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August 10, 2020

Association of Bay Area Governments and Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066
Via E-mail: info@planbayarea.org

Re: Planning Collaborative Comments on Plan Bay Area 2050 DRAFT Blueprint

Dear ABAG Executive Board and MTC Commissioners:

On behalf of the Cities Association of Santa Clara County Planning Collaborative which includes the fifteen cities and the county, we offer our comments on the Draft Blueprint for Plan Bay Area (PBA) 2050.

As a general vision for the future growth and evolution of the Bay Area through 2050, the Blueprint sets forth an ambitious agenda for addressing the region's challenges and directing growth. While we understand your goal is to create a more affordable, connected, diverse, healthy and vibrant Bay Area, we have concerns that the Blueprint fails to do so.

While the Cities Association of Santa Clara County Planning Collaborative endorses the Blueprint's guiding principles, we have a number of concerns about how the Blueprint will achieve the key goals of the Sustainable Communities Strategy (SCS) and requirements of SB 375, as well as the feasibility and practicality of implementing the PBA Blueprint in Santa Clara County as a whole as well as for its individual jurisdictions, as enumerated below:

- 1. Does not Achieve Key Goal of the Sustainable Communities Strategy.** The primary goal of the regional SCS per the requirements of SB 375 is to link household and employment growth to transit infrastructure and services to reduce VMT and GHG emissions. Unfortunately, the PBA 2050 falls short of this goal because it locates a large percentage of growth in areas that do not currently have excellent access to transit (i.e. Santa Clara County communities). Even with new investments in transit infrastructure in Santa Clara County by BART and VTA, the cities in Santa Clara County are not as well served by transit than cities such as San Francisco, Oakland and Berkeley. While the Cities Association maintains a strong commitment to investing in new transit facilities and related community development, we believe that it is a strategic mistake for the region to actively plan for a level of housing and employment growth in Santa Clara County that could not possibly be accommodated in transit and service rich neighborhoods during the PBA time frame.
- 2. Unrealistic Household and Employment Growth Targets for Santa Clara County.** The Draft Blueprint allocates 41% of the region's household growth and 44% of the region's employment growth to Santa Clara County. For Santa Clara County jurisdictions, this level of future growth is both unrealistic and unsustainable based on current and projected levels of infrastructure spending. Our local cities, school districts, transportation agencies, utility

providers, special districts, etc. are unable to provide the necessary services and infrastructure that would be required for this level of new development. Even with significant new infrastructure spending measures at the jurisdictional, sub-regional or regional levels, this level of growth would still likely be unrealistic within PBA time frame.

3. **Potential Impact of the Draft Blueprint assumptions on the Regional Housing Needs Allocation Housing Methodology.**

The RHNA Housing Methodology Committee will be making a recommendation to ABAG's Executive Board on whether RHNA for the region should be based on Plan Bay Area or existing households in addition to other demographic factors. The Cities Association does not recommend using the Plan Bay Area assumptions in the RHNA process for the following reasons:

- **Timing.** Public comment on the PBA Blueprint ends August 10, with the Final Blueprint scheduled for adoption in late 2020. Based on their existing schedule, the HMC won't have time to recommend adjustment or modification of the RHNA methodology based on the Final Blueprint.
- **Double-Counting of Factors.** Plan Bay Area is presumed to include some of the same inputs as the RHNA process, such as a focus on access to jobs. While these are important factors, they could be double counted through the RHNA process, especially since the HMC and jurisdictions' staffs have had less opportunity to review and understand the PBA model.
- **Locating Growth in the Regional Transit-Oriented, Jobs-Rich Core.** As noted above, several major cities in the region's transit-oriented, jobs-rich core, including San Francisco and Berkeley, would receive *less allocation than the regional average (16%)*. This seems to conflict with the PBA's goals of focusing growth near jobs, high-quality transit and existing infrastructure. This is especially problematic since most of the region's proposed transportation funding (approximately 75%) is scheduled for the maintenance and operation of existing transportation infrastructure.
- **Lack of Access to Transit.** The PBA options reveal a large percentage of projected growth within Santa Clara County cities. While as a whole Santa Clara County cities do have large parcels of underutilized land to accommodate additional growth, the area's transportation system is not well equipped to provide viable transportation options for new residents to help meet the Plan's GHG reduction targets. If these PBA options become part of the final RHNA determination, the Cities Association recommends that an equivalently proportional amount of transportation funding be allocated to Santa Clara County to support the transit improvements necessary to support this growth and reduce VMT and GHG emissions, per the goals of the SCS.
- **Unachievable Housing Targets.** Combining the PBA Baseline Option with some of the RHNA allocation factors already studied could create an extraordinary housing allocation for Santa Clara County jurisdictions to achieve within the eight-year time frame of the next Housing Element. In some instances, these increases could

represent a 30 to 50% increase over existing households. These are unrealistic assumptions which would not be achieved, especially considering that many of our jurisdictions have to largely rely on redevelopment of infill sites for housing growth.

