

TO: ABAG Administrative Committee DATE: September 24, 2021
 FROM: Therese W. McMillan, Executive Director
 SUBJECT: Town of Danville Appeal of Draft RHNA Allocation and Staff Response

OVERVIEW

Jurisdiction: Town of Danville

Summary: The Town of Danville requests the decrease of its Draft RHNA Allocation by 1,441-1,641 units (64-73 percent) from 2,241 units to 600-800 units based on the following issues:

- ABAG failed to adequately consider information submitted in the Local Jurisdiction Survey related to:
 - Existing and projected jobs and housing relationship.
 - Availability of land suitable for urban development or for conversion to residential use.
- ABAG failed to determine the jurisdiction’s Draft Allocation in accordance with the Final RHNA Methodology and in a manner that furthers, and does not undermine, the RHNA Objectives.
- A significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted in the Local Jurisdiction Survey.

Staff Recommendation: Deny the appeal.

BACKGROUND

Draft RHNA Allocation

Following adoption of the Final RHNA Methodology on May 20, 2021, the Town of Danville received the following draft RHNA allocation on May 25, 2021:

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Town of Danville	652	376	338	875	2,241

Local Jurisdiction Survey

The Town of Danville submitted a Local Jurisdiction Survey. A [compilation of the surveys submitted](#) is available on the ABAG website.

Comments Received during 45-Day Comment Period

ABAG received nearly 450 comments during the 45-day public comment period described in Government Code section 65584.05(c). Some comments encompassed all of the appeals submitted, but there were none that specifically relate to the appeal filed by the Town of Danville. [All comments received](#) are available on the ABAG website.

ANALYSIS

Issue 1: *The Town of Danville claims the Plan Bay Area 2050 Final Blueprint (Blueprint) contains the incorrect assumption that Danville has a locally identified Priority Development Area (PDA). The growth forecast from the Blueprint determines the RHNA methodology's baseline allocation. The Town of Danville argues that any forecasted growth and corresponding RHNA directed to Danville based on an assumption that a PDA exists in Danville is incorrect, and thus ABAG has failed to adequately consider the availability of land suitable for urban development or for conversion to residential use, per Government Code Section 65584.05(b)(1) and Government Code Section 65584.04(e)(2)(B).*

ABAG-MTC Staff Response: The Town did not submit evidence in its appeal that it communicated to ABAG its desire to withdraw its nomination for the Downtown Danville PDA or to remove the PDA once it had been designated. Thus, there is no error in the Plan Bay Area 2050 Final Blueprint, which correctly includes the Downtown Danville PDA as a growth geography.

The Town's appeal claims that "Town Council did not pursue the PDA designation." However, the Town Council passed a resolution in 2012 nominating the PDA and supporting the 2011 initial PDA application described in the Town's appeal. Specifically, the Danville Town Council adopted Resolution No. 1-2012 (see Attachment 1) authorizing the Town Manager to submit an application for a Priority Development Area in Danville's downtown.

As noted in the Town's appeal of its Draft RHNA, ABAG staff requested additional information regarding transit service in response to the Town's initial application for the Downtown Danville PDA. ABAG staff recommended the PDA for approval to the ABAG Executive Board at its March 2012 meeting (see Attachment 2) pending information regarding transit service improvements. Town of Danville Staff and the County Connection transit agency subsequently provided the required information, resulting in the formal inclusion of the PDA in Plan Bay Area (2013).

Since its adoption by the ABAG Executive Board, the Danville Downtown PDA has appeared in regional documents and maps, including Draft Plan Bay Area 2050 and the two previously adopted iterations of Plan Bay Area. Moreover, this PDA has been formally approved as part of the Growth Geographies for Plan Bay Area 2050 at ABAG committee meetings in February 2020, September 2020, and January 2021. The Downtown Danville PDA has also appeared in documents from the Contra Costa Transportation Authority, which has cited the existence of this

PDA as the basis for supporting a Town of Danville application for transportation project funding through the One Bay Area Grant (OBAG) program.

Since the inception of the PDA program, several PDAs have been removed at the request of local jurisdictions. The Town's appeal of its Draft RHNA includes a 2013 request from the Danville Town Council to Danville staff to remove reference to the PDA and to Plan Bay Area in the Town's 2030 General Plan. However, the Town presents no evidence that this request was communicated to ABAG or to any entity outside of the Town.

