

TO: ABAG Administrative Committee DATE: October 15, 2021
 FROM: Therese W. McMillan, Executive Director
 SUBJECT: Town of San Anselmo Appeal of Draft RHNA Allocation and Staff Response

OVERVIEW

Jurisdiction: Town of San Anselmo

Summary: Town of San Anselmo requests the decrease of its Draft RHNA Allocation by 558 units (67 percent) from 833 units to 275 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.
 - Sewer or water infrastructure constraints for additional development due to laws, regulatory actions, or decisions made by a provider other than the local jurisdiction.
 - Availability of land suitable for urban development or for conversion to residential use.
 - Distribution of household growth assumed for Plan Bay Area 2050.
 - The region’s greenhouse gas emissions targets to be met by Plan Bay Area 2050.
- A significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted in the Local Jurisdiction Survey.

Staff Recommendation: Deny the appeal.

BACKGROUND

Draft RHNA Allocation

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

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Town of San Anselmo	253	145	121	314	833

Local Jurisdiction