguin, President
Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco CA 94105

Sent by email to info@bayareametro.gov

January 7, 2021

Dear President Arreguin,

Re: Proposed Regional Housing Needs Allocation (RHNA) Methodology and Subregional shares – Support for Option 8A using the Plan Bay Area 2050 Households Baseline with the Equity Adjustment

Habitat for Humanity Greater San Francisco builds affordable homes and provides affordable homeownership opportunities for working families in San Francisco, San Mateo and Marin counties. This letter provides our comments on the proposed RHNA Methodology and subregional shares for ABAG RHNA Cycle 6.

We stand with a diverse set of organizations and stakeholders from across the region focusing on housing, the environment, and the economy in support of ABAG's proposed RHNA methodology, known as the "High Opportunity Areas Emphasis & Job Proximity" methodology ("Option 8A"), but believe the methodology needs to be further refined to more fully meet the statutory objective for affirmatively furthering fair housing.

This adjustment will result in thousands of more affordable units in high-opportunity exclusive neighborhoods which will move us closer to an inclusive and prosperous region where all residents have a safe and affordable home and equal access to environmental, economic, and educational opportunity.

ABAG adopted the Housing Methodology Committee's recommendation due to its strong performance on the statutory objectives of RHNA. A majority of the Committee also supported an equity adjustment. We urge you to continue to respect the integrity of this process and move forward with the Committee's recommendation, with the equity adjustment.

Housing is the foundation for healthy, strong communities. Housing, and affordable housing especially, has been proven to revitalize distressed areas, reduce traffic and improve air quality, and promote economic and social integration while building community. For the Bay Area, housing opportunities give our region a competitive edge and help keep our communities diverse and equitable. The RHNA process offers our region a tangible opportunity to actively plan for our future housing needs for the next eight years — while actively designing strategies to address existing housing affordability, patterns of residential segregation, and exclusionary zoning practices.

Now is the time for all Bay Area cities and counties to come together and move collectively toward a more equitable, sustainable, inclusive future where people of all racial and economic backgrounds have access to housing and resources.

ABAG's proposed methodology with the Equity Adjustment will help us get there.



Habitat for Humanity Greater San Francisco is pleased to support **Option 8A** using the Plan Bay Area 2050 **Households** Baseline with the **Equity Adjustment**.

Thank you again for the opportunity to provide feedback.

In community,

A handwritten signature in black ink, appearing to read "Maureen Sedonaen".

Maureen Sedonaen

Chief Executive Officer

Habitat for Humanity Greater San Francisco

cc ABAG Executive Board



City of Monte Sereno

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Monte Sereno, California 95030-4299
Telephone: 408.354.7635
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www.cityofmontesereno.org

January 07, 2021

Delivered by Express Delivery and via Email to RHNA@bayareametro.gov

To: The Association of Bay Area Governments, Executive Board
Bay Area Metro
375 Beale Street, Suite 800
San Francisco, CA 94105

Re: Proposed RHNA Methodology and Subregional Shares
Public Comment on RHNA Methodology and Objection Regarding Proposed Share

Dear ABAG Executive Team:

The City of Monte Sereno applauds your efforts in leading the 2023-2031 Regional Housing Needs Assessment (RHNA) along with the Housing Methodology Committee (HCD). Conceptually, The City of Monte Sereno agrees with the five main objectives put forth in the plan. Those objectives are:

- 1) Increase the housing supply and the mix of housing types in an equitable manner
- 2) Promote infill development, efficient development, and CHG reduction
- 3) Promote better relationships between jobs and housing, particularly jobs-housing fit
- 4) Balance existing disproportionate concentrations of income categories
- 5) Affirmatively further fair housing

That said, Monte Sereno strongly objects to the ABAG-proposed numbers we have seen under all current models that have been shared with us. The numbers proposed for Monte Sereno are unfair, untenable, and designed-to-fail. They are unacceptable and if not changed, will almost certainly require formal challenge. We would prefer to avoid that by getting an appropriate allocation from the start. More on that at the end of this letter.

Background

Monte Sereno is a hillside community with an area of 1.6 total square miles. Located just between larger Los Gatos and Saratoga in Santa Clara County, Monte Sereno contracts most of its city services from neighboring jurisdictions. Hence, Monte Sereno has a very small budget of only \$4 million annually and minimal staffing resources.

The City of Monte Sereno was chartered in unique fashion. Since inception, Monte Sereno has essentially functioned as one large residential-only district of approximately 1250 single family homes. There are no commercial shopping districts which can be rezoned. There are no mixed-use real estate developments which may be rezoned. There are no existing apartment complexes. There are simply no land use opportunities Monte Sereno can leverage to achieve substantial RHNA allocation numbers.

Monte Sereno has one bus stop, one traffic light, one church, and one school. Monte Sereno has a very limited jobs base (city services and school only; no commercial jobs). Monte Sereno has no practical access to public transportation. Monte Sereno is a net housing supplier for neighboring jurisdiction's employment centers.

Nearly all properties in Monte Sereno are governed by private property rights in the original covenants, conditions, and restrictions. Those grandfathered CCR's specify and restrict to single family home development on the property they govern. Homeowners who purchased properties under those written assumptions will ultimately be the decision makers when an opportunity presents itself about their property rights/usage. Forcing lip-service zoning changes on land which cannot and will not be developed is worse than no solution at all.

In recent years Monte Sereno **has been** successful adding housing units through use of Accessory Dwelling Units (ADUs), and Junior Accessory Dwelling Units (JADU's) to single family parcels. As a matter of fact, Monte Sereno **was** able to exceed its RHNA numbers of 60 units in the current allocation cycle – but multi-family/high-density mandates could not be fulfilled within the city; they were only met by annexing neighboring county land into the city! ADUs and California's legislative support of ADUs have generally been a workable solution for Monte Sereno's RHNA housing numbers, but there is no guarantee that ADUs will qualify as new housing stock in the next cycle. If they do not, we are again facing not just difficulty, but actual impossibility to comply with unreasonable numbers.

Conversely, the population of Monte Sereno (approximately 3,500) has increased by less than 2,000 persons since 1960. In fact, according to U.S. Census data, since 2010 the population of Monte Sereno has **decreased** by 4.1%. In other words, demand for housing within in Monte Sereno appears essentially static. This point was highlighted in the calculations in correspondence ABAG recently received from the Contra Costa County Mayors Conference dated October 2, 2020. We fully agree with the Contra Costa analysis, which concludes that Monte Sereno should not have 140-190 units assigned, but three units, total. That is the correct number related to our growth pattern and it is the correct number based on our employment-creation levels. Of course we can beat that number with liberal approval of ADU's, but ADU-creation is likely to fall in the 40-60 unit range.

In reference to the current Draft RHNA and its applicability to cities such as Monte Sereno, a "one size fits all" housing allocation is not practical to achieve utilizing the proposed methodology. The City of Monte Sereno will struggle with the Draft RHNA proposal as written. Despite our best efforts as a City, if over-allocation occurs, Monte Sereno will be forced to fail and will be unable to meet our assigned share of the contribution to objectives one through five listed above.

Another further critical consideration: Monte Sereno is located right next to a Tier 3 wildfire zone and there are serious limitations on local evacuation routes and resources. This fact presents additional difficulties developing multi-unit housing in Monte Sereno for ABAG and HCD to consider.

Jobs rich centers and Vehicle Miles Traveled (VMT) calculations are a contradictory measure when used to determine housing allocation for Monte Sereno. An alternative approach for cities like Monte Sereno would be to add additional objectives or exemptions based on factors like insignificant population, transportation, and, most important, a fair allocation based on our employment base and jobs-creation. Lack of local jobs and public transportation lead to increased VMT, an undesired consequence of RHNA's best intentions to reduce Green House Gas emissions (GHG).

Extremely unusual cities like Monte Sereno require will require different approaches to support housing and or alternative RHNA objectives. In other words, mandating a number of units referred to as “one’s share of an allocation” does not allow for consideration of unique characteristics or challenges some communities face delivering housing opportunities.

The City of Monte Sereno welcomes an opportunity to help resolve housing issues regionally. Monte Sereno desires to be included in regional housing, transportation, and climate change solutions.

But in its current draft, RHNA cannot be applied in any practical manner to the City of Monte Sereno, and in some respects, contradicts the very objectives RHNA strives to achieve. Please consider additional methodologies for small cities with small budgets, and large VMT. And please consider additional methodologies or exemptions from ncreased housing density near wildfire zones.

Conclusion

Monte Sereno supports efforts to increase much needed housing in the San Francisco Bay Area region. However, Monte Sereno just does not have the physical resources to add housing according to the objectives set forth in the RHNA 2023-2031 Draft, nor does Monte Sereno have the financial resources to achieve the proposed housing goals. For Monte Sereno to succeed in the 2023-2031 RHNA cycle, there must be alternative allocation solutions or exemptions provided to help small hillside communities play a meaningful part. That number must fall in the range of 40-60 units and it must include ADU’s an it must not impose multi-family and other requirements which simply cannot be met within the City’s borders.

Monte Sereno looks forward to an appropriate allocation which considers all of the foregoing information. Barring that, the City of Monte Sereno reserves all applicable rights and legal remedies that may be available should it be necessary to challenge the allocation methodology and/or the draft allocation to the City of Monte Sereno.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Leuthold', written in a cursive style.

Shawn Leuthold, Mayor
City of Monte Sereno

From: [Atkinson, Rebecca](#)
To: [MTC-ABAG Info](#)
Cc: [Lait, Jonathan](#); [Tanner, Rachael](#); [Campbell, Clare](#); [French, Amy](#); [Paul Fassinger](#); [Dave Vautin](#); [Regional Housing Need Allocation](#); rhna@TheCivicEdge.com; [Fred Castro](#)
Subject: Plan Bay Area 2050 Final Blueprint and Draft RHNA Methodology Comment Letter - City of Palo Alto - Two ABAG Executive Board Meeting 01/21/21 Agenda Items - 10.b. & 11.b.
Date: Wednesday, January 20, 2021 5:29:59 PM

External Email

Dear ABAG Executive Board Members and ABAG Regional Housing Needs Allocation Staff,

I am sending the comments below on behalf of our City Council. The comments are responsive to two items on the 01/21/21 ABAG Executive Board agenda, 10.b. and 11.b. They discuss both the Plan Bay Area 2050 Final Blueprint and the Draft RHNA Methodology.

Thank you for the opportunity for our City Council to comment on and engage in these critical work efforts.