Issue 2: *The Town argues that ABAG failed to adequately consider Danville's existing and projected jobs and housing relationship, per Government Code Section 65584.04(e)(1). The Town claims that its RHNA would exacerbate the region's existing jobs-housing imbalance by adding more housing to an already housing-rich community.*

ABAG-MTC Staff Response: The RHNA methodology incorporates each jurisdiction's jobs-housing relationship through use of the Plan Bay Area 2050 Final Blueprint as the baseline allocation. The Final Blueprint incorporates information about each jurisdiction's existing and projected jobs and households. The Final Blueprint emphasizes growth near job centers and in locations near transit, including high-resource areas, with the intent of reducing greenhouse gas emissions. It includes strategies related to increased housing densities and office development subsidies to address jobs-housing imbalances in the region. This land use pattern is developed with complementary transportation strategies in an effort to ensure past and future transportation investments are maximized. The strategies incorporated into the Final Blueprint help improve the region's jobs-housing balance, leading to shorter commutes—especially for low-income workers.

The final RHNA methodology amplifies the Plan Bay Area 2050 Final Blueprint's emphasis on improving jobs-housing balance by using factors related to job proximity to allocate nearly half of the Regional Housing Needs Determination (RHND). It is important to note that Housing Element Law requires that the RHNA methodology improve the intraregional relationship between jobs and housing—not the jobs-housing balance in any particular jurisdiction. The job proximity factors direct housing units to those jurisdictions with the most jobs that can be accessed with a 30-minute commute by automobile and/or a 45-minute commute by transit. The inclusion of the Job Proximity – Transit factor encourages growth that capitalizes on the Bay Area's existing transit infrastructure, while the Job Proximity – Auto factor recognizes that most people in the region commute by automobile.

These factors measure job access based on a commute shed to better capture the lived experience of accessing jobs irrespective of jurisdiction boundaries. Housing and job markets extend beyond jurisdiction boundaries—in most cities, a majority of workers work outside their jurisdiction of residence, and demand for housing in a particular jurisdiction is substantially

influenced by its proximity and accessibility to jobs in another community. Even in jurisdictions that lack robust transit service or where most residents commute by automobile, adding more housing in areas with easy access to jobs can lead to shorter commutes, helping to reduce vehicle miles travelled and greenhouse gas emissions.

Notably, state law also requires the RHNA methodology to consider the balance between the number of low-wage jobs and the number of affordable housing units in each jurisdiction, as described in Government Code Section 65584.04(e)(2)(B). Data from the Census Bureau indicates that Danville has the most imbalanced ratio between low-wage jobs and affordable housing in the region, with 186 low-wage jobs per unit of rental housing affordable to low-wage workers and their families.¹ Accordingly, the allocation of 1,028 units of lower-income RHNA assigned to Danville could enable many of the low-wage workers in Danville to live closer to their jobs, helping to improve the jobs-housing balance, reduce commute times, and lower GHG.

Staff concludes that the Final RHNA Methodology effectively considers the jobs-housing relationship in Danville, as represented by focus on job access in the HMC process and in the methodology's baseline allocation and factors. Additionally, Danville's RHNA allocation would greatly improve the Town's balance between its low-wage jobs and its housing stock that is affordable to low-wage workers.

Issue 3: *The Town argues ABAG failed to adequately consider the availability of land suitable for urban development. The Town claims its developable land is constrained as a result of protecting farmlands, grazing lands, conservation lands and critical habitats, and the appeal also states Danville lacks significant vacant or underutilized properties that can be used for housing.*

ABAG-MTC Staff Response: The final RHNA methodology adequately considers the potential development constraints described in Danville's appeal through use of data from the Plan Bay Area 2050 Final Blueprint as the baseline allocation. In developing the Plan Bay Area 2050 Final Blueprint, ABAG-MTC staff worked with local governments to gather information about local plans, zoning, and physical characteristics that might affect development. A strength of the land use model used for Plan Bay Area 2050 forecasting is that it assesses feasibility and the cost of redeveloping a parcel, including the higher cost of building on parcels with physical development constraints, e.g., steep hillsides. These feasibility and cost assessments are used to forecast Danville's share of the region's households in 2050, which is an input into its RHNA allocation.

