



City of Monte Sereno

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January 07, 2021

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

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

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

Dear ABAG Executive Team:

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

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

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

Background

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

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

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

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

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

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

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

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

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

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

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

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

Conclusion

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Shawn Leuthold', with a stylized, flowing script.

Shawn Leuthold, Mayor
City of Monte Sereno