Regards,

Rebecca



Rebecca Atkinson, PMP, AICP, LEED Green Associate | Planner
Planning & Development Services Department
250 Hamilton Avenue | Palo Alto, CA 94301
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[Online Parcel Report](#) | [Palo Alto Municipal Code](#)
[Planning Forms & Handouts](#) | [Planning Applications Mapped](#)

January 20, 2021

ABAG Executive Board Members & Metropolitan Transportation Commission Members
Submitted Via Email To: info@bayareametro.gov

RE: City of Palo Alto Comments on Plan Bay Area 2050 Final Blueprint and Draft RHNA Methodology

Dear Board Members, Commissioners and MTC/ABAG Staff,

Thank you for the opportunity to provide comment. This letter addresses the Plan Bay Area 2050 Final Blueprint (PBA50) and the regional housing needs allocation (RHNA). While MTC is not directly associated with RHNA, its decision on PBA50 has implications on housing allocation throughout the region and therefore comments on both topics are included in this letter.

The City of Palo Alto is generally aligned with the objectives of PBA50 to improve access to housing

(production and affordability), enhance mobility options, protect and restore our natural environment, and to ensure the continued vitality of our shared economy. Palo Alto is known for aggressively protecting its natural resources, expanding parkland opportunities, experimenting/implementing multi-modal transportation alternatives and supporting a diverse business climate. To some, Palo Alto may be less known for its efforts to improve our social and economic balance and to promote more housing opportunities. Some of these efforts, just within the last five years, include the following:

- Contributed over \$40 million in City funds toward the preservation or creation of affordable and teacher housing in Palo Alto;
- Imposed an annual and 15-year cap (through 2030) on office development, specifically to reduce our rate of job growth to or even below levels sustainable by our practical housing growth. By managing both supply and demand for housing, we expect to become, and indeed may already be, a net annual housing provider to the region;
- Modified zoning standards to encourage more housing in commercial districts (reduced parking requirements, eliminated density restrictions, increased floor area) and exceeded development incentives that could otherwise be gained through state mandates, including the state density bonus law;
- Established renter protections for multi-family housing stock;
- Upzoned accessory dwelling unit standards more liberally than state mandates;
- Created zoning overlays for workforce housing projects up to 150% of area median income and 100% affordable housing projects;
- Increased density allowances in our lower-density multi-family zones; and,
- Established a safe parking program for private property and partnered with the County to place a safe parking facility on City-owned land.

The City is aware of its need to produce more housing, especially affordable housing to improve housing fit and increase overall housing stock. The City consistently meets its market rate RHNA housing targets, but like most California communities, struggles to produce housing available to lower income households.

For the past several months the City has transmitted public comments in response to documents released by ABAG/MTC staff. The City appreciates that staff has taken into consideration some of this input when it released PBA50. Despite significant reductions to Palo Alto's RHNA number, the starting place for these reductions were already at unattainable levels. Similarly, the City's resultant anticipated RHNA, which is benchmarked from PBA50's 2050 Future Household Projections, remains unlikely for a community of our size with limited opportunities for redevelopment. As the City is assigned a percentage of the Bay Area's future regional growth, a corresponding baseline allocation is applied to the Bay Area's regional housing needs determination (RHND), which is then proportioned to all cities and counties. This number represents the minimum number of housing units a jurisdiction must plan to build in the next eight-year housing cycle. Unfortunately, the state Housing and Community Development Department (HCD) appears to have erred in its determination of the RHND as documented by the Embarcadero Institute (<https://embarcaderoinstitute.com/portfolio-items/double-counting-in-the-latest-housing-needs-assessment/>) and Freddie Mac (<http://www.freddiemac.com/research/insight/20200227-the-housing-supply-shortage.page>).

The Palo Alto City Council urges ABAG/MTC to challenge HCD on its RHND determination, which has been independently found to be in error and consider arguments by other regional agencies such as the Southern California Association of Governments. ABAG/MTC is the agency charged with

reviewing and challenging the RHND when released by HCD and appealing the number when warranted. It appears ABAG/MTC failed to identify these potential errors and declined to appeal the RHND. It now has a responsibility to its member jurisdictions to expose any errors it missed earlier and stand up for jurisdictions that are overburdened with implausible RHNA numbers.

Moreover, there remain significant unanswered questions related to the data analysis in PBA50. Palo Alto and other local agencies have consistently requested jurisdiction-level data to better understand the assumptions, analysis and conclusions that make up PBA50. Because ABAG/MTC staff supported by the Executive Board took the path to integrally link RHNA to PBA50, it is incumbent upon this agency to be transparent and show its work. Cities and counties within the Bay Area are being burdened with excessively high RHNA numbers – even without potential double counting errors from HCD – and the implication of failing to meet the market rate RHNA targets necessarily means a loss of local land use control for certain qualifying projects under SB35.

PLAN BAY AREA 2050 FINAL BLUEPRINT

The City has the following additional comments related to PBA50.

- **Model the office development cap instituted in Palo Alto.**

Job growth and development projections must incorporate Palo Alto's restrictions on the annual amount of office growth that can occur in Palo Alto. Recognizing that spiraling Bay Area housing and transportation woes have been driven by cities running large jobs/housing imbalances, Palo Alto began in 2015 imposing office development caps specifically to decrease those imbalances. Communities like Palo Alto that proactively seek to address their jobs/housing imbalance through local policies should not be subjected to job growth projections that are out of synch with local policies. Staff requested that the City's adopted office cap be incorporated into the modeling, but staff has not yet received confirmation that the cap is reflected in the Final Blueprint.

More specifically, the City of Palo Alto limits office growth in its key commercial corridors to annual average of 50,000 square feet per year. The City also maintains a maximum overall office and research and development cap, which only has about 550,000 square feet remaining. This limit on office development needs to be incorporated into PBA50 and reflected in the 2050 household projection. The City previously requested confirmation on this issue through attendance and staff office hours and formal public records requests. We have received some data, but it remains unclear whether the annual office cap restrictions have been appropriately modeled.

At standard benchmarks of 250 workspace square feet per employee, and 1.5 workers per housing unit, if Palo Alto achieves even just 1,470 housing units by 2030 – less than one quarter of our current proposed allocation – then over the RHNA Cycle 6 time period, Palo Alto will be one of the extremely few Bay Area cities to actually be a net housing provider to the region.

- **Palo Alto requests jurisdiction-level data on forecasted job growth in the Final Blueprint.** With

this information, Palo Alto and other jurisdictions can offer more feedback regarding how the job growth projections may be refined.

- **Reduce the number of jobs attributed to jurisdictions with employers in sectors with high telecommuting rates.**

Telecommuting may be a long-term social and employment impact of COVID-19. Many businesses and institutions are, out of necessity, finding ways to shift operations to completely or mostly remote operations. Many large employers have shifted to remote operations. Once the pandemic subsides, many employers may continue a remote portion of their operations. The potential is very real that telecommuting could represent a larger share of jobs than is currently modeled, and thus a reduction in the number of commuters and a shift in where jobs are located. For example, the City anticipates retention of telecommuting for many employees with jobs attributed to Palo Alto employers and the possibility of associated lower demand for housing within the City and nearby. MTC/ABAG staff indicated that the Final Blueprint strategy EN7 accounts for significantly more telecommuting, as well as more use of transit and active transportation modes. However, the strategy still appears to attribute jobs to headquarters, assuming employees come to the office some days a week. The City encourages MTC/ABAG to consider a reasonable percentage of telecommute-friendly sector jobs to be reassigned away from job headquarters, as well as to make a stronger push for to model telecommuting in employment dynamics beyond an assumption ranging between 17-25% of the workforce for some jurisdictions.

- **—The impacts of the COVID-19 pandemic—including the economic recession, anticipated changes in commute patterns, and other impacts—must be aggressively and clearly incorporated into the Final Blueprint documents, Implementation Plan, Environmental Impact Report (EIR) and overall final Plan Bay Area 2050.**

The COVID-19 pandemic created an economic recession that has and will continue to severely impact local governments, regional transportation systems, job growth, population growth and migration, and all development—from commercial to residential for multiple years well beyond 2021). The crisis is ongoing, and so the true recovery has yet to begin. This crisis must be explicitly studied, modeled, and discussed. The modeling and analyzed impacts must be a prominent, articulated part of the Final Blueprint documents presented to MTC and the ABAG Executive Board, as well as the Implementation Plan, EIR, and ultimately the final Plan Bay Area 2050. While the plan's time horizon is long, the impacts of the pandemic and recession are also long; no doubt the pandemic and recovery will shape the next generation. Responsible planning must clearly and easily show how the pandemic is accounted for year by year, especially in terms of job growth, population growth, housing demand, and anticipated viability of various funding streams in Plan Bay Area 2050.

Thoroughly understanding the COVID-19 pandemic and recession modeling in the Final Blueprint will help jurisdictions better understand 1) how the planning horizon in the Plan Bay Area 2050 Final Blueprint translates into the 8-year RHNA planning horizon and 2) anticipate potential timing for jurisdiction partnership in achieving stated greenhouse gas emissions reduction

targets and other goals in Plan Bay Area 2050.

To date, City staff has been unable to find a clear single source of COVID-19 pandemic and recession modeling information. Therefore, the City respectfully requests that this be provided as part of forthcoming MTC/ABAG staff reports and presentations on the Final Blueprint, EIR, and Implementation Plan so that the public can comment further. City staff currently understands that the COVID-19 pandemic and recession impacts are anticipated to last from approximately two years to ten years, depending on the topic. For example, transportation strategies that assist in recovering transit ridership to pre-pandemic levels are frontloaded for implementation, whereas some housing strategies are anticipated to take longer to fund and implement.

- **The underlying land use data incorporated into modeling must be accurate and jurisdiction-level modeling results must be provided so that jurisdictions can confirm land use accuracy and understand the model's assessments of development potential at the parcel level.**

The interim Urban Sim 2.0 modeling showed some density and growth assigned to areas within jurisdictions that should be excluded, such as creek parcels and Caltrain corridor parcels. Furthermore, interim modeling appeared to not reduce density or growth assigned to historic districts or areas with concentrations of small parcels. Palo Alto staff raised these and other topics and sought assurances that the modeling was scrubbed for errors. City staff formally submitted a public record request to obtain the information in order to confirm the accuracy of the modeling. While staff understands that this information is forthcoming, staff still awaits baseline and the updated density parameters used in modeling to accompany some initial 2050 jurisdiction-level modeling received as of the preparation of this letter.

- **Explain the distinction and overlap between the methodology used to create Plan Bay Area 2050 regional growth forecast versus the methodology used by the Department of Finance and the Housing and Community Development Department to generate the Regional Housing Needs Determination.**

The Departments of Finance (DOF) and Housing and Community Development (HCD) prepared projections for population growth and growth in households that led to the issuance of the Regional Housing Need Determination (RHND). In addition, MTC/ABAG also prepared the Plan Bay Area 2050 Regional Growth Forecast Methodology, updating it in 2020. The City requests a clear description and comparison of both methodologies.

RHNA METHODOLOGY

The City of Palo Alto has the following additional comments regarding the RHNA methodology.