Additionally, using the Plan Bay Area 2050 Final Blueprint as the RHNA baseline integrates several key strategies related to agricultural preservation. First, the growth pattern in the Final

¹ For more information, see this data source created by ABAG for the Local Jurisdiction Survey: <https://rhna.mtcanalytics.org/jobshousingratio.html?city=Danville>.

Blueprint is significantly driven by Strategy EN4 that maintains all existing urban growth boundaries, without any expansion, over the lifespan of the long-range plan. Existing urban growth boundaries, which take a variety of forms across the region but are relatively common in the Bay Area, help not only to protect prime agricultural lands from development, but also parks and open space. Second, this strategy is supported by Strategy EN5, which envisions \$15 billion in future funding for agricultural land preservation to acquire land for permanent agricultural use.

Though the growth forecasted in Plan Bay Area 2050 is constrained to reflect urban growth boundaries and environmental protections and focuses growth in areas of existing development, as HCD notes in its comment letter on submitted appeals, Government Code Section 65584.04(e)(2)(B) states that ABAG:

“may not limit its consideration of suitable housing sites to existing zoning and land use restrictions and must consider the potential for increased development under alternative zoning and land use restrictions. Any comparable data or documentation supporting this appeal should contain an analysis of not only land suitable for urban development, but land for conversion to residential use, the availability of underutilized land, and opportunity for infill development and increased residential densities. In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out or limited due to other natural constraints such as fire and flood risk areas must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.”²

Accordingly, the Plan Bay Area 2050 Blueprint forecasts additional feasible growth within urban growth boundaries by increasing allowable residential densities and expanding housing into select areas currently zoned for commercial and industrial uses.

Importantly, RHNA is not just a reflection of projected future growth, as statute also requires RHNA to address the existing need for housing that results in overcrowding and housing cost burden throughout the region. Accordingly, the 2050 Households baseline allocation in the RHNA methodology represents both the housing needs of existing households and forecasted household growth from the Plan Bay Area 2050 Final Blueprint. Thus, the RHNA methodology adequately considers the development constraints raised in this appeal, but the allocation to this jurisdiction also reflects both existing and future housing demand in the Bay Area.

² See [HCD's comment letter on appeals](#) for more details.

Per Government Code Section 65584.04(e)(2)(B), Danville must consider the availability of underutilized land, opportunities for infill development and increased residential densities to accommodate its RHNA. While the Town asserts that it is built out and has little urban land available for development, it does not provide evidence that it is unable to consider underutilization of existing sites, increased densities, accessory dwelling units (ADUs), and other planning tools to accommodate its assigned need. In developing its Housing Element, the Town has the opportunity to identify the specific sites it will use to accommodate its RHNA. In doing so, it can choose locations and plan for densities that avoid developing on farmlands, grazing lands, conservation lands and critical habitats.

Issue 4: *The Town asserts that the RHNA Methodology fails to adequately consider the “distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure,” per Government Code Section 65584.04(e)(3), because the Town claims to have limited to no access to regional public transit.*

ABAG-MTC Staff Response: The statutory factor cited in the Town’s argument centers on whether the RHNA Methodology considers the distribution of household growth from regional transportation plans like Plan Bay Area 2050 as well opportunities to maximize transit use. The Final RHNA Methodology addresses this statutory requirement because the methodology directly incorporates the forecasted development pattern from the Plan Bay Area 2050 Final Blueprint as the baseline allocation.

The Final Blueprint emphasizes growth near job centers and in locations near transit, including high-resource areas, with the intent of reducing greenhouse gas emissions. This land use pattern is developed with complementary transportation investments in an effort to ensure past and future transportation investments are maximized. The strategies incorporated into the Blueprint help improve the region’s jobs-housing balance, leading to shorter commutes—especially for low-income workers. Additionally, the inclusion of job proximity by transit as a factor in the Final RHNA Methodology directs more housing to the jurisdictions with the most jobs that can be accessed with a 45-minute commute by transit. The Job Proximity – Transit factor encourages growth that capitalizes on the Bay Area’s existing transit infrastructure.

