



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

From: [Kevin Jackson](#)
To: [MTC-ABAG Info](#)
Cc: [Sara Lillevand](#)
Subject: RHNA Methodology and Subregional Shares
Date: Wednesday, January 13, 2021 4:46:55 PM
Attachments: [2020-11-25 ABAG RHNA Methodology Comment Letter.pdf](#)

External Email

Dear ABAG Regional Planning Committee,

The City of Piedmont wishes to re-submit the attached letter, first sent on November 25, 2020, to the Regional Planning Committee regarding items 6 and 7 of your January 14, 2021 meeting agenda. Although Piedmont City staff has met with ABAG-MTC staff since the writing of the letter, the information requested in the letter has not been provided, and the City of Piedmont's concerns have not been addressed. Please consider the points raised in our letter as you consider the actions proposed for items 6 and 7 of the January 14, 2021 meeting agenda, and reduce the proposed 2050 households and RHNA for the City of Piedmont accordingly.

We wholeheartedly support the need for a diverse, sustainable, affordable and vibrant Bay Area. It is important that the housing units allocated in the RHNA process have a realistic chance of being constructed. The City of Piedmont urges the Regional Planning Committee to consider feasibility so that housing units are constructed in all jurisdictions and all Bay Area residents have a reasonable chance to have access to housing.

Sincerely,

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CITY OF PIEDMONT CALIFORNIA

November 24, 2020

Public Information Office
ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION
375 Beale Street Suite 800
San Francisco, CA 94105

SUBJECT: Proposed RHNA Methodology and Sub-Regional Shares

Dear ABAG/MTC Colleagues:

Thank you for the opportunity to comment on the proposed Regional Housing Needs Allocation (RHNA) methodology. This letter supplements comments previously submitted by the City of Piedmont to the Housing Methodology Committee and the ABAG Executive Board. We continue to have concerns about the methodology and its outcomes, as well as the process for soliciting and responding to comments on the draft allocations.

This letter focuses on five specific points:

1. Insufficient data has been provided to demonstrate that the RHNA is consistent with the Plan Bay Area 2050 Draft Blueprint
2. The “2050 Household Baseline” is not an appropriate starting point for the allocations, and unintentionally directs growth to cities with physical capacity and natural hazard constraints
3. The proposed methodology has a disproportionate impact on smaller cities, many of which are not expected to generate significant employment during the planning period
4. The Draft RHNA numbers appear to be fundamentally inconsistent with State goals to reduce Vehicle Miles Traveled and greenhouse gas emissions, improve air and water quality, preserve agricultural land, and focus development away from areas with high wildfire risks
5. The Draft RHNA numbers do not appear to support equity goals, as they assign “above market rate” housing to affluent jurisdictions to a far greater extent than the last three RHNA cycles

Finally, our letter presents a revised approach to the RHNA that better reflects land capacity constraints and projected growth patterns, while still considering the direction provided by the Housing Methodology Committee. As appropriate, our letter references the October 2020 [RHNA Methodology Report](#) posted to the ABAG-MTC website.

In the pages below, we provide a discussion of our concerns.

1. Insufficient data has been provided to demonstrate that the RHNA is consistent with the Plan Bay Area 2050 Draft Blueprint.

SB 375 requires that the RHNA is consistent with the Sustainable Communities Strategy. In other words, consistency between the 2023-2031 RHNA and the Plan Bay Area 2050 Draft Blueprint (PBA 2050) is statutorily required. Page 13 of ABAG's RHNA methodology report concludes that the two documents are consistent based on the fact that the 8-year RHNA's do not exceed the 35-year (2015-2050) growth forecasts for sub-regions in the Bay Area.

This conclusion is flawed on two levels. First, the 35-year forecast period is more than four times the length of the 8-year RHNA time horizon. It is irrational to conclude that a RHNA can be deemed consistent with the SCS if it presumes a sub-regional growth rate that is four times higher than the forecast for that area.

Second, and more importantly, there is no way to evaluate consistency without jurisdiction-level forecasts for the region's 101 cities. Consistency at a sub-regional level is meaningless, as sub-regions do not have the authority to write, adopt, or implement Housing Elements. This responsibility rests with cities and counties alone. Sub-regions contain jurisdictions with vastly different populations, employment bases, geographies, hazard levels, and physical constraints. Lumping dissimilar cities together as sub-regions in PBA 2050, and then assigning growth at the city-level through the RHNA process, makes it impossible to determine consistency between the two processes.