Policy Areas of Concern

2050 Baseline Allocation Inappropriate for Eight-Year RHNA Cycle. While the use of the 2050 Future Households baseline from the Final Blueprint did reduce the anticipated draft RHNA housing

units for the City, the City still holds that long range aspirational housing goals to the year 2050 should not be applied to the near term RHNA allocation process, especially with three more RHNA cycles within the 30-year time horizon of Plan Bay Area 2050. The visionary housing goals in Plan Bay Area 2050 still rely on new funding sources, some of which require voter approval, political compromises, and infrastructure that has not yet been funded, approved, or built. Furthermore, MTC staff told City staff during a December 2020 Implementation Plan-oriented meeting that the Implementation Plan would primarily be focused on the next five years, given that another Plan Bay Area process would start again around that time. Other baselines with factors and weighting could have been chosen, such as the 2019 Existing Households baseline, 1) to root the RHNA methodology in existing conditions as a starting point and 2) to achieve the housing goals and be consistent with Plan Bay Area 2050.

Methodology Should Include an Allocation Cap to Address Development Feasibility. While the updated strategies in the Final Blueprint appear to result in more regionally distributed jobs and housing, the City still holds that the RHNA methodology should address development feasibility for jurisdictions by including an allocation cap, especially under current circumstances where it will take time for developers to prepare housing project plans and funding packages in recession conditions. The concern is some jurisdictions potentially failing to meet their market rate housing targets, subsequently being subject to the permit streamlining requirements of SB 35, and then these jurisdictions losing control over local land use decisions four years into the RHNA cycle.

Methodology Promotes Urban Sprawl in Unincorporated Areas. Use of the Plan Bay Area 2050 Final Blueprint 2050 Households baseline results in assigning new housing units to unincorporated County areas across the region. This could lead to urban sprawl across the region contrary to local and state environmental sustainability goals. Therefore, the City does not support the use of this baseline for the methodology due to this basic concept.

As a possible remedy, ABAG and MTC staff suggested nearby Santa Clara County jurisdictions absorb portions of these county housing units or potentially annex currently unincorporated areas. For Santa Clara County and Palo Alto specifically, this approach requires legal review and is likely unworkable under existing agreements between Santa Clara County, Stanford University, and Palo Alto. Furthermore, Palo Alto does not have the ability to absorb new units currently anticipated to be assigned to Santa Clara County; the City already absorbs a significant amount of the housing demand generated by Stanford University land uses in the County. Recent public research documented that adjacent Stanford University exacerbates housing demand in the City due to student and employee desire to live closer to retail, public services, and transportation. In the past, through the RHNA appeal process, some of the City's units were transferred to the County to address this discrepancy. The adopted methodology should account for these adjacency issues and not compel jurisdictions to file an appeal in order to receive a fair share allocation of the regional housing need.

Procedural Areas of Concern

COVID-19 Pandemic and Recession. With the unanticipated intrusion of COVID-19 early this year and all that has come with this pandemic, the seriousness and depth of its implications to the overall

RHNA process needs to be fully considered. It is important to understand how ABAG accounted for development feasibility for the current eight-year RHNA cycle under recession conditions. Additionally, it remains unclear when new funding sources described in the Plan Bay Area 2050 Final Blueprint for housing retention and production would arrive in this recession and if they would be in effect in time to assist jurisdictions meet the RHNA allocations for the current eight-year RHNA cycle.

More can be done in the RHNA methodology to account for current and future improvements in the existing jobs/housing imbalances in the region due to the current success of remote work and telecommuting. The fundamental location attribution for the jobs related RHNA methodology factors should be recalibrated for jurisdictions across the region. The pre-pandemic and pre-recession scoring used does not account for outmigration of jobs from the Bay Area and the anticipated increased levels of telecommuting in post-pandemic and post-recession conditions.

Data Areas of Concern (Mapping and Modeling)

Regional Growth Strategies Mapping and Modeling Accuracy. Mapping, modeling results, and associated assessments of development potential underlie the regional growth pattern in the Plan Bay Area 2050 Final Blueprint. Accuracy in the regional growth strategies mapping and modeling is fundamental if 2050 Households is used as the RHNA methodology baseline. Staff coordination with ABAG/MTC staff regarding the City's portion of the regional growth geographies mapping and modeling remains ongoing. City staff awaits remaining jurisdiction-level modeling information from which to determine if the modeling no longer includes some park and school areas, areas that are anticipated to experience lower or no transit service levels in the future, the local Veterans Administration area that is assigned over 1,000 housing units, and other areas of focus. To date, it has been difficult to have confidence in the use of the Plan Bay Area 2050 Final Blueprint 2050 Households baseline with these mapping and modeling items outstanding.

Thank you for your continued consideration of our concerns and please provide local jurisdictions with the information and data requested to ensure that this meaningful effort is transparent and results in achievable goals that enhance the vitality and diversity of the Bay Area.



CITY OF PIEDMONT CALIFORNIA

January 20, 2021

Mayor Jesse Arreguín, President

Executive Board

ASSOCIATION OF BAY AREA GOVERNMENTS

375 Beale Street, Suite 700

San Francisco, CA 94105

VIA ELECTRONIC MAIL

Dear Mayor Arreguín and Members of the Executive Board:

On January 21, 2021, you will be asked to recommend transmittal of ABAG's proposed RHNA methodology to the State Department of Housing and Community Development for review. Prior to taking this action, we urge you to make the following modification to the methodology:

- **No jurisdiction should receive an 8-year RHNA that exceeds their 35-year (2015-2050) household growth forecast as projected by the Plan Bay Area 2050 Blueprint.**

This is common-sense and should be foundational to the methodology. ABAG staff produced jurisdiction-level projections, drawn from the Plan Bay Area 2050 Blueprint, and has used these projections as the baseline for the RHNA methodology. The 2015-2050 projections are intended to promote greater housing equity in high resource areas, housing near transit, and reduction of greenhouse gas emissions, in alignment with California law. Yet, the currently proposed RHNA results in some cities receiving eight-year housing allocations that vastly exceed their 35-year growth forecasts. As currently proposed, the methodology directs tens of thousands of housing units to smaller cities that ABAG's own forecasts for 2050 indicate will never be built. The methodology essentially sets these cities up to fail.

In the case of Piedmont, ABAG's 2050 Blueprint forecasts indicate the City will add no more than 180 households between 2015 and 2050—or roughly up to five households a year. By contrast, the proposed 2023-2031 RHNA for Piedmont is 587 units, which equates to more than 73 units a year. The City's RHNA is more than 14 times its projected annual growth rate, as calculated by ABAG. We have raised this inconsistency in multiple letters but have seen no change to the methodology since it was finalized last summer.

The City of Piedmont is not alone. There are at least a dozen cities in the same situation, facing RHNAs that are higher than their 35-year growth forecasts. The inconsistency is difficult to fully

assess because ABAG has not released 2050 forecasts for cities.¹ Thus, we respectfully request that:

- **2015, 2020, and 2050 household and employment data for each city must be published by ABAG and made available to local jurisdictions for planning purposes.**

Projections data has historically been provided to cities by ABAG and is regarded as an essential tool for use in long-range planning. ABAG has opted not to release this data for the 2050 Blueprint, making it more difficult to cities to fully grasp the discrepancies cited above. ABAG has instead published the percentage of the region's households expected to reside in each jurisdiction in 2050 (in our case “.098%”), which is not a helpful metric for smaller communities due to rounding, and the lack of data for the base year (2015 or 2020).

We have submitted four prior letters to ABAG/ MTC, each pointing out problems with the methodology that result in disproportionately large amounts of housing being assigned to small communities with limited land capacity, no (or negative) projected job growth, and severe wildfire hazard and slope constraints. Our prior letters also have pointed out that the proposed RHNA directs housing growth away from the region's principal job centers and toward the East Bay and rural and unincorporated areas.

For example, revisions to the RHNA made in December 2020 reduced the allocations for Palo Alto by nearly 4,000 households, Cupertino by over 1,600 households, and San Jose by over 3,700 households, while increasing Alameda County's allocation by more than 3,200 households. Shifting housing growth away from the region's job centers, where there is ample capacity, runs counter to state and regional goals to reduce greenhouse gas emissions, manage traffic congestion, and discourage urban sprawl.

Our prior letters have also pointed out a disturbing shift in the allocation of our community's RHNA among the four HCD income groups. Piedmont's RHNA for the Fifth Cycle (2015-2023) was appropriately weighted toward the production of housing for lower income households. As noted in our November 27, 2020 letter to ABAG, 63 percent of our allocation in the 2015-2023 cycle was for low- and very low-income households. By contrast, our proposed Sixth Cycle (2023-2031) allocation is weighted toward moderate- and above- moderate income households. These households represent 56 percent of our 2023-2031 allocation. In the next eight years, Piedmont is being asked to plan for 238 above moderate-income units, a 3,300 percent increase above our allocation for this income group in the current cycle. This appears to run counter to the equity goals implicit in the objectives of RHNA.

We wish to note that concerns about the methodology have been expressed by roughly half the cities in the region, including every city in Contra Costa County, eight of the 14 cities in Alameda County, every city in Marin County, every city in Sonoma County, and many cities in

¹ The 2050 forecasts for cities can be unofficially calculated using ABAG's RHNA data indicating the percentage of the region's households residing in each city in 2050. Some of the other communities with RHNAs that appear to exceed their 35-year forecasts are Mill Valley, Danville, Martinez, Foster City, Pacifica, Los Gatos, Vacaville, Portola Valley, and San Anselmo, among others.

San Mateo and Santa Clara County. Some of these concerns stem from the decision to use Plan Bay Area 2050 Blueprint households as the baseline, rather than the increment of growth expected between 2020 and 2050.

We acknowledge that the total RHNA for the Bay Area has increased by 134 percent. We concur that the RHNA for Piedmont should exceed the regional average, given the City's designation as a High Resource Area. However, the proposed RHNA for our City is nearly 900 percent higher than it was in 2015-2023, which suggests that that the methodology has unintended outcomes and needs a mechanism to correct for outlier communities. We again urge you to forward the methodology to HCD with adjustments for cities with RHNA's that exceed their 2015-2050 local growth forecasts. This will enable Piedmont and other Bay Area cities to prepare more realistic—and ultimately more effective—Housing Elements during the coming years.

Thank you for your consideration.

Sincerely,

CITY OF PIEDMONT

A handwritten signature in black ink that reads "Sara". The signature is written in a cursive, flowing style.