The Cities Association of Santa Clara County Planning Collaborative wholly recognizes our regional responsibility to add housing to meet the current housing crisis and future growth needs. Many of our jurisdictions have already planned for significant housing growth by rezoning major employment and commercial areas and adopting policies mandating the development of housing supply in tandem with new jobs added to achieve a jobs-housing balance. However, the household and employment growth projected in the PBA Draft Blueprint would simply be unrealistic and at odds with the SCS stated goals of creating, affordable, connected, diverse, healthy and vibrant communities. We strongly recommend a recalibration of the PBA Blueprint employment and household projections for Santa Clara County to produce practical and implementable targets that are more consistent with the ability of our communities to grow sustainably over the next 30 years.

Sincerely,



Larry Klein
President, CASCC
Mayor, City of Sunnyvale

cc: Therese McMillan, Executive Director
Bradford Paul, Deputy Executive Director, Local Government Services

Fred Castro

From: slevy@ccsce.com
Sent: Wednesday, August 12, 2020 12:47 PM
To: MTC-ABAG Info
Cc: Dave Vautin
Subject: Thursday RHNA Allocation Methodology Committee meeting
Attachments: RHNA Letter August 2020 (2).pdf

External Email

Dear Committee members and staff,

My city council (Palo Alto) has just approved a letter asking ABAG to adopt the methodology (just 2019 HH) that results in the lowest allocation to my city.

As a 50 year resident and regional economist, I support using the equity (high resource/opportunity) area criterion and the existing jobs imbalance and access to transit criterion to achieve equity and GHG reduction goals.

In my letter to my council I wrote:

"I support the ABAG methodology committee direction shown in the staff memo to allocate an above average share of the regional allocation to communities that are considered "high opportunity" areas (their equity criterion) and to communities with large existing excesses of jobs over housing and also good access to public transit (their jobs criterion).

I find the research of Raj Chetty and Sean Reardon at Stanford compelling on the benefits to children in low income families of being in neighborhoods with good schools and social infrastructure like Palo Alto. I also note that council used this evidence as one piece of their Buena Vista decision and funding (the city and county purchased the mobile home park to allow mostly Latino resident to remain with their children in PA schools."

I find this research on the impact of neighborhoods on outcomes and opportunities for low income residents compelling and it points to an above allocation of RHNA totals to communities on the peninsula. I do note that San Jose is in a different position somewhat as it has an excess of workers compared to jobs.

Finally I am attaching the letter Palo Alto Forward submitted to our council (we are currently working on a SVCF grant to broader voices in PA on housing) to show that not all PA residents support minimizing our housing goals.

Stephen Levy

Director Center for Continuing Study of the California Economy

PALO ALTO FORWARD

August 1st, 2020

Re: Item #11, August 3rd - Summary Title: PBA 2050 / RHNA Update

To: Mayor Adrian Fine, and City Council Members

Dear Mayor Fine and Council members,

Palo Alto Forward thanks the staff for the excellent summary of the Bay Area RHNA development process. The material summarized the progress of the ABAG methodology committee discussions regarding allocating the regional total to cities.

As the memo notes, roughly half of the regional allocation is not related to growth but to statutory state requirements, some of which are new to this cycle. I have attached the HCD determination letter so council members can see the contribution of the new factors--reducing the number of overcrowded and cost-burdened households and the contribution of existing factors--moving toward a more "normal" vacancy rate and replacing demolished units as a means to not create a further deficit of housing units.

With regard to the allocation methodology Palo Alto Forward favors the three allocation metrics shown on page 5 of the staff report. These metrics will prioritize communities with access to high opportunity areas and communities with large excesses of jobs versus housing units. Palo Alto Forward supports efforts to increase housing in resource rich cities like ours. The proposal the committee currently favors has a 50% weight for access to high opportunity areas and a 40% weight to job factors including access to transit..

While these allocation factors will result in more units allocated to Palo Alto than the staff proposal, we believe they are the fairest way to allocate new housing. A lower target for Palo Alto will simply shift housing allocations to communities that less meet the equity and job imbalance criteria.

Achieving these goals will be hard for all communities but the Housing Element requirement is to identify sites, zoning and policies to meet the requirements. To that end Palo Alto Forward encourages the council and staff to begin now to think about the Housing Element update, which will require thoughtful and innovative elements no matter what Palo Alto's allocation is.