We urge ABAG to publish jurisdiction-level forecasts for PBA 2050 so that consistency can be accurately and transparently determined. If the 2040 forecasts are used as a proxy, the RHNA appears grossly inconsistent with the forecasts for many jurisdictions, including our own.

In Piedmont's case, the Draft RHNA is approximately 600 units for an eight-year period. Based on our communication with ABAG, the PBA 2050 growth forecast for Piedmont is approximately 60 units. This means we are being asked to plan for ten times more housing in the next eight years than our community is expected to add in the next 30 years. This is not only inconsistent, it is illogical and not consistent with good planning practices.

Unfortunately, our ability to make a conclusive assessment of the discrepancy between RHNA and growth forecasts is hampered by the absence of any published data on PBA 2050 jurisdiction-level forecasts. We have requested this data several times but it has not been provided.

2. The "2050 Household Baseline" is not an appropriate starting point for the allocations and unintentionally directs growth to cities with physical capacity and natural hazard constraints.

As we have expressed in our prior letters to the Housing Methodology Committee and Executive Board, and as you have heard from dozens of other cities in the region (including all 18 cities in Contra Costa County and most cities in Alameda County), the use of a 2050 Households Baseline is fundamentally flawed. This baseline has been characterized as a "middle ground"

between two completely different methods. In fact, it is not a “middle ground”—it is merely a variation of the less logical of the two methods.

A true “middle ground” would be to use a weighted average that considers both the jurisdiction’s share of the region’s population in 2050 *and* its anticipated growth over the next 35 years. Instead, the baseline only considers what percentage of the region’s households will reside in each jurisdiction in 2050. This approach does not recognize land capacity constraints or the physical and economic realities of the region’s growth patterns—factors which *are* recognized by Blueprint 2050.

The result of the baseline selected by ABAG is that older residential communities, many of which have experienced slow growth over the last 50 years due to physical constraints are receiving disproportionately large allocations. We completely agree that these jurisdictions must grow and accommodate a larger share of the RHNA than they have in the past. However, the assignments should bear some relationship to the growth capacity of each city, as expressed by the Blueprint.

In Piedmont’s case, the city is 1.7 square miles and landlocked. The City’s vacant land supply consists of roughly 60 very steep single-family lots, many of which are served by substandard streets with inadequate emergency vehicle access. The entire city has been designated a Wildland Urban Interface zone. There are 3.4 acres of commercially-zoned land in the City, all of which is fully developed. Seventy percent of the City’s housing stock was built before 1940. The City’s only major employers are the School District and the City itself. Prior forecasts actually show employment in the City declining in the next 20 years.

Previous RHNAs for Piedmont appropriately recognized these constraints. The currently proposed RHNA does not. The proposed 600-unit allocation is 917 percent higher than the 2015-2023 allocation and bears no relationship to capacity constraints. Simply because a city has 1/1000th of the region’s population does not mean it should be assigned 1/1000th of the region’s RHNA. Yet, that is effectively what the baseline does.

3. The proposed methodology has a disproportionate impact on smaller cities, many of which are not expected to generate significant employment during the planning period.

Smaller cities appear to be disproportionately impacted by the methodology selected by ABAG. Many of these cities lack the infrastructure, services, and land to accommodate the number of units they are being assigned. Moreover, many of these cities are not job centers, nor are they expected to add significant numbers of jobs in the future.

There are currently 30 cities in the Bay Area with populations under 15,000. Piedmont is one of them. At least half of these 30 cities have RHNA numbers that are more than ten times larger than the 20-year household growth increment previously projected for these communities by Plan Bay Area 2040.¹ Most of these cities are also facing RHNA numbers that are many times larger than their prior allocations—in some cases up to 20 times higher.

¹ Atherton, Brisbane, Half Moon Bay, Hillsborough, Portola Valley, Woodside, Los Altos Hills, Monte Sereno, Yountville, Belvedere, Corte Madera, Larkspur, Mill Valley, Ross, Sausalito, Tiburon, and Piedmont

By contrast, the region's largest cities and major job centers are receiving proportionally smaller increases in their RHNAs. It is counterintuitive that cities with the greatest capacity for growth, and the most ambitious plans to add jobs, are receiving RHNAs that are well below their 35-year growth forecasts while small cities with limited transit, infrastructure, and high natural hazards are receiving RHNAs ten to twenty times higher than they have seen in the past.

4. The Draft RHNA numbers are fundamentally inconsistent with State goals to reduce Vehicle Miles Traveled and greenhouse gas emissions, improve air and water quality, preserve agricultural land, and shift development away from areas with high wildfire risks.