Sara Lillevand
City Administrator

cc: City Council
ABAG Regional Housing Needs Allocation Staff, via RHNA@bayareametro.gov
Dave Vautin, AICP, ABAG Assistant Director, Major Plans via dvautin@bayareametro.gov
Gillian Adams, Principal Planner, RHNA via gadams@bayareametro.gov
Ada Chan, ABAG Regional Planner, via achan@bayareametro.gov
Paul Fassinger, Regional Planning Program, Bay Area Metro, via pfassinger@bayareametro.gov
Matt Maloney, Bay Area Metro, via mmaloney@bayareametro.gov
Elizabeth Bugarin, Bay Area Metro, via ebugarin@bayareametro.gov
Eli Kaplan, Bay Area Metro, via ekaplan@bayareametro.gov



January 14, 2021

Mayor Jesse Arreguin, President
Association of Bay Area Government, Executive Board
375 Beale Street, Suite 700
San Francisco, CA 94105

Dear Board President Arreguin:

On behalf of the City of Pleasanton, I am once again writing to express our significant concerns about the Draft Regional Housing Needs Allocation (RHNA) Methodology. The ABAG Executive Board is due to make a final recommendation on the methodology to the State Department of Housing and Community Development on January 21, 2021. This letter re-states our prior concerns, and, importantly, expresses our dismay at the most recent revisions to the Plan Bay Area 2050 Blueprint that have resulted in a dramatic, 25 percent increase in our potential RHNA allocation. As outlined in more detail in this letter, the changes not only fail to address our prior concerns but exacerbate them. And, being brought forward in the closing weeks of the process means that there was no opportunity for these significant changes to the baseline allocations to be considered or vetted as part of the RHNA methodology process – a significant deficiency.

On November 17, 2020, the Mayor of Pleasanton and fellow Tri-Valley mayors of Danville, Livermore, and San Ramon, wrote to reiterate comments previously raised in communication to you from the Tri-Valley Cities, and from the Alameda County Mayor’s Conference, pointing out several significant flaws in the proposed RHNA methodology (Attachment 1). Not least of these was a marked underemphasis on housing allocations to South Bay communities that have favored massive jobs growth over recent years, without a balanced production of new housing; and a corresponding overallocation of housing to unincorporated communities, and to rural and suburban jurisdictions on the outer fringes of the Bay Area. We appropriately observed that the resultant growth pattern will only serve to exacerbate congestion and increase commutes, with substantial negative consequences in terms of meeting regional Greenhouse Gas (GHG) emissions goals. To correct these deficiencies, we recommended the use of an alternative baseline (2050 Household Growth) and adjusted factors, that would more appropriately allocate new housing where it is needed most, in the most transit-rich and jobs-rich counties, including Santa Clara and San Mateo counties.

P.O. Box 520, Pleasanton, CA 94566-0802

123 Main Street

City Manager
(925) 931-5002
Fax: 931-5482

City Attorney
(925) 931-5015
Fax: 931-5482

Economic Development
(925) 931-5038
Fax: 931-5485

City Clerk
(925) 931-5027
Fax: 931-5492

Since then, on December 18, 2020, ABAG/MTC released the Final Plan Bay Area 2050 Blueprint and growth projections, based on revised Blueprint Strategies. Because the RHNA methodology relies upon the Blueprint's housing projections in its Baseline allocation, on December 18, ABAG/MTC also published a revised series of "illustrative" RHNA allocations, including an allocation of just under 6,000 units to the City of Pleasanton (up from approximately 4,800 units in the prior draft). Although the Blueprint revisions make some appropriate adjustments, such as increasing housing growth projections in San Francisco, and reducing those in rural counties, they also reflect some much more alarming changes. Of particular concern, Santa Clara County and several of its cities, including Palo Alto, Cupertino, and Campbell, show significantly decreased housing projections and corresponding RHNA allocations; at the same time, the revised Blueprint projections and RHNA show much larger housing allocations to certain East Bay cities, including Pleasanton.

Key reasons for these shifts include softening of strategies intended to discourage overproduction of jobs in certain areas; and, in an effort to address GHG targets, more emphasis placed on increased housing densities on sites around transit, and through the redevelopment of commercial properties.

A consequence of these changes is to project even more future jobs growth in South Bay cities and to reduce these same cities' projected housing numbers. At the same time, the identical strategies that expand job growth and decrease housing production in Santa Clara County are shown as having the opposite effect in the Tri-Valley, with half the number of jobs compared to the July 2020 Blueprint forecast (now a minimal 13 percent increase in jobs over the next 35 years), while substantially increasing housing growth from 58 percent to 82 percent over 35 years, such that eastern Alameda County would now have the third highest housing growth rate in the entire region. As well as unrealistic jobs and housing projections, the revised growth forecasts continue precisely the trends that have benefited South Bay cities – allowing for more and more lucrative, employment-generating growth, while pushing the impacts of that growth to other parts of the Bay Area, particularly the East Bay's suburban communities.

The consequence of those decisions is clear. As illustrated by ABAG's mapping of the limited "transit-rich growth geography" in Pleasanton, our city and many similar suburban communities have extremely poor transit service outside of the immediate BART walking radius, meaning that most daily trips for school, shopping and recreation rely on private automobiles. It is unrealistic to assume that all of the RHNA can or will be located in these limited geographies and that these thousands of new commute and other daily trips associated with new housing will be served by BART and other transit. This means ever-more vehicles on our congested regional highways, more congestion, more vehicle trips, and more GHG emissions, in contradiction of ABAG/MTC's stated environmental goals.

Finally, as noted, the fact that these significant changes have been made, in the final weeks of the process, means that there has been no proper vetting of the effect of the revised projections, as they may have influenced the Housing Methodology Committee and others' decision-making on the RHNA methodology. While we understand the challenge faced by ABAG in managing the

Mayor Jesse Arreguin, ABAG Board President

January 14, 2021

Page 3

timeline for both processes simultaneously, doing so has deprived those involved the opportunity to make decisions with a solid understanding of one of the foundational elements of the methodology, the baseline housing allocations derived from Plan Bay Area.

In conclusion, these shifts result in a disproportionate and unrealistic eight-year RHNA allocation for Pleasanton, especially given recent changes to state law that make accommodating such substantial numbers of new housing units ever more challenging. In light of these concerns, we continue to ask the ABAG Executive Board to reconsider our prior requests to modify the Baseline and factors used to develop the RHNA methodology to result in allocations that can better meet regional environmental goals; and at a minimum, would urge the Board to reject the latest round of revisions to the Blueprint and resultant RHNA adjustments.

Sincerely,



Karla Brown, Mayor
City of Pleasanton

cc. ABAG Executive Board
Pleasanton City Council
Senator Steve Glazer
Assembly Member Rebecca Bauer-Kahan
Nelson Fialho, City Manager
Brian Dolan, Assistant City Manager
Ellen Clark, Director of Community Development

Attachment:

November 17, 2020 Letter from Tri-Valley Mayors

Tri-Valley Cities

DANVILLE • LIVERMORE • PLEASANTON • SAN RAMON

November 17, 2020

Mayor Jesse Arreguin, President
Executive Board, Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco, CA 94105

Dear Mayor Arreguin:

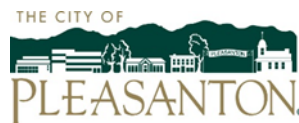
On behalf of the Tri-Valley Cities of Danville, Livermore, Pleasanton and San Ramon, we once again want to express our appreciation for ABAG's work on the 6th Cycle RHNA process, and to develop a methodology that appropriately and fairly distributes the 441,176 unit RHND recently allocated to the Bay Area by the State Department of Housing and Community Development (HCD).

On October 15, 2020, the ABAG Executive Board voted to support the Housing Methodology Committee's recommended methodology "Option 8A" and to forward it for public review in advance of submittal to the State Department of Housing and Community Development. The methodology utilizes the "Plan Bay Area 2050 Future Households" Baseline; and applies a series of Factors that adjust the Baseline allocation, with a strong equity focus ("Access to High Opportunity Areas"), and secondarily, jobs proximity, with the greatest weight given to jobs accessible by auto.

Prior to the October public hearing, on October 8, 2020 the Tri-Valley Cities submitted a letter expressing significant concerns with the proposed methodology, particularly that it would have several negative outcomes in terms of its resultant distribution of housing growth, inconsistent with Plan Bay Area and key regional planning goals. We are writing to reiterate those prior concerns, which were echoed in a similar letter from the Alameda County Mayor's Association and were also expressed by a number of ABAG Executive Board members and speakers at the October 15 hearing.

For Option 8A, these include housing allocations to Santa Clara County that fall far short of those projected in Plan Bay Area, and that fail to match the explosive jobs growth in the County over the past decade. And, significantly, we conclude the RHNA distribution resulting from Option 8A will work against key regional planning goals, including those to address GHG emissions by placing housing near jobs and transit centers, instead driving growth outwards, perpetuating sprawl and inefficient growth patterns.

As result, we would urge the Executive Board to consider an Alternative Methodology that 1) Uses the 2050 Household Growth Baseline; and 2) makes additional refinements to the Factors to allow for greater emphasis on transit and jobs access, while still maintaining an equity focus.



Impacts of HMC Recommended Methodology

As noted in our prior correspondence, the proposed Baseline would significantly under allocate new housing to Santa Clara County, resulting in significantly higher allocations to other counties. This means that the methodology fails to adequately address the significant jobs-housing imbalance in Santa Clara County caused by its recent extraordinary jobs growth. In contrast to Plan Bay Area, which anticipates a 42% increase in housing growth in Santa Clara, the methodology assigns only 32% of the RHND there. This amounts to over 40,000 units allocated elsewhere in the region – most problematically, to our outer suburbs, small cities, and rural and unincorporated county areas.

The Contra Costa letter highlights some of the inequitable and unrealistic distributions to smaller cities across the region. In Danville, here in the Tri-Valley, the difference would amount to over 1,800 units, a more than 700% difference from the 2050 Growth Baseline. Similarly, large disparities are seen in other small cities.

Although the HMC’s Option 8A provides an emphasis on equity and fair housing that is vitally important, we believe the unintended consequences of the growth patterns dictated by Option 8A may actually work against equity goals by:

- Inadequately addressing jobs-housing imbalances in the region requiring people to travel long distances from where they live to where they work.
- Driving growth from cities that want and need new housing to serve their communities and support their local economies.
- Underemphasizing transit access, thus increasing auto reliance for daily commutes and activities – at a significant economic, social and environmental cost to those residents.