Though the Town asserts that Danville lacks transit service, the Downtown Danville Priority Development Area (PDA) has sufficient transit for this PDA to have been officially adopted for inclusion in the original Plan Bay Area as well as Plan Bay Area 2040 and Plan Bay Area 2050, as discussed previously. Moreover, even if Danville had not self-nominated this PDA, this area would have been included as a High Resource Area (HRA) Growth Geography in Plan Bay Area 2050. HRAs are a subset of the high-opportunity areas identified statewide by State of California that meet a baseline transit service threshold of bus service with peak headways of 30 minutes or better. Accordingly, Plan Bay Area 2050 forecasts growth in Danville due to both its access to

opportunity and proximity to transit. By directly incorporating the forecasted development pattern from the Plan Bay Area 2050 Final Blueprint, the RHNA Methodology considers both the distribution of household growth assumed for regional transportation plans as well as opportunities to maximize the use of public transportation.

Issue 5: *Danville argues that the RHNA Methodology undermines the statutory objective described in Government Code Section 65584(d)(2): promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas (GHG) reductions targets. Danville's appeal states that the RHNA Methodology's use of 2050 Households as its baseline allocation instead of the forecasted growth from the Blueprint results in housing being placed far from job centers and thus an increase in vehicle miles traveled (VMT) and GHG.*

ABAG-MTC Staff Response: This argument by the Town challenges the Final RHNA Methodology that was adopted by the ABAG Executive Board and approved by HCD. A valid appeal must show ABAG made an error in the application of the methodology in determining the jurisdiction's allocation; a critique of the adopted methodology itself falls outside the scope of the appeals process. Jurisdictions had multiple opportunities to comment as the methodology was developed and adopted between October 2019 and May 2021. Housing Element Law gives HCD the authority to determine whether the RHNA methodology furthers the statutory objectives described in Government Code Section 65584(d), and HCD made this determination.³ Regarding the RHNA objective mentioned in the Town's appeal, HCD made the following findings:

"The draft ABAG methodology⁴ encourages a more efficient development pattern by allocating nearly twice as many RHNA units to jurisdictions with higher jobs access, on a per capita basis. Jurisdictions with higher jobs access via transit also receive more RHNA on a per capita basis.

Jurisdictions with the lowest vehicle miles traveled (VMT) per capita, relative to the region, receive more RHNA per capita than those with the highest per capita VMT. ABAG's largest individual allocations go to its major cities with low VMT per capita and better access to jobs. For example, San Francisco – which has the largest allocation – has the lowest per capita VMT and is observed as having the highest transit accessibility in the region. As a major employment center, San Jose receives a substantial RHNA allocation despite having a higher share of solo commuters and a lower share of transit use than San Francisco. However, to encourage lower VMT in job-rich areas that may not yet be seeing high transit ridership, ABAG's Plan Bay Area complements more housing in these employment centers

³ For more details, see [HCD's letter](#) confirming the methodology furthers the RHNA objectives.

⁴ Pursuant to Government Code Section 65584.04(i), HCD must review the Draft RHNA Methodology developed by the Council of Governments. On May 20, 2021, ABAG adopted the Draft RHNA Methodology without any modifications as the Final RHNA Methodology.

(which will reduce commutes by allowing more people to afford to live near jobs centers) with strategies to reduce VMT by shifting mode share from driving to public transit.”

Issue 6: *The Town also claims that the RHNA Methodology fails to affirmatively further fair housing, as required by Government Code Section 65584(d)(5).*

ABAG-MTC Staff Response: This appeal argument by Danville again challenges the Final RHNA Methodology that was adopted by ABAG and approved by HCD, which falls outside the scope of the appeals process. In its review of ABAG’s RHNA methodology, HCD made the following findings regarding the RHNA objective related to affirmatively furthering fair housing:

“HCD applauds the significant weighting of Access to High Opportunity Areas as an adjustment factor and including an equity adjustment in the draft methodology. ABAG’s methodology allocates more RHNA to jurisdictions with higher access to resources on a per capita basis. Additionally, those higher-resourced jurisdictions receive even larger lower income RHNA on a per capita basis. For example, the high-resourced communities of Cupertino and Mountain View receive higher total allocations on a per capita basis. For lower resourced jurisdictions with high rates of segregation, such as East Palo Alto, their allocations – particularly lower income RHNA allocations – are much lower on a per capita basis.”