As a result of its reliance on the 2050 household baseline rather than a growth-increment baseline, the RHNA reinforces historic patterns of urban sprawl and directs disproportionately large amounts of growth to rural and unincorporated areas. This is especially apparent in Alameda and Contra Costa Counties. The proposed 8-year RHNA for unincorporated Alameda and Contra Costa Counties is more than 10,000 units. Had ABAG used a methodology based on growth increments, the total would have been less than half this number. The RHNA further appears to direct thousands of new housing units into the most fire-prone communities in the Bay Area, including unincorporated Marin, Napa and Sonoma Counties. Wildland Urban Interface cities like Piedmont also receive disproportionately large numbers relative to cities with lower hazard levels.

Whereas Blueprint 2050 correctly and appropriately directs the region's growth toward urban centers, transit nodes, job hubs, and Priority Development Areas, the draft RHNA appears to do just the opposite. Cities in Santa Clara County, the fastest growing job center in the region, have comparatively lower increases in their RHNAs than cities in the East Bay and North Bay. Marin County, which according to Blueprint 2050 will lose 11 percent of its employment base in the next 30 years, experiences some of the largest increases in local RHNAs in the Bay Area. This is counterintuitive.

The assignment of high RHNAs to low-growth cities and unincorporated areas rather than to the region's growth centers appears to run counter to SB 375, AB 32, SB 743, and many other bills aimed at reducing greenhouse gas emissions and vehicle miles traveled. VMT will not decrease and GHG targets will not be met if housing is built in areas where little to no job growth is expected. We question why job centers and transit-rich locations such as San Jose and Oakland have proposed RHNA's that are roughly 80 to 90 percent higher than the prior cycle while small cities with little to no employment growth have RHNAs that are increasing by 500 to 1000 percent.

The discrepancies can largely be traced to the flawed baseline. If not corrected, the outcome will be in direct conflict with numerous State initiatives.

5. The Draft RHNA numbers do not appear to support equity goals, as they assign “above market rate” housing to affluent jurisdictions to a far greater extent than the last three RHNA cycles.

We applaud ABAG’s efforts to develop a RHNA that is more equitable and assigns affluent communities more responsibility for accommodating the region’s housing needs. We fully support the application of weighting factors that shift a greater share of the responsibility for providing lower income housing to “high opportunity areas.” However, if the weighting factors are applied to a baseline that is radically inflated for these communities, the outcome will be the opposite of what is intended.

In Piedmont’s case, our prior (2015-2023) RHNA was appropriately weighted toward production of low and very low income units. Roughly 63 percent of our City’s allocation during the 2015-2023 cycle was for low and very low income units. Only 12 percent of our allocation was for above-moderate income units. This allowed the City to focus its Housing Element on strategies to construct affordable multi-family housing and rent-restricted accessory dwelling units.

The proposed 2023-2031 RHNA for Piedmont inexplicably shifts the focus to moderate and above moderate income units. In fact, the City’s “above moderate” income assignment increases from seven units (2015-2023) to 243 units (2023-2031), an increase of almost 3,500 percent. As a percentage of the total RHNA, “low” and “very low” income housing drops from 63 percent to 44 percent. While the total number of low and very low income units still goes up substantially, the implied message is that the City must significantly increase its production of market-rate housing.

Given market economics in Piedmont, it would seem more logical to significantly reduce the total RHNA number while increasing the share of units that should be affordable.

A Better Way Forward

In closing, we wish to offer a proposed alternate approach to calculating the RHNA. We believe there is a “win-win” solution that incorporates the good work and enormous effort undertaken thus far by ABAG staff, the Housing Methodology Committee, and the other ABAG Boards that have considered this matter. We encourage you to take the following steps:

1. Publish the jurisdiction-level forecasts for Plan Bay Area 2050. Ensure that no individual city (or unincorporated county) in the Bay Area is assigned an 8-year RHNA that exceeds their 35-year growth forecast. This process needs to be transparent and this data needs to be made available for review by all local governments.
2. Recalibrate the RHNA using a baseline that represents a true “middle ground” between the two baselines that were considered by the Housing Methodology Committee. This baseline should be a weighted average between the two approaches that were initially considered. We suggest that:

- 30 percent of the baseline should be based on the “Blueprint 2050 Household” figures (i.e., the currently proposed baseline)
- 70 percent should be based on the 35-year growth increment for each jurisdiction as calculated in the PBA 2050 Blueprint forecasts.

It is imperative that the projected growth increment for each city be considered in the methodology. This is the only way to reliably ensure consistency with regional plans, reduce VMT and GHG emissions, balance job and household growth, and recognize land capacity constraints in the assignment of the RHNA.