Recommended Alternative Baseline and Factors

As previously requested, and similar to the approach advocated by Contra Costa County and others at the Executive Board’s October public hearing, we would urge the Executive Board to consider an Alternative to Option 8A, that shifts to use the “Plan Bay Area 2050 Growth” Baseline. We would also seek further refinements to the Factors as follows:

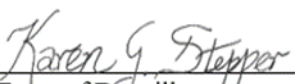
	HMC Option 8A	Proposed Alternative Methodology
Baseline	Plan Bay Area 2050 Households	Plan Bay Area 2050 Growth
Factors and Weighting		
Very-Low and Low Income Units	<ul style="list-style-type: none"> • 70 % Access to High Opportunity Areas • 15 % Jobs Proximity – Auto • 15 % Jobs Proximity - Transit 	<ul style="list-style-type: none"> • 60 % Access to High Opportunity Areas • 20 % Jobs Proximity – Auto • 20 % Jobs Proximity - Transit
Moderate and Above Moderate Income Units	<ul style="list-style-type: none"> • 40 % Access to High Opportunity Areas • 60 % Jobs Proximity Auto 	<ul style="list-style-type: none"> • 20 % Access to High Opportunity Areas • 40 % Jobs Proximity - Auto • 40 % Jobs Proximity - Transit

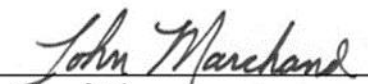
Together, these changes would have the following beneficial outcomes for the region, each of which would improve its consistency with Plan Bay Area:

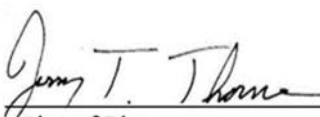
- **Increased share of RHNA to the “Big Three” cities and inner Bay Area**, and a corresponding decrease in that assigned to the outer Bay Area, unincorporated, and small and rural communities by approximately 30,000 units. This will ensure that the largest share of housing growth is allocated to the region’s biggest job centers, in areas well-served by transit and infrastructure.
- **Reduced allocation to unincorporated county areas by over 10,500 units** – avoiding further residential growth pressures in areas most subject to natural hazards, lack of infrastructure capacity, and threatened loss of agricultural and open space land.
- **Alignment of the share of housing growth in Santa Clara County to match Plan Bay Area 2050 and the County’s significant jobs growth of the past decade.** Santa Clara, home of some of the region’s largest tech firms, has the largest numeric deficit in housing production to jobs production over the past decade, which could be corrected in part by this adjustment.


We appreciate the opportunity to bring forward this Alternative Methodology, and request that the Executive Board be provided an opportunity to duly consider this alternative in their forthcoming deliberations on the RHNA Methodology.

Respectfully,


Town of Danville
Mayor Karen Stepper


City of Livermore
Mayor John Marchand


City of Pleasanton
Mayor Jerry Thorne


City of San Ramon
Mayor Bill Clarkson

Attachments:

1. Summary of Representative Jurisdiction-Specific Allocations, Modified Methodology

From: [Eli Kaplan](#)
To: [Fred Castro](#)
Subject: FW: Comment Letter to ABAG Exec. Board re: RHNA
Date: Wednesday, January 20, 2021 1:37:28 PM
Attachments: [Follow-Up Housing Justice RHNA Methodology Comment Letter 1.19.2021.pdf](#)
[8A Equity Adj Methodology Comment Letter 11.24.2020.pdf](#)

Another public comment for the EB meeting tomorrow that was sent to info@bayareametro.gov but delivered directly to the RHNA email.

From: Shajuti Hossain <shossain@publicadvocates.org>
Sent: Tuesday, January 19, 2021 12:09 PM
To: MTC-ABAG Info <info@bayareametro.gov>
Cc: Skjerping, Lars <LSkjerping@cityofberkeley.info>; Marcus, Justine <jmarcus@enterprisecommunity.org>; Rodney Nickens Jr <rodney@nonprofithousing.org>; Jeffrey Levin <jeff@ebho.org>; Debra Ballinger <debra@monumentimpact.org>; Matt King <mattk@sacredheartcs.org>; Welton Jordan <Welton.Jordan@eahhousing.org>; ian.winters@nclt.org; Cindy Wu <CWu@lisc.org>; Leslye Corsiglia <leslye@siliconvalleyathome.org>; Jason Tarricone <jason@clsepa.org>; Mike Rawson <mrawson@pilpca.org>; Leslie Gordon <leslie@urbanhabitat.org>; Gina D. Dalma <gddalma@siliconvalleycf.org>; Aaron Eckhouse <aaron@cayimby.org>; Judith Bell <jbelle@sff.org>; Ruby Bolaria-Shifrin <rbolaria@chanzuckerberg.com>
Subject: Comment Letter to ABAG Exec. Board re: RHNA

External Email

Dear President Arreguín and ABAG Executive Board,
We are writing to follow up on our attached letter dated November 24, 2020 regarding the proposed RHNA methodology. Since that letter, ABAG released [new illustrative allocations](#) based on the final Plan Bay Area 2050 household projections. Last week, the ABAG Regional Planning Committee analyzed the notable decreases in affordable allocations for several racially and economically exclusive jurisdictions and decided that the Equity Adjustment is necessary to substantially meet the statutory objective for affirmatively furthering fair housing. **At this Thursday's meeting, we ask the ABAG Executive Board to adopt Option 8A with the Equity Adjustment for the Draft RHNA Methodology, as recommended by the RPC.**

Please see our full comment letter with signatures attached.

Thank you,

Shajuti Hossain

Shajuti Hossain

LAW FELLOW, METROPOLITAN EQUITY TEAM

131 Steuart Street | Suite 300 | San Francisco, CA 94105

415 431 7430 extension 316 shossain@publicadvocates.org

Gender pronouns: She / Her / Hers

www.publicadvocates.org



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January 19, 2021

Mayor Jesse Arreguin, President
Executive Board, Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco, CA 94105

RE: Follow-Up on Proposed RHNA Methodology and Subregional Shares - Support for **Option 8A** using the Plan Bay Area 2050 **Households** Baseline with the **Equity Adjustment**

Dear President Arreguin and ABAG Executive Board,

We are writing to follow up on our attached letter dated November 24, 2020 regarding the proposed RHNA methodology. Since that letter, ABAG released [new illustrative allocations](#) based on the final Plan Bay Area 2050 (PBA) household projections. Last week, the ABAG Regional Planning Committee (RPC) analyzed the notable decreases in affordable allocations for several racially and economically exclusive jurisdictions and decided that the Equity Adjustment is necessary to substantially meet the statutory objective for affirmatively furthering fair housing. **This bolsters our support for the Equity Adjustment. We ask the ABAG Executive Board to adopt Option 8A with the Equity Adjustment for the Draft RHNA Methodology, as recommended by the RPC.**

As we explained in our previous letter, Option 8A represents a sound compromise borne of an in-depth, iterative process at the ABAG Housing Methodology Committee and will help our region improve our environment, reduce our commutes, and ensure every resident has a stable home they can afford. For these reasons, we continue to support Option 8A.

However, Option 8A under the *final* PBA household projections performs worse on the affirmatively furthering fair housing performance metric than did Option 8A under the *draft* PBA projections. Under these final projections, **only 26% of the region's very low- and low-income allocations are going to ABAG's list of 49 exclusive jurisdictions.** Moreover, only 22% of the region's very low- and low-income allocations are going to the jurisdictions that have a white population that is higher than the region's median. We are also discouraged to see the significant decreases in several high-resource, exclusive jurisdictions in Santa Clara County, such as Palo Alto and Cupertino.

ABAG must reject changes to the methodology that would worsen its performance on the statutory objectives. Although most of the performance metrics are appropriately applied in the aggregate, the AFFH metrics, specifically metric 5.d.2, assess whether a jurisdiction's share of the regional need for very low- and low-income units is at least proportional to the jurisdiction's current share of households. In other words, this metric scrutinizes lower-income allocations at the individual jurisdiction level. Otherwise, our current patterns of segregation will continue if some jurisdictions receive more lower-income allocations while others do not.

With the Equity Adjustment, the methodology will move us closer to an inclusive and prosperous region where all residents have a safe and affordable home and equal access to environmental, economic, and educational opportunity. While different in focus, this adjustment functions similarly to the “40% minimum housing floor” that ABAG had adopted in its [2015 RHNA methodology](#) and is therefore a familiar concept to ABAG and Bay Area jurisdictions.

Thus, the Equity Adjustment is more necessary than ever to improve this methodology’s performance on the affirmatively furthering fair housing objective. The Equity Adjustment will operate as follows:

If an exclusive jurisdiction receives a share of the region’s very low- and low-income allocations that is less than proportional to the jurisdiction’s share of the region’s households, the Equity Adjustment will add very low- and low-income units to its allocations until the jurisdiction’s share of the region’s very low- and low-income allocations is proportional to its share of the region’s households. For example, if jurisdiction A is exclusive and is home to 1% of the region’s households but receives 0.8% of the region’s very low- and low-income allocations, then the Equity Adjustment will add at least 0.2% of the region’s very low- and low-income allocations to jurisdiction A.

*We recommend the redistribution follow the mechanism outlined by ABAG staff at the Housing Methodology Committee on September 18, 2020: in order to add additional allocations to exclusive jurisdictions that fall below their threshold, reduce allocations from all jurisdictions that are **not “racially and economically exclusive”** (as defined by ABAG’s AFFH performance metrics 5d.1 and 5d.2) in proportion to their initial share of the region’s lower-income RHNA.*

Under the proposed methodology, without an adjustment, there are now 18 (previously 17) exclusive jurisdictions that are *not* receiving this proportional share of very low- and low-income allocations.¹ Using an adjustment to re-allocate just **3,061** (previously 3,003) more affordable homes to these jurisdictions will ensure that this proportional threshold is met throughout the region. These under-allocations comprise 1.7% of the total lower-income RHNA and 0.7% of the total RHNA but are essential to encourage more multi-family zoning, which will further both our need to build more affordably in areas of opportunity and build more efficiently and densely. Otherwise, the RHNA will exacerbate fair housing problems in over one third of our region’s historically exclusive jurisdictions.

Throughout the RHNA methodology process, we have heard support for the Equity Adjustment from local elected officials and key stakeholders. At the Housing Methodology Committee’s final meeting on September 18, 2020, more than half of the committee supported an adjustment to ensure that each exclusive jurisdiction receives a share of the region’s very low and low-income allocations that is at

¹ Four out of 18 jurisdictions are in Napa and Sonoma Counties where fire risk is increasing. Consistent with the duty to affirmatively further fair housing, ABAG should work with HCD and those 4 jurisdictions to discuss how these risks can be mitigated in their housing elements.

least proportional to the jurisdiction's share of the region's total number of households.² Many members of the ABAG Executive Board also stated on October 15, 2020 that meeting the statutory objectives of RHNA and advancing racial equity were critical and worthy of potential improvements to the methodology, and now the RPC is recommending adoption of the Equity Adjustment. While we believe there are many potential adjustments that could strengthen the methodology, we continue to focus on the Equity Adjustment because it has already been part of the methodology discussion since January 2020 and was reviewed and presented by staff as part of the HMC process.³

While our proposed reallocations of lower income homes through the Equity Adjustment are small in number for some jurisdictions, their potential impact in local jurisdictions with a long history of racial residential segregation is significant. For example, many of the jurisdictions that would receive additional lower income homes as a result of the Equity Adjustment have almost no multifamily zoning within their community (less than 5 percent), according to a recent analysis by the Terner Center, including Ross, Atherton, Hillsborough, Gilroy, and Monte Sereno.⁴ **In these communities, even an increase of 20 lower income homes would incentivize at least one acre of multi-family zoning.**⁵ This is especially significant, in jurisdictions like Atherton that have no multi-family zoning whatsoever.⁶

Additionally, individuals who work low-wage jobs in the jurisdictions that will receive a larger increase with the Equity Adjustment need homes affordable to them in these jurisdictions. For example, despite the lack of public transit in Gilroy, many low-wage workers who are employed there must drive to work to carry work-related equipment regardless. Currently, many workers are driving far distances to reach their jobs in these jurisdictions anyway because there is no transit available in these jurisdictions. In the early 2000s, the Department of Housing and Community Development had repeatedly found Gilroy's housing element out of compliance for failing to plan adequately for affordable housing, after which low-income residents in Gilroy filed suit against the city.⁷ Currently, 74% of Gilroy's workforce (about 13,500 people) commutes in from other jurisdictions.⁸ Thus, an almost 500-unit increase of affordable allocations in Gilroy will be critical.

