

TO: ABAG Administrative Committee  
FROM: Therese W. McMillan, Executive Director  
SUBJECT: City of San Ramon Appeal of Draft RHNA Allocation and Staff Response

DATE: September 29, 2021

## OVERVIEW

**Jurisdiction:** City of San Ramon

**Summary:** City of San Ramon requests the decrease of its Draft RHNA Allocation by 1,450 units (28 percent) from 5,111 units to 3,661 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.
  - Distribution of household growth assumed for Plan Bay Area 2050.
- 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.

**Staff Recommendation:** Deny the appeal.

## BACKGROUND

### Draft RHNA Allocation

Following adoption of the Final RHNA Methodology on May 20, 2021, the City of San Ramon received the following draft RHNA allocation on May 25, 2021:

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
City of San Ramon	1,497	862	767	1,985	5,111

### Local Jurisdiction Survey

The City of San Ramon 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 City of San Ramon. [All comments received](#) are available on the ABAG website.

## ANALYSIS

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**Issue 1:** *The City argues that ABAG failed to adequately consider information submitted in the Local Jurisdiction Survey regarding the existing and projected jobs and housing relationship in San Ramon. San Ramon claims the adoption of the CityWalk Master Plan in August 2020 results in the Plan Bay Area 2050 Final Blueprint and RHNA Methodology using outdated and incorrect jobs projections. San Ramon also asserts its projected loss of jobs as well as decreased transit service during COVID impact the data used for Job Proximity – Transit factor in the RHNA Methodology, and the City believes this change in circumstances requires a reduction in San Ramon’s RHNA to improve jobs-housing balance.*

**ABAG-MTC Staff Response:** As noted in the City’s appeal, the only mention of the Bishop Ranch project in San Ramon’s survey response is the following statement: “Opportunities are being reviewed with the Bishop Ranch City Center Mixed Use project for up to 4,500 housing units near existing jobs and transportation networks.”<sup>1</sup> However, San Ramon’s Local Jurisdiction Survey makes no mention of the potential impacts of this redevelopment on the number of jobs in the City, so ABAG could not have incorporated the information that San Ramon asserts the RHNA methodology fails to consider.

Regardless, staff have determined that Plan Bay Area 2050 and the RHNA Methodology adequately incorporate the Bishop Ranch City Center Mixed Use project/CityWalk Master Plan cited in the appeal. This area is within a locally designated Priority Development Area; Priority Development Areas are one of the Growth Geographies in Plan Bay Area 2050. The Plan Bay Area 2050 Final Blueprint includes specific assumptions about increases in allowable density and intensity of future residential and commercial development that are regionally applied to Growth Geographies based on transit access and resource level in alignment with Board-adopted strategies. The RHNA Methodology incorporates the total year 2050 households forecast from the Plan Bay Area 2050 Final Blueprint as the RHNA Methodology’s baseline allocation, and so San Ramon’s RHNA allocation reflects housing growth targeted in the CityWalk Master Plan area. Plan Bay Area 2050 includes strategies that encourage the transformation of vacant commercial sites into neighborhoods, so in contrast to San Ramon’s arguments in its appeal, an expected decline in jobs could lead to an increase in forecasted housing in the Final Blueprint.

The information provided in the City’s appeal fails to prove that inaccurate and outdated data was used for the RHNA Methodology’s Job Proximity – Transit factor. The Job Proximity factors are based on the number of jobs observed in 2015. Per Government Code Section 65584.04(3), the RHNA Methodology should use “information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.” When the RHNA

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<sup>1</sup> A copy of San Ramon’s survey response is available on ABAG’s website:  
[https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG\\_RHNA\\_Local\\_Jurisdiction\\_Surveys\\_Received.pdf](https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG_RHNA_Local_Jurisdiction_Surveys_Received.pdf)

Methodology was developed by the Housing Methodology Committee in 2020, ABAG used MTC's readily available data on job proximity by transit.<sup>2</sup> ABAG is not aware of any other data source on job proximity by transit for the Bay Area that existed at the time in a format that was comparable throughout the region.