3. Once growth allocations are made, place a greater weight on equity and income factors so that more affluent communities are assigned higher shares of low and very low income housing. These numbers become much more attainable when they are calculated as a share of a more realistic RHNA.

If the above steps are taken for Piedmont, we believe our RHNA would be approximately 200 units. This would represent a 233 percent increase over our prior RHNA, which is substantially higher than the 134 percent increase for the nine-county Bay Area. Approximately 60 to 65 percent of this target should be for low and very low income units (rather than the 44 percent proposed by ABAG). Achieving this target in eight years would be extraordinarily difficult but would at least be possible.

By contrast, a 917 percent increase in our RHNA, as proposed by ABAG, is not at all realistic. This is largely due to factors beyond the City’s control, such as the regional economy and real estate market, infrastructure, physical constraints, absence of redevelopable land, natural hazards, and fiscal considerations. The enormity of the proposed allocation defeats the intent of the RHNA and the purpose of the Housing Element itself.

On behalf of other small, land-constrained communities throughout the Bay Area, we hope you will consider our comments and alternative approach. We believe this would be a fairer and more equitable way to meet the region’s housing needs, and provide a more realistic and productive path forward.

Please do not hesitate to contact me if you have questions or would like to discuss this letter further.

Sincerely,

CITY OF PIEDMONT



Sara Lillevand
City Administrator

cc: City Council
ABAG Regional Housing Needs Allocation Staff, via RHNA@bayareametro.gov

City of Piedmont
Comments on Proposed RHNA Methodology

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

From: [Regional Housing Need Allocation](#)
To: [Fred Castro](#)
Cc: [Gillian Adams](#)
Subject: FW: Comment Letter to RPC re: RHNA
Date: Wednesday, January 13, 2021 1:44:51 PM
Attachments: [Follow-Up_Housing Justice RHNA Methodology Comment Letter_1.13.2021.pdf](#)
[8A_Equity Adj_Methodology Comment Letter_11.24.2020.pdf](#)

Dave Vautin, AICP
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BAY AREA METRO | BayAreaMetro.gov
Metropolitan Transportation Commission
Association of Bay Area Governments

From: Shajuti Hossain <shossain@publicadvocates.org>
Sent: Wednesday, January 13, 2021 9:55 AM
To: MTC-ABAG Info <info@bayareametro.gov>
Cc: Skjerping, Lars <LSkjerping@cityofberkeley.info>; Marcus, Justine <jmarcus@enterprisecommunity.org>; Rodney Nickens Jr <rodney@nonprohousing.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>
Subject: Comment Letter to RPC re: RHNA

External Email

Dear President Arreguín and ABAG Regional Planning Committee,
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. There are now 23 racially and economically exclusive jurisdictions that will not receive their fair share of affordable allocations, compared to 17 jurisdictions under the draft PBA projections. **This bolsters our support for the Equity Adjustment to ABAG's proposed RHNA methodology 8A in order to substantially meet the statutory objective for affirmatively furthering fair housing.**

Please see our full comment letter with signatures attached.
Thank you,
Shajuti Hossain

Shajuti Hossain
LAW FELLOW, METROPOLITAN EQUITY TEAM
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January 13, 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, ABAG Regional Planning Committee, 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. These illustrative allocations show that under the proposed RHNA methodology, there are now 23 racially and economically exclusive jurisdictions that are not receiving their fair share of affordable allocations, compared to 17 jurisdictions before the updates were made to PBA (here, “racially and economically exclusive” jurisdictions are those that ranked above the regional average on a composite score for racial divergence and high income). **This bolsters our support for the Equity Adjustment to ABAG’s proposed RHNA methodology 8A in order to substantially meet the statutory objective for affirmatively furthering fair housing.**

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, which assesses 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, must continue to scrutinize 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 **23** (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 **3,245** (previously 3,003) more affordable homes to these jurisdictions will ensure that this proportional threshold is met throughout the region. These under-allocations comprise 1.8% 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 almost **half** 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 23 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. 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 Turner Center, including Clayton, Ross, Atherton, Hillsborough, Gilroy, Los Altos Hills, and Monte Sereno.⁴ **In these communities, even an increase of, for example, 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). [Turner 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. (Housing Methodology Committee Member), *Non-Profit Housing Association of Northern California*

Jeff Levin (Housing Methodology Committee Member), *East Bay Housing Organizations*,

Debra Ballinger, *Monument Impact*

Matt King, *Sacred Heart Community Service*

Laura Hall and Welton Jordan (Housing Methodology Committee 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*

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*

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Zarina Kiziloglu, *Pleasanton Housing Commissioner*