As HCD noted in its finding that the Final RHNA Methodology successfully achieves the statutory objectives, the methodology affirmatively furthers fair housing by emphasizing access to opportunity based on the data from the TCAC 2020 Opportunity Map. The Access to High Opportunity Areas factor assigns 70 percent of the region’s very low- and low-income units and 40 percent of the region’s moderate- and above moderate-income units.

The equity adjustment included in the Final RHNA Methodology also helps affirmatively further fair housing. This adjustment ensures that the 49 jurisdictions identified as exhibiting racial and socioeconomic demographics that differ from the regional average receive a share of the region’s lower-income RHNA units that is at least proportional to the jurisdiction’s share of existing households. Most of these 49 jurisdictions receive allocations that meet this proportionality threshold based on the final RHNA methodology’s emphasis on access to high opportunity areas. However, the equity adjustment ensures that the other 18 jurisdictions that might exhibit racial and economic exclusion but do not have significant shares of households living in high opportunity areas also receive proportional allocations.

Issue 7: *The Town claims that a significant and unforeseen change in circumstances has occurred that merits a revision of the information submitted in their Local Jurisdiction Survey. The Town had previously stated that water supply was an opportunity for development on the Local Jurisdiction Survey, but Danville now believes that water supply is a development constraint due to drought.*

ABAG-MTC Staff Response: Government Code Section 65584.04(e)(2)(A) states that ABAG must consider the opportunities and constraints to development of additional housing in each member jurisdiction due to “Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.”

However, the arguments put forward by the Town do not meet the requirements for a valid RHNA appeal. Although Danville cites information from the Urban Water Management Plan (UWMP) prepared by EBMUD, the Town has not demonstrated that it is precluded from accommodating its RHNA allocation because of a decision by this water service provider. The Town indicates that the RHNA allocation exceeds the population growth assumption used by the EBMUD in the UWMP. However, this difference in assumptions about expected growth does not represent a determination that the Town will not have sufficient water capacity in the future.

Indeed, future population growth does not necessarily mean a similar increase in water consumption: while the region’s population grew by approximately 23 percent between 1986 and 2007, total water use increased by less than one percent.⁵ A review by ABAG-MTC staff of 54 UWMPs from 2015 and 2020 produced by water retailers that cover 94 percent of the Bay Area’s population illustrate a further reduction in per capita water use over the past decade. Between 2010 and 2015 per capita water use fell from 162 gallons per person per day to 105, reflecting significant conservation during the last major drought. In the 2020 non-drought year, conservation held, with the regional daily use at 114 gallons per person per day, a 30 percent reduction since 2010. In addition to having an impressive aggregate reduction in water use, only one water retailer out of the 54 reviewed plans did not meet state per capita water conservation goals. In other words, per capita water use has substantially declined in the region over the last quarter century.

The Plan Bay Area 2050 Final Blueprint, which is used as the baseline allocation in the RHNA methodology, has the potential to lessen water supply issues in the region. The Final Blueprint concentrates future growth within already developed areas to take advantage of existing water supply infrastructure and reduce the need for new water infrastructure to be developed to serve new areas. Per capita water use is likely to be less due to a greater share of multifamily housing and modern water efficiency standards for new construction and development. The continued urban densification promoted by the Final Blueprint – in addition to the continued implementation of water conservation, reuse and recycling programs by local water agencies and municipalities – will help to continue the downward trajectory of per capita water consumption within the region. One of Plan Bay Area 2050’s strategies to reduce risks from hazards is to provide financial support for adopting building ordinances and investing in retrofits to existing residential buildings to increase water efficiency. ABAG and MTC are working

⁵ San Francisco Bay Area Integrated Regional Water Management Plan, 2019.

with partner agencies to secure additional resources to improve water conservation in the Bay Area over the long term.