Finally, the jobs-housing fit ratios of these jurisdictions make the need clear: **many more low-wage workers are employed in these jurisdictions than there are homes affordable to them in these jurisdictions.** Livermore (jobs-housing fit of 6.2), Half Moon Bay (7.61), and Hercules (10.6), are

² Housing Methodology Committee [Meeting on Sept 18, 2020](#) at 1:06:00-1:06:47 (only 9 out of 31 members voted against the equity adjustment).

³ Public Advocates, Enterprise Community Partners and other partners responded to the Housing Methodology Committee and ABAG staff's discussion on affirmatively furthering fair housing with a memo of technical recommendations on January 23, 2020 and all parties continued the discussion throughout 2020.

⁴ Sarah Mawhorter and Carolina Reid (2018). [Terner California Residential Land Use Survey](#). Berkeley, CA: University of California, Berkeley.

⁵ Cal. Gov. Code Section 65583.2. (c)(3)(B) ("The following densities shall be deemed appropriate to accommodate housing for lower income households:...(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.")

⁶ UC Berkeley Othering & Belonging Institute's [Single-Family Zoning Map](#).

⁷ [Fonseca v. City of Gilroy](#) (2007).

⁸ [On the Map](#), US Census tool (2018).

just a few examples of how many of these jurisdictions only have one affordable unit available for every 6 to 11 low-wage workers.⁹

ABAG's proposed methodology with the Equity Adjustment outlined above will help our region achieve a more equitable, sustainable, inclusive future where people of all racial and economic backgrounds will have increased access to housing and resources.

Signed,

Shajuti Hossain, *Public Advocates*

Justine Marcus, *Enterprise Community Partners*

Rodney Nickens Jr. (HMC Member), *Non-Profit Housing Association of Northern California*

Jeff Levin (HMC Member), *East Bay Housing Organizations*,

Debra Ballinger, *Monument Impact*

Matt King, *Sacred Heart Community Service*

Laura Hall and Welton Jordan (HMC Member), *EAH Housing*

Ian Winters, *Northern California Land Trust*

Cindy Wu, *LISC Bay Area*

Leslye Corsiglia, *Silicon Valley at Home*

Jason Tarricone, *Community Legal Services in East Palo Alto*

Michael Rawson, *Public Interest Law Project*

Leslie Gordon, *Urban Habitat*

Gina D. Dalma, *Silicon Valley Community Foundation*

Aaron Eckhouse, *California YIMBY*

Judith Bell, *The San Francisco Foundation*

Ruby Bolaria Shifrin (HMC Member), *Chan Zuckerberg Initiative*

⁹ UC Davis Jobs-Housing Fit Report (2016) (the ideal jobs-housing fit falls within the range of 1-2.5); Jobs-Housing Fit Dataset available [here](#).

November 24, 2020

Mayor Jesse Arreguin, President
Executive Board, Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco, CA 94105

RE: Proposed RHNA Methodology and Subregional Shares - Support for **Option 8A** using the Plan Bay Area 2050 **Households** Baseline with the **Equity Adjustment**

Dear President Arreguin and ABAG Executive Board,

We are a diverse set of organizations and stakeholders, including the 6 Wins for Social Equity Network and close partners, from across the region focusing on housing, the environment, and the economy. **We strongly support ABAG's proposed RHNA methodology, known as the "High Opportunity Areas Emphasis & Job Proximity" methodology ("Option 8A") using the Plan Bay Area 2050 Households baseline, but believe the methodology needs to be further refined through a small but meaningful adjustment to more fully meet the statutory objective for affirmatively furthering fair housing.**

With the adjustment, this methodology will move us closer to an inclusive and prosperous region where all residents have a safe and affordable home and equal access to environmental, economic, and educational opportunity.

Option 8A represents a sound compromise born of an in-depth, iterative process at the ABAG Housing Methodology Committee. Over the last year, this diverse group of local elected officials, city and county staff, and community stakeholders engaged in robust discussion on every aspect of the methodology. ABAG adopted the Committee's recommendation due to its strong performance on the statutory objectives of RHNA. A majority of the Committee also supported an equity adjustment. We urge you to continue to respect the integrity of this process and move forward with the Committee's recommendation, with the equity adjustment.

As ABAG staff has demonstrated through a set of performance metrics, Option 8A performs well on all five of RHNA's statutory objectives. This methodology will help our region improve our environment, reduce our commutes, and ensure every resident has a stable home they can afford:

1. Improve our Environment: Option 8A will help improve our environmental health and mitigate climate change in several ways:
 - a. The “Access to High Opportunity Areas” factor allocates more homes in jurisdictions with high quality economic, educational, and *environmental* opportunity.¹ This means that more homes, especially affordable homes, will be allocated to jurisdictions with quality jobs, adequately-resourced schools, and minimal pollution.
 - b. The 70 percent weight to the “Access to High Opportunity Areas” factor for affordable homes will require jurisdictions that have mostly zoned for single-family homes to now zone for multi-family housing to meet the very low- and low-income allocations.² Multi-family buildings, such as apartments, are more efficient uses of our space and they use less energy, water, and land than single-family neighborhoods.³
 - c. The Plan Bay Area 2050 Households baseline and job proximity factors allocate more homes near projected job growth, thereby reducing commutes and greenhouse gas emissions. Option 8A with an Equity Adjustment allocates 60 percent of the total RHNA to the counties with highest projected job growth: San Francisco, San Mateo County, and Santa Clara County.

2. Reduce our Commutes: Option 8A will reduce commutes for *all kinds of jobs*, not just the tech jobs in Silicon Valley, in order to meet the new statutory jobs-housing fit requirement. Jobs-housing fit is a jurisdiction’s ratio of low-wage jobs to homes affordable to those workers.⁴ Those workers include farmworkers, service workers at our tourist destinations, homes, offices, and schools, and many others. Currently, many of our jurisdictions have a severely imbalanced jobs-housing fit. For example, Pleasanton’s jobs-housing fit is 19 (meaning there are 19 low-wage jobs for every home affordable to those workers), Danville’s is 11, and Sonoma’s is 8. Each day, over 170,000 people commute into Contra Costa County for work and about one-third of those commuters are traveling more than 50 miles to those jobs, which means we need homes in Contra Costa County too.⁵ Thus, Option 8A and the Equity Adjustment will help reduce commutes for everyone.

¹ California Tax Credit Allocation Committee’s [Opportunity Mapping Methodology 2020](#); Environmental opportunity is based on [CalEnviro Screen 3.0](#), which measures the level of environmental health in each census tract, including the extent of air and water pollution.

² Cal. Gov. Code Section [65583.2\(c\)\(3\)\(B\)](#).

³ “[Apartments in buildings with 5 or more units use less energy than other home types](#),” U.S. Energy Information Administration (June 2013).

⁴ “[Low-wage Jobs-housing Fit: Identifying Locations of Affordable Housing Shortages](#),” UC Davis (Feb. 2016).

⁵ U.S. Census Bureau, Center for Economic Studies at <https://onthemap.ces.census.gov/>.

3. Stable Homes for all Bay Area Residents: Residents across the Bay Area have a wide range of income levels but those on the lower end have few options affordable to them. Option 8A helps ensure that there will be new homes affordable in every part of the region. However, an Equity Adjustment, as described below, is necessary to fully meet this need.

An Equity Adjustment is necessary to improve this methodology's performance on the affirmatively furthering fair housing objective. At the Housing Methodology Committee's final meeting on September 18, more than half of the committee supported an adjustment to ensure that each exclusive jurisdiction receives a share of the region's very low and low-income allocations that is at least proportional to the jurisdiction's share of the region's total number of households.⁶ Many members of the ABAG Executive Board also stated on October 15 that meeting the statutory objectives of RHNA and advancing racial equity were critical and worthy of potential improvements to the methodology.

The Equity Adjustment will operate as follows: if a racially and/or economically exclusive jurisdiction receives a share of the region's very low- and low-income allocations that is less than proportional to the jurisdiction's share of the region's households, the Equity Adjustment will add very low- and low-income units to its allocations until the jurisdiction's share of the region's very low- and low-income allocations is proportional to its share of the region's households. For example, if jurisdiction A is racially and/or economically exclusive and is home to 1% of the region's households but receives 0.8% of the region's very low- and low-income allocations, then the adjustment will add at least 0.2% of the region's very low- and low-income allocations to jurisdiction A.

Under the proposed methodology, without an adjustment, there are 17 exclusive jurisdictions that are *not* receiving this proportional share of very low- and low-income allocations.⁷ Using an adjustment to re-allocate just 3,003 more affordable homes (which make up 1.7% of the total lower-income RHNA and 0.7% of the total RHNA) to these jurisdictions will ensure that this proportional threshold is met throughout the region. These allocations are essential to encourage more multi-family zoning, which will further both our need to build more affordably in areas of opportunity and build more efficiently and densely. Otherwise, the RHNA will exacerbate fair housing problems in over one-third of our historically exclusive jurisdictions which would be the opposite of affirmatively furthering fair housing.

⁶ Housing Methodology Committee [Meeting on Sept 18, 2020](#) at 1:06:00-1:06:47 (only 9 out of 31 members voted against the equity adjustment).

⁷ Four out of those 17 jurisdictions are in Napa and Sonoma Counties where fire risk is increasing. Consistent with the duty to affirmatively further fair housing, ABAG should work with HCD and those 4 jurisdictions to discuss how these risks can be mitigated in their housing elements.

To apply the Equity Adjustment, the additional allocations must come from other jurisdictions. The following are a few different ways to perform this reallocation:

1. **Unincorporated jurisdictions:** The Equity Adjustment could take allocations from some unincorporated jurisdictions that may lack sewage and utility lines or have substantial protected open space. If ABAG chooses this option, it must carefully consider which unincorporated areas from which to reduce allocations, because there are many high-income, urbanized communities in unincorporated areas as well. For example, Alamo is an unincorporated community in Contra Costa County where the jobs-housing fit is 10, the median home value is \$1.6 million, and it is a high opportunity area.⁸ Thus, this reallocation must still affirmatively further fair housing by ensuring that the unincorporated areas with high-income, urbanized communities are allocated their fair share of affordable units.
2. **Non-exclusive jurisdictions:** as staff had recommended to the Housing Methodology Committee on September 18, another option is to reduce allocations from all jurisdictions that are *not* “racially and economically exclusive” (as defined by the AFFH performance metric) in proportion to their initial share of the region’s lower-income RHNA.
3. **Least exclusive jurisdictions:** another option is to reduce allocations from the jurisdictions that have the *lowest* extent of racial and economic exclusion (as defined by the AFFH performance metric).