Gail A. Price

President, Palo Alto Forward Board



CONTRA COSTA
COUNTY MAYORS CONFERENCE
2221 Spyglass Lane, El Cerrito, CA 94530

August 7, 2020

Mayor Jesse Arreguin, Chair
Association of Bay Area Governments
Housing Methodology Committee
375 Beale Street, Suite 700
San Francisco, CA 94105

RE: Support for the **Plan Bay Area 2050** Baseline Data Methodology

Chair Arreguin,

The Contra Costa Mayors Conference, representing all 19 cities in Contra Costa county, wishes to convey our appreciation for the Housing Methodology Committee's work on evaluating housing allocation methodologies for the next RHNA cycle (2023-2031).

We recognize that it is a daunting task, not only because of the collective recognition to provide more housing that is affordable to a wide range of income levels but also because we can't forget that *where* we distribute the 441,176 housing unit assignment by California Department of Housing and Community Development (HCD) to the Bay Area is just as important to the overall quality of life for all residents in the Bay Area.

In light of these considerations, the Contra Costa Mayors Conference supports and endorses the use of **Plan Bay Area 2050** as the baseline data methodology because it is consistent with the decades-long region-wide effort to:

1. **Encourage housing development in proximity to jobs**, which would in turn;
2. **Reduce transit and transportation congestion**, helping to alleviate long region wide commutes; and
3. **Reduce greenhouse gas emissions**, consistent with both AB 32 and SB 375.

It is of great concern to Contra Costa communities that the alternative “2019 Baseline Household” method would *reverse* the decades-long region-wide effort to reduce traffic congestion and GHG emissions through a greater jobs-housing balance. We appreciate your consideration of our perspective and recommendation.

Sincerely,

/Signed/

Gabriel Quinto, Conference Chair
Contra Costa Mayors Conference

Contra Costa Mayors Conference Membership

<i>City of Antioch</i>	<i>City of Oakley</i>
<i>City of Brentwood</i>	<i>City of Orinda</i>
<i>City of Clayton</i>	<i>City of Pinole</i>
<i>City of Concord</i>	<i>City of Pittsburg</i>
<i>Town of Danville</i>	<i>City of Pleasant Hill</i>
<i>City of El Cerrito</i>	<i>City of Richmond</i>
<i>City of Hercules</i>	<i>City of San Pablo</i>
<i>City of Lafayette</i>	<i>City of San Ramon</i>
<i>City of Martinez</i>	<i>City of Walnut Creek</i>
<i>Town of Moraga</i>	



CITY OF
**PALO
ALTO**

OFFICE OF THE CITY MANAGER

250 Hamilton Avenue, 7th Floor
Palo Alto, CA 94301
650.329.2392

Date: August 11, 2020

Housing Methodology Committee (HMC) Members, info@bayareametro.gov
ABAG Regional Housing Needs Allocation Staff, RHNA@bayareametro.gov
Fred Castro, Clerk of the Board, Association of Bay Area Governments,
fcastro@bayareametro.gov

Re: City of Palo Alto Initial Comments on 6th Cycle RHNA Methodology Options

Thank you, Committee members, for your time, expertise and commitment to designing a methodology that fairly distributes housing in our region.

Based upon the review of materials through July 2020, the City of Palo Alto requests that the Housing Methodology Committee **recommend use of the 2019 existing households as a baseline allocation for the RHNA methodology** and continue its review of an appropriate mix of weighted factors using up to a 150% Income Shift multiplier to distribute new housing units across the region.

The alternative baseline approach being considered by the Committee is unattainable for some Bay Area jurisdictions and the imposition of this standard ensures some communities will dramatically fail to meet their housing obligation. While those communities will need to contend with that result, including implications associated with SB35, the risk is also that the region as a whole will produce far less housing than it otherwise could achieve.

Plan Bay Area 2050 is a long range plan that requires significant economic investment and an extraordinary amount of regional policy collaboration to implement its vision. Building a methodology today that is actionable over the next eight years and relies on an idealized model depicting a regional housing distribution thirty years from now ignores the reality that the infrastructure, funding and local regulatory framework is simply not yet present to achieve this goal.

Palo Alto supports the regional efforts of Plan Bay Area 2050 and commends agency leadership and staff for their tireless work to create a framework for our future. Palo Alto is a partner in this endeavor and recognizes its role to stimulate more housing – especially more equitable and inclusive housing for all. At the same time, Palo Alto cannot reasonably be expected to increase its housing supply by more than 50% over the next eight years, as would be required under some early modeling results that use the Draft Blueprint as a baseline.



CityOfPaloAlto.org

There will be three and a half regional housing need cycles before the region meets the horizon year of Plan Bay Area 2050. It is imperative that the RHNA methodology be used to shift local policies toward a more inclusive and better balanced future to achieve housing equity and environmental goals. This RHNA methodology needs to bridge where we are today as a region with where we want to go tomorrow.

Using the 2019 existing households as a baseline reflects where we are today, shares the responsibility for adding more housing units throughout the region and is consistent with, but not dependent upon Plan Bay Area 2050. Moreover, weighted factors can be used that stretch communities toward our housing, transportation and environmental goals.