It is true that the current drought poses significant challenges to Bay Area communities, and that the incidence of droughts is likely to increase as a result of climate change. All jurisdictions in the Bay Area, State of California, and much of the western United States must contend with impacts from drought and all 441,176 new homes that must be planned for in the region need sufficient water. However, as HCD notes in its comment letter on appeals that identified drought as an issue, “these issues do not affect one city, county, or region in isolation. ABAG’s allocation methodology encourages more efficient land-use patterns which are key to adapting to more intense drought cycles and wildfire seasons. The methodology directs growth toward infill in existing communities that have more resources to promote climate resilience and conservation efforts.”⁶

Action can be taken to efficiently meet the region’s future water demand, even in the face of additional periods of drought. Eight of the region’s largest water districts in the region worked together to produce the Drought Contingency Plan to cooperatively address water supply reliability concerns and drought preparedness on a mutually beneficial and regional focused basis.⁷ The Drought Contingency Plan identifies 15 projects of a regional nature to further increase water supply reliability during droughts and other emergencies.

Importantly, the existence of the drought does not change the need to add more housing to address the Bay Area’s lack of housing affordability. Part of the reason the Regional Housing Needs Determination (RHND) assigned by HCD for this RHNA cycle is significantly higher than in past cycles is because it incorporates factors related to overcrowding and housing cost burden as a way of accounting for existing housing need. ABAG encourages jurisdictions to take steps to accommodate growth in a water-wise manner, such as supporting new development primarily through infill and focusing on dense housing types that use resources more efficiently. We also support efforts like the Bay Area Regional Reliability partnership between many of the major water agencies in the region. The measures identified in the Drought Contingency Plan will improve regional reliability for all, especially for water districts with a small or singular water supply portfolio.

Issue 8: *The Town claims that the RHNA process and Final Methodology are flawed because there is insufficient evidence to demonstrate Danville’s RHNA is consistent with the development pattern in the Plan Bay Area 2050 Final Blueprint, though the Town acknowledges that this argument is not a valid basis for an appeal.*

⁶ See [HCD’s comment letter on appeals](#) for more details.

⁷ See the [Drought Contingency Plan](#) for more information.

ABAG-MTC Staff Response: While Government Code Statute 65584.04(m) requires that the RHNA plan allocate units consistent with the development pattern included in the Sustainable Community Strategy, the statute does not specify how to determine consistency. In the absence of statutory direction, ABAG has discretion to identify the framework to be used for establishing that RHNA is consistent with Plan Bay Area 2050.

Plan Bay Area 2050 includes adopted growth forecasts at the county and subcounty levels, not the jurisdiction level where RHNA is statutorily focused.⁸ Therefore, staff developed an approach for determining consistency between RHNA and Plan Bay Area 2050 that received support from the Housing Methodology Committee, the Regional Planning Committee, and the Executive Board. This approach compares the 8-year RHNA allocations to the 35-year housing growth from the Plan Bay Area 2050 Final Blueprint at the county and subcounty geographies used in the plan. If the 8-year growth level from RHNA does not exceed the 35-year housing growth level at either of these geographic levels, then RHNA and Plan Bay Area 2050 are determined to be consistent. Staff evaluated the draft RHNA allocations using this approach and found the RHNA allocations are fully consistent with Plan Bay Area 2050, including the allocations to the South Contra Costa County superdistrict where Danville is located (see Table 1 below for more details).

Table 1. Superdistrict Forecasted Growth in Final Blueprint Compared to Draft RHNA*

Superdistrict	County	Superdistrict Name	Blueprint Final 2015-2050 Growth	Draft RHNA
23	Contra Costa	South Contra Costa County	15,000	8,982

* The South Contra Costa County superdistrict contains the following jurisdictions: Danville, San Ramon, portions of Walnut Creek, and portions of unincorporated Contra Costa County.

Issue 9: The Town states HCD’s calculation of the Regional Housing Needs Determination (RHND) represents a “historic methodological anomaly” and does not reflect a trend of slowing population growth, though the Town acknowledges that this argument is not a valid basis for an appeal.

ABAG-MTC Staff Response: As HCD noted in its comment letter on submitted appeals, “The council of government may file an objection within 30 days of HCD issuing the RNHD, per Government Code section 65584.01(c)(1). ABAG did not object to the RHND. Government Code section 65584.05(b) does not allow local governments to appeal the RHND during the 45-day period following receipt of the draft allocation. There are no further appeal procedures available to alter the ABAG region’s RHND for this cycle.”⁹

⁸ View the table of 35-year household growth at https://www.planbayarea.org/sites/default/files/FinalBlueprintRelease_December2020_GrowthPattern_Jan2021Update.pdf.