Moreover, **we strongly urge ABAG to reject alternatives, such as changing the baseline, that perform worse on the statutory objectives’ performance metrics.** Alternative proposals that use Plan Bay Area 2050 Growth as the baseline, for example, fail to meet the statutory objective to affirmatively further fair housing and perform worse than the current ABAG proposed methodology on almost all other metrics. If any further adjustments to the methodology are made, they should instead perform holistically better on the metrics and objectives.

Finally, we recognize that there are many essential objectives of the RHNA process that must be advanced through local housing element updates, including equitable planning that accounts for geographies particularly vulnerable to fire and flood, protecting our open space, and dismantling segregation within local jurisdictions. These are essential goals that local jurisdictions must address in their housing elements after they receive their RHNA allocations. State law allows local jurisdictions to plan how to meet their RHNA in ways that are most appropriate for their local context. For instance, they should avoid using sites with

⁸ UC Davis Jobs-Housing Fit [data](#) (2016); [Alamo Census Estimates](#) (2019); California Tax Credit Allocation Committee’s [Opportunity Map](#) (2020).

insufficient water, sewage, and dry utilities,⁹ they should avoid planning for very low and low income homes in the neighborhoods facing moderate and high wildland fire hazards, and they should plan for more affordable homes in the neighborhoods with higher access to opportunity. We look forward to continuing to work with our elected leaders and agency staff across the region to ensure these goals are met.

Now is the time for all Bay Area cities and counties to come together and move collectively toward a more equitable, sustainable, inclusive future where people of all racial and economic backgrounds have access to housing and resources. ABAG's proposed methodology with the Equity Adjustment outlined above will help us get there.

Signed,

Shajuti Hossain, *Public Advocates*

Debra Ballinger, *Monument Impact (in Concord)*

Tim Frank, *Center for Sustainable Communities*

Louise Auerhahn, *Working Partnerships USA (in San Jose)*

Justine Marcus, *Enterprise Community Partners*

Leslie Gordon and Tameeka Bennett, *Urban Habitat*

Rodney Nickens Jr., *Non-Profit Housing Association of Northern California* [HMC member]

Jeffrey Levin, *East Bay Housing Organizations* [HMC member]

Darnell Grisby and Hayley Currier, *TransForm*

Mike Rawson, *Public Interest Law Project*

Matt King, *Sacred Heart Community Service (in San Jose)*

⁹ Cal. Gov. Code Section [65583.2](#)(b)(5)(B).

Laura Hall, *EAH Housing*

Héctor Malvido, *Ensuring Opportunity Campaign to End Poverty in Contra Costa County*

Ian Winters, *Northern California Community Land Trust*

Gina D. Dalma, *Silicon Valley Community Foundation*

Cindy Wu, *Bay Area Local Initiatives Support Corporation*

Leslye Corsiglia, *Silicon Valley at Home*

Adam Briones, *The Greenlining Institute*

Ruby Bolaria Shifrin, *Chan Zuckerberg Initiative* [HMC member]

Judith Bell, *The San Francisco Foundation*

Karen Chapple, *Professor of City & Regional Planning at UC Berkeley*

Jason Tarricone, *Community Legal Services of East Palo Alto*

Jennifer Ganata, *Communities for a Better Environment*

Nadia Aziz, *Law Foundation of Silicon Valley*

Belén Lopez-Grady and Sarah Casmith, *North Bay Organizing Project*

Aaron Eckhouse, *California YIMBY*

East Bay for Everyone

David Watson, *Mountain View YIMBY*

South Bay YIMBY

Kelsey Banes, *Peninsula for Everyone*

Laura Foote, *YIMBY Action*

Sylvia Chi, *Asian Pacific Environmental Network*

Todd David, *Bay Area Housing Advocacy Coalition*

Zarina Kiziloglu, *Pleasanton Housing Commissioner*



Date: January 20, 2021

ABAG Executive Board
375 Beale Street, Suite 700
San Francisco, CA 94105

Sent via first class mail and email to: gadams@bayareametro.gov

RE: Reconsideration of San Bruno Regional Housing Need Allocation (RHNA) 6 Allocation
– Item 11.b.

Dear Honorable Executive Board President Jesse Arreguin and Executive Board Members,

The City of San Bruno formally requests reconsideration of its RHNA 6 allocation. As shown in the October 2020 public release, the proposed draft of 2,130 housing units allocated for San Bruno represented an 85% increase from our RHNA 5 allocation. While the increase is significant, we did not contest the October RHNA 6 allocation, as we understood it to reflect San Bruno's fair share of the region's housing need.

However, the current draft RHNA 6 allocation, that was released on December 18, 2020, dramatically increased San Bruno's allocation. The December draft RHNA 6 allocation resulted in an additional 50% increase for the City of San Bruno from allocations that were made public in October (from 2,130 to 3,192 housing units for San Bruno, an increase of 1,062 housing units).

Further, **when compared to San Bruno's prior RHNA 5 allocation of 1,155, the December draft RHNA 6 allocation of 3,192 amounts to a staggering 176% increase.** Approval of this allocation will be considered by the Executive Board at its January 21, 2021 meeting. We respectfully request reconsideration of the RHNA 6 allocation to the City of San Bruno.

The percentage increase is the second highest within the Bay Area, the most within San Mateo County, and are the result of the integration of the Plan Bay Area 2050 Final Blueprint into the Draft RHNA Methodology.

San Bruno staff met with ABAG Plan Bay Area staff during office hours on January 19, 2021 to better understand the justification for the dramatic RHNA increase. ABAG staff noted that the increase was due to final adjustments to the Plan Bay Area Blueprint 2050 that shifted new housing growth to areas with projected job growth and transit rich communities. While it is

understandable that priority shift, it does not adequately explain the 50% increase in housing allocation for City of San Bruno while other similar transit rich communities realized a housing allocation decrease.

ABAG staff also noted that the December 18, 2020 allocation considered implication of public lands strategy, aging shopping malls, office parks and pipeline projects. It should be noted that much of the properties near San Bruno's two transit stations (BART and Caltrain) cannot be developed as housing due to its close proximity to San Francisco International Airport and the land use restrictions imposed through the Airport Land Use Compatibility Plan.

The City's objection to the proposed methodology is not an indication that the City is unwilling to do its part to address the regional housing shortage. In 2013, the City adopted the Transit Corridors Plan which incentivizes high density, mixed-use development near the city's Caltrain Station. Then in 2014, the residents of San Bruno voted to increase height limits within the City to allow implementation of the plan, which allowed for the creation of 1,610 dwelling units. Clearly, the city has proven its commitment to housing production.

For the release of the proposed RHNA methodology in October 2020, ABAG included a public comment period on the proposed methodology which closed on November 27, 2020. It does not appear that a similar public comment period was held for the current draft methodology that was released on December 18, 2020. The lack of public comment on the December release leaves City of San Bruno with no other option but to express our concerns in this letter.

Again, City of San Bruno respectfully requests the ABAG Executive Board to reconsider this dramatic increase imposed to San Bruno and to allow a more equitably distribution of the allocation increase to other jurisdictions that have transit stations and projected employment growth. Make no mistake, though we have serious concerns about the methodology behinds the latest draft RHNA allocation, San Bruno remains strongly committed to doing its part to address the housing needs in the Bay Area.

Sincerely,



Rico E. Medina
Mayor



Jovan D. Grogan
City Manager

cc: Marty Medina, San Bruno Councilmember & ABAG General Assembly Representative
Gillian Adams, Principal Planner, Regional Housing Needs Allocation (RHNA)



January 20, 2021

Mayor Jesse Arreguín, President
Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco CA 94105

Scott Haggerty, Chair
Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco CA 94105

Therese McMillan, Executive Director
Metropolitan Transportation Commission
375 Beale Street, Suite 700
San Francisco CA 94105

Re: Plan Bay Area 2050 Growth Forecast and RHNA Methodology

Dear Mayor Arreguín, Supervisor Haggerty, and Director McMillan,

San Francisco is strongly committed to our ongoing work with the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) to develop and implement regional solutions to our collective housing and affordability challenges. We are also strongly committed to meeting greenhouse gas reduction targets that will lead to a greener and more equitable region. We believe strongly that regional partnerships and accountability across the Bay Area is the only way to deal with the congestion, sky-high housing costs, and climate change that threaten our region and our entire planet. However, San Francisco has major concerns regarding the December 2020 update to Plan Bay Area 2050 (PBA) and how it is assigning regional housing goals in the Regional Housing Needs Allocation (RHNA). The changes raise serious regional equity concerns and questions regarding the growth allocation and land use assumptions for San Francisco.

In San Francisco, we are working to do our part. Between 2000 and 2020, we doubled our annual average overall housing production and affordable housing production compared to 1990's levels. Since 2010, San Francisco has had the highest housing production of any city in the region. In the last fiscal year, we invested over \$500 million in affordable housing, our highest affordable housing investment in our history; and in 2019 we passed another \$600 million Affordable Housing bond that is being put to work as we enter the critical months of our economic recovery. To encourage housing throughout our entire City, we recently added four new Priority Development Areas (PDAs) in lower density, transit-served areas of the city. We reduced the number of annual evictions by half from a high of nearly 3,000 in the 1990's to less than 1,500 in 2019. We know there is always more to do to build more housing for our residents and workers, and we will continue to expand these efforts and our partnership with MTC and ABAG in carrying out this work.

In the last year, our country has experienced a profound call for racial justice. We embrace these conversations and have worked to expand them beyond police violence to include economic factors and health disparities. One of the main drivers of economic inequality has been the decades long push to focus housing production to limited areas most often occupied by communities of color. A lot of work has been done in the last few years to begin to shift those policies, and to ensure that all communities are building housing. This is good housing policy, it's good environmental policy, and it's good social justice policy.

Our fundamental concern is that the recent update to PBA is shifting away from this policy goal by reducing regional housing allocations for cities with greater racial and economic exclusion, and adding them to San Francisco in a way that will ratchet up pressures on parts of our City where Black and Latino communities live.

In addition to this fundamental concern, there are other issues of concern that are detailed in the attachment. Key among those:

- The PBA update negatively impacts the fair housing outcomes required by State law. Per ABAG's own analysis, this proposed update will reduce the RHNA housing allocation to cities that are currently more racially and economically exclusive than the region as a whole; further exacerbating fair housing concerns.
- The 53% increase of 74,000 new households in San Francisco (from 139,000 in the draft to 213,000 in the update) shifts growth pressures from high-resource, jobs-rich, and housing-poor areas in the region to Black and Latino communities in San Francisco.