Thank you for your consideration,

DocuSigned by:
Ed Shikada
F2DCA19CCC8D4F9...

Ed Shikada, City Manager

August 6, 2020

Dear ABAG Housing Methodology Committee,

We thank the members of the ABAG Housing Methodology Committee for undertaking the challenging work to develop a fair methodology for the Regional Housing Needs Allocation for the Bay Area region.

In this statewide housing crisis where many residents are spending 30% or more of their income on housing, are spending long hours commuting from more affordable outlying areas, or uprooting to other states, your methodology can be foundational to both increasing the Bay Area's housing supply and providing our residents with improved quality of life in a more balanced, equitable manner.

We request that the Committee strongly factor the significant imbalance among cities throughout our region as it refines the RHNA methodology. Many of our neighboring cities have 2.5 or 3.0 jobs per employed residents. As long as other Bay Area cities undersupply housing relative to their job base, our region will continue to struggle with traffic congestion and the accompanying air quality and quality of life issues. Now more than ever, a collective vision for our region should be one where more workers have the opportunity to live and prosper within the community in which they work.

The City of San José has and continues to proactively plan for the housing needs of the existing and future residents of our community. The Envision San Jose 2040 General Plan provides a policy framework to accommodate growth by adding 120,000 new residences by 2040. These residences are planned in densified mixed-use, walkable urban villages, located on transit lines, close to and often integrated with jobs-based development and the services and amenities that residents need. This approach not only reduces vehicle miles traveled and greenhouse gas emissions but supports an improved quality of life and placemaking.

For the nearer term, the San José City Council approved a Housing Crisis Workplan to support a goal of 25,000 new homes, with at least 10,000 of those affordable, to be constructed or entitled by 2022. A multi-department Housing Catalyst Team has been established to craft needed policy and ordinance changes that will drive this housing development.

While San José is being proactive to plan and build new housing for all income levels, we are also planning for significant job growth to become a more balanced city. Unlike the other cities in Silicon Valley, San José has significantly fewer jobs than employed residents. With only 0.82 jobs per employed resident, San José is in fact the largest "bedroom community" in the United States. Of the nation's 20 largest cities, San José is the only one with a larger nighttime population of residents than daytime population of employees.

Letter to ABAG Housing Methodology Committee
August 6, 2020
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This imbalance has resulted in significant negative impacts to the region's environment, residents' quality of life, and San Jose's fiscal stability. Rather than improving, San José's imbalance relative to other South Bay cities grew more extreme during the economic expansion of the last ten years, as the other cities became even more jobs-rich and housing-poor.

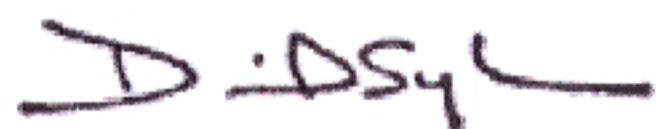
While the environmental and quality of life issues are easily apparent to anyone traveling within Silicon Valley, the less visible fiscal impacts are equally as serious and have resulted in the City facing consistent budgetary challenges even during economic expansions. To illustrate the imbalance, Attachment A displays sales tax per capita during 2018-2019 for San José, neighboring cities, and the State of California. Having a disproportionate share of the housing in the South Bay – at the expense of net positive industrial/commercial land uses – has left San Jose with significantly less revenue per capita to address the very real needs of our diverse community. Even during the height of the recent economic expansion, San Jose struggled to add back services and resources cut during the last recession. As an example, the 2019-2020 budget included 6,647 full-time equivalent (FTE) positions, 11% below the peak of 7,481 FTE in 2001-2002 when San José's population was 12% lower than it is now.

The Bay Area and South Bay need to address the housing crisis but should not do so in a way that further impacts the ability of cities like San Jose to fund critical city services for its residents. We want more of our residents to be able to work in San José – a goal that all cities should embrace in order to reduce commutes, traffic congestion, greenhouse gas emissions, poor air quality, and poor well-being.

We oppose the use of the Plan Bay Area 2050 Blueprint as either a factor or the baseline allocation for RHNA. Despite the Blueprint's effectiveness at promoting equity and improving the jobs-housing balance across the region, it does neither in the context of RHNA. By focusing on South Bay job centers, it allocates more housing to San Jose and ignores cities elsewhere in the region that have undersupplied housing relative to their current job base. This imbalance in the location of housing has contributed to the Bay Area's housing crisis and reinforcing this disparity will not move us toward a more equitable and sustainable future.

Thank you for consideration of our perspective as you move forward with your important work.

Sincerely,



David Sykes
City Manager

Sales Tax Per Capita

Source: Avenu Insights April 2018-March 2019 Sales Period: Benchmark Year 2019 Q1