Thus, assumptions about future changes in jobs have no impact on the RHNA Methodology's factors nor the baseline allocation derived from the Plan Bay Area 2050 Final Blueprint. Staff thus concludes that the information submitted by San Ramon does not provide evidence that the RHNA methodology used incorrect data, nor does this information represent a change in circumstances meriting a revision of the City's RHNA.

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."<sup>3</sup>

Potential impacts of COVID-19, including accelerated shift toward telecommuting and the associated economic boom/bust cycle, are incorporated into the Final RHNA Methodology through integration of the Plan Bay Area 2050 Final Blueprint. It is also important to remember that 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 current cuts to transit service cited by the City in its appeal are unlikely to be permanent, with transit agencies planning to restore services in the coming months and years. The jurisdiction has not provided evidence to suggest that COVID-19 reduces the jurisdiction'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 jurisdiction's housing need has been disproportionately impacted relative to the rest of the Bay Area.

***Issue 2:*** *The City states that it has had two annexations since 2016 and it is unclear whether these annexations were included in the Plan Bay Area 2050 Final Blueprint and the resulting baseline allocation for the RHNA Methodology.*

**ABAG-MTC Staff Response:** Annexation DV 17 was already included in all modeling for the Plan Bay Area 2050 Final Blueprint. In contrast, the annexation for DV 18 was finalized by the San

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<sup>2</sup> For more information on this methodology factor, see page 18 of the Draft RHNA Plan on ABAG's website: [https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG\\_2023-2031\\_Draft\\_RHNA\\_Plan.pdf](https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG_2023-2031_Draft_RHNA_Plan.pdf)

<sup>3</sup> See [HCD's comment letter on appeals](#) for more details.

Ramon City Council in October 2020, which occurred after the September 2020 Commission and ABAG Executive Board action to initiate modeling of the Plan Bay Area 2050 Final Blueprint. Thus, this area was included as part of unincorporated Contra Costa County in the Final Blueprint. The County also cited the annexation of DV 18 as grounds for an appeal. However, while the annexation was not capturing when calculating jurisdictional baselines for RHNA, the Final Blueprint did not forecast any households in this area in 2050, so a shift of jurisdictional responsibility from the County to San Ramon would have no impact on either jurisdiction's RHNA allocation.

***Issue 3:*** *The City argues that the High Resource Area Growth Geographies in the Plan Bay Area 2050 Final Blueprint do not adequately consider land use constraints and development feasibility, and so the RHNA assigned to San Ramon is an overestimation of the City's ability to accommodate growth.*

***ABAG-MTC Staff Response:*** 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. These feasibility and cost assessments are used to forecast San Ramon's share of the region's households in 2050, which is an input into its RHNA allocation.

However, 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 Blueprint. Thus, the RHNA methodology adequately considers the development constraints raised in this appeal, but the allocation to San Ramon also reflects both existing and future housing demand in the Bay Area.

Importantly, 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.”<sup>4</sup>*

Per Government Code Section 65584.04(e)(2)(B), the City of San Ramon must consider the availability of underutilized land, opportunities for infill development and increased residential densities to accommodate its RHNA. While the City asserts that its High Resource Area Growth Geography is built out, 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 more housing.<sup>5</sup> Furthermore, directing growth to High Resource Areas and other Growth Geographies is essential for addressing the policy priorities required for Plan Bay Area 2050 and RHNA, including promoting efficient development patterns, reducing greenhouse gas emissions, and affirmatively furthering fair housing.

## **RECOMMENDED ACTION**

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ABAG-MTC staff have reviewed the appeal and recommend that the Administrative Committee **deny** the appeal filed by City of San Ramon to reduce its Draft RHNA Allocation by 1,450 units (from 5,111 units to 3,661 units).

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<sup>4</sup> See [HCD's comment letter on appeals](#) for more details.

<sup>5</sup> See HCD's [Housing Element Site Inventory Guidebook](#) for more details on the various methods jurisdictions can use to plan for accommodating their RHNA.