- The PBA update appears to assume redevelopment of existing multifamily housing that could increase displacement pressures and run counter to the housing preservation goals in the plan.
- The PBA update does less than the current draft Plan to address jobs-housing imbalances in cities with more than two jobs per housing unit identified by MTC and ABAG. Most of these cities are disproportionately high resource.
- San Francisco's state and federal housing funding will be substantially reduced given the delay in the Housing Element EIR completion triggered by the new growth forecast.

We recognize that PBA must meet the greenhouse gas targets, as well as house our growing population, and we are fully committed to that shared goal. But our environmental targets must be achieved without compromising, or frankly at the expense of, our equity and housing goals. Our regional strategies must support housing in high-resource areas, reduce displacement, and support strategic transit investments. The future of the Bay Area cannot be built by bringing back the failed policies of the past.

Accordingly, we request that MTC revisit the PBA strategies and modify the PBA growth forecast by allocating more housing to jobs rich, high-resource jurisdictions with 30-minute transit headways and high jobs-housing imbalances. We also request the inclusion of the Equity Adjustment in the RHNA methodology. In support of these critical changes, we request MTC disclose more detail about the model assumptions and policy trade-offs that were made in December, and provide funding strategies that will adequately support the transportation investments needed in jurisdictions that receive increased growth forecasts and housing allocations.

We trust our regional agencies to address our environmental and equity goals, and we are ready to support this work in any way we can.

Sincerely,

A handwritten signature in blue ink that reads "London Breed".

Mayor London Breed

DocuSigned by:
Hillary Ronen
F343948FB28249A...

Supervisor Hillary Ronen

DocuSigned by:
Supervisor Gordon Mar
8DE74E8580AD418...

Supervisor Gordon Mar

DocuSigned by:
Rafael Mandelman
3235B3A057A3450...

Supervisor Rafael Mandelman



Attachment 1

Plan Bay Area 2050 Growth Forecast and RHNA Methodology Concerns

The 53% increase in new households for San Francisco in the PBA update shifts growth pressures from high resource areas across the region to lower resource areas that are home to Black and Latino communities in San Francisco: The increase from 139K (38% growth) to 213K (59% growth) raises serious equity concerns and questions about the growth assumptions used:

- Adding growth to SF and BART-served cities cannot be the principal approach to meet GHG-reduction targets and grow near transit. Other cities that are jobs-rich and high resource must also add frequent transit and housing to lower GHG for existing and new residents. We urge systematic and transparent review of places that are high-resource and transit-rich as well, for assigning growth and achieving GHG targets equitably.
- The total forecast of 160,000 additional households in SF's Southeast and Northeast rests on unclear land use assumptions that appear greater than current pipeline and potential land use changes. We are concerned about levels of growth that imply razing and displacing communities of color from existing multi-family housing in San Francisco's Black and Latino neighborhoods.
- While SF is receiving 50% more households in the update, there are no major additional infrastructure projects for the city, raising questions of how residents will reach jobs and services. In fact, this growth exacerbates crowding and transit maintenance problems that we see today and in the Draft Blueprint already.
- The largest share of SF's growth is in the Southeast District, home to a disproportionate number of Black, Latino, and low-income residents and fewer high resources areas. Higher growth in this area would require extensive community planning and substantial investment in community stabilization.

Questions about the redevelopment of existing multifamily housing remain in relation to MTC's land use assumptions in the forecast model and may not be consistent with local policy or the 3Ps framework for housing policy used by the regional agencies. MTC staff have agreed to provide more information on the resulting impacts of these assumptions in response to a request from San Francisco staff. Once these assumptions are better

understood, San Francisco may need to request changes that are more consistent with the 3Ps framework.

The reduction in household growth for high resource and jobs-rich cities in the El Camino Real/Caltrain corridor in San Mateo and Northwest Santa Clara Counties raises more questions regarding equity and staffs' land use and transportation assumptions:

- The PBA update negatively impacts the fair housing outcomes of RHNA (required in state law) by reducing housing allocated to cities with greater racial and economic exclusion, per [ABAG analysis](#).
- [9 of 11 cities](#) in the region with two or more jobs per housing unit sit along the El Camino Real corridor.
- 6 of the jobs-rich cities on the corridor have more high resource areas than average and [two cities have the region's richest zip codes](#), among the top five nationwide.

1	San Mateo County	Colma	6.8
2	Santa Clara County	Palo Alto	3.5
3	Alameda County	Emeryville	3.2
4	San Mateo County	Brisbane	3.1
5	San Mateo County	Menlo Park	2.9
6	Santa Clara County	Santa Clara	2.5
7	Santa Clara County	Mountain View	2.4
8	San Mateo County	South San Francisco	2.2
9	Santa Clara County	Milpitas	2.1
10	Santa Clara County	Cupertino	2.0
11	San Mateo County	Burlingame	2.0

- All but one of these cities are served by Caltrain and/or BART and have [high resource areas served by bus with 16-30 minute headways](#), infrastructure that can be expanded for future growth that is low VMT. Plan Bay Area includes significant transportation investment in this corridor, including US101 Express Lane widenings, Caltrain electrification and modernization and blended High-Speed Rail Service.
- Severe housing imbalances in these cities mean that low- and moderate-income workers must live elsewhere, worsening commutes and reducing access to opportunity.



- Many of the [region's largest and most valuable companies](#) are based in these cities including Apple, Alphabet, Intel, Facebook, Genentech, and HP.

Undermining the equity foundation of RHNA: The changes to PBA also increased SF's RHNA allocation by 15% over what we were anticipating (72,100 to 82,800 units). The updated RHNA number would be more than 10K per year. SF reached its highest housing production in decades in 2016 with 5K units. Reaching the new RHNA targets would require doubling the highest production that San Francisco achieved in at least 40 years, a target that seems unrealistic and far higher than what is being asked of any other city in the region. But the most critical issue is that shifting large amounts of RHNA to SF when SF already has substantial multifamily zoning means that racially and economically exclusionary jurisdictions around the Bay Area get less RHNA and have less need to zone for more housing, diminishing the fair housing impacts of RHNA. As your analysis shows, almost one quarter of Bay Area cities, which are racially and economically exclusive jurisdictions are not receiving their fair share of affordable housing allocations and only 26% of the region's very low- and low-income allocations are going to the 49 exclusive jurisdictions, while high-resource areas get a decrease in RHNA numbers.

Loss of Federal and State Affordable Housing Funding due to failure to complete Housing Element: SF had proactively begun an EIR process for the Housing Element that would not only accommodate RHNA growth but also 30-year housing growth to allow for longer term housing planning. The growth assumptions that have been modeled for the Housing Element EIR (150,000 units) exceeded the Draft PBA forecast (138,000 units). The dramatic and unexpected increase in forecasted growth for San Francisco in PBA to 213,000 units will likely mean months of additional analysis and hundreds of thousands of dollars in costs to cover additional modeling required for the EIR. Given that San Francisco was by far the most impacted by changes to both PBA and RHNA we would experience the greatest difficulty and cost in adjusting our EIR to meet the proposed changes. In the past, SF has tried to align its long range planning, including transportation, community plans, and housing policies, with the PBA forecasts, however, the scale of recent changes, questions about underlying assumptions and equity outcomes, and potential delays raise questions the city's ability to maintain that alignment.

San Francisco has been a leader in housing added in the last decade according to [Vital Signs](#) and we are committed to continue to expand housing opportunities. We are concerned, however, that the latest PBA and RHNA numbers will allow jobs and resource rich

cities around the region (as described above) that have not been contributing to regional housing solutions to continue to do less than their share.

Top Cities and Unincorporated Areas for Production 2010 through 2018

1. San Francisco: **2,561** units/year
2. San Jose: **2,429** units/year
3. Dublin: **800** units/year
4. Sunnyvale: **465** units/year
5. Oakland: **352** units/year

We ask MTC to revise the growth forecast and propose a few strategies for consideration:

- 1. Reduce overall regional growth given the unexpected depth of the current economic crisis, with the substantial relocation of jobs and residents out of the Bay Area and out of California**
- 2. Revisit transportation policies to reduce VMT and change the PBA growth forecast by allocating more housing to jurisdictions that meet at least two of three key criteria:**
 - a.** are extraordinarily jobs rich or are proximate to extraordinarily jobs rich areas, defined as having two or more jobs per housing unit.
 - b.** have higher than average shares of census tracts that are classified as high resource according to the state housing agencies' [Opportunity Map](#).
 - c.** have rail stations and/ or bus service with at least 30 minute headways that could reasonably be increased to accommodate additional future ridership as cities grow. It appears transit operating assumptions are limiting growth in many of these communities.
- 3. Any significant growth assignments to be accompanied with commensurate transportation investment and/or affordable housing supports.** San Francisco already has a \$20B transit maintenance backlog and experiences severe transit crowding. The cost of building and subsidizing affordable units is also extremely high here, on the order of \$800k per unit, and demand for stabilization/anti-displacement programs is high.



January 19, 2021

Mayor Jesse Arreguin, President
Executive Board, Association of Bay Area Governments
375 Beale Street
San Francisco, CA 94105

Subject: Draft RHNA Methodology and Final Subregional Shares

Dear Chair Arreguin:

On behalf of the City of San Rafael, we are writing to address the report on the Draft RHNA Methodology and Final Subregional Shares. Over the past year, our staff has been tracking and participating in the RHNA methodology process. Up until December 2020, we have been relying on the draft RHNA share allocated to us that was presented in the Baseline 2050 Households Draft Blueprint. This Draft Blueprint allocation was 2,785, which is a 177% increase from our allocation under the current Housing Element cycle (1,007). We anticipated a substantial increase in our share, so we have been actively planning to address it in this next Housing Element cycle. This planning has included efforts such as the development of a Downtown San Rafael Precise Plan; this Plan has been prepared to accommodate a substantial increase in housing growth.

At the beginning of the New Year, we were informed that an update of the Final Subregional Shares had been completed and published on December 18, 2020. No formal notification was provided to announce this update. In reviewing the update, we were surprised to see that our RHNA share increased by 17% from the previous draft share for this next cycle (from the initial share of 2,785 to 3,252). We were informed by ABAG/MTC staff that the baseline allocation was adjusted factoring in the Plan Bay Area 2050 Households Final Blueprint. However, to date, the local jurisdiction projections for the Plan Bay Area 2050 Final Blueprint have not been made available. Without access to the local jurisdiction projections, it difficult to understand the rationale and justification for the 17% increase in our RHNA share. Therefore, we object to the last-minute increase in our RHNA for which we had no notice or involvement in the update process.

With appreciation for your Bay Area regional work, we thank you for your time and consideration.

Sincerely,

Mayor Kate Colin

Jim Schutz, City Manager.