⁹ See [HCD’s comment letter on appeals](#) for more details.

Additionally, stable or declining population numbers in the state, region, or individual jurisdictions is not necessarily evidence that there is not a need for additional homes in the community. These trends may instead be a sign of an unhealthy housing market where individuals and families lack affordable housing choices and must leave to find housing elsewhere. In fact, a primary reason the RHND of 441,176 units was higher than the need assigned to the Bay Area in past RHNA cycles was because it included factors related to overcrowding, high housing cost burdens and a target vacancy rate as a way to address the region's challenges in meeting the housing needs of the existing population. In addition, the Town cites a statewide population decline that has occurred over only one year, a year heavily impacted by COVID-19. The Town has not provided evidence to suggest that California's population will continue to decline long-term or that there has been a reduction in the housing need for either Danville or the region for the 2023-2031 RHNA planning period.

Issue 10: *The Town asserts that the RHNA process is flawed because "external forces – including the economy, construction labor costs, and land prices – have far greater impact on housing production than RHNA, city practices or public policies," though the Town acknowledges that this argument is not a valid basis for an appeal.*

ABAG-MTC Staff Response: As the Town's appeal notes, the Town's critiques of the RHNA process are not a valid basis for an appeal. Ultimately, concerns about whether RHNA can effectively impact housing production are better addressed through state legislative changes than through the Bay Area's RHNA appeals process.

Issue 11: *The Town claims that the RHNA Methodology is flawed because the effects of the pandemic are not reflected in Plan Bay Area 2050 Final Blueprint growth forecast, though the Town acknowledges that this argument is not a valid basis for an appeal.*

ABAG-MTC Staff Response: ABAG-MTC Staff appreciates the jurisdiction's concerns about the significant economic and societal changes resulting from COVID-19. In its comment letter on submitted appeals, HCD indicated that RHNA appeals based on changes caused by COVID-19 do not fall within the appeal criteria defined by statute, stating "The COVID-19 pandemic has only increased the importance of ensuring that each community is planning for sufficient affordable housing as essential workers, particularly lower income ones, continue to commute to their places of business."¹⁰

The potential impacts of COVID-19 and the associated economic boom/bust cycle are incorporated into the RHNA Methodology through the integration of the Plan Bay Area 2050 Final Blueprint. Approved in January 2021, the Final Blueprint was crafted throughout the entirety of 2020, taking into account the best information available on future impacts related to

¹⁰ See [HCD's comment letter on appeals](#) for more details.

telecommuting, locational preferences, and more. External forces, including long-term projections for telecommuting and office square footage needs per employee, were updated to reflect potential post-COVID conditions. Long-range household and job projections were adjusted in the short-to-medium term to capture the weak economic conditions of 2020 and a multi-year recovery period in the years ahead. Additionally, strategies in the Final Blueprint were updated, including new strategies to encourage an accelerated shift toward telecommuting and other sustainable modes of travel, to support job training programs to assist in economic recovery, and to expand opportunities to rebuild aging malls and office parks into housing-rich neighborhoods as e-commerce continues to boom.

Importantly, the eight-year RHNA cycle (which starts in 2023) represents a longer-term outlook than the current impacts of the pandemic in 2020 and 2021. The Town has not provided evidence to suggest that COVID-19 reduces Danville's housing need for the entirety of the 2023-2031 RHNA planning period. Additionally, impacts from COVID-19 are not unique to any single jurisdiction, and the appeal does not indicate that the Town's housing need has been disproportionately impacted relative to the rest of the Bay Area. Therefore, the pandemic is not cause for a reduction in RHNA for any particular jurisdiction. Regardless of the impacts of the pandemic, demand for housing remains high across the region, as reflected in home prices that continue to rise. Accordingly, jurisdictions must maintain their statutory obligation to plan for additional housing.

RECOMMENDED ACTION

ABAG-MTC staff have reviewed the appeal and recommend that the Administrative Committee **deny** the appeal filed by the Town of Danville to reduce its Draft RHNA Allocation by 1,441-1,461 units (from 2,241 units to 600-800 units).

ATTACHMENT(S):

Attachment 1: Town of Danville Resolution No. 1-2012

Attachment 2: Memo on PDA applications received and staff recommendations from ABAG Executive Board March 5, 2012 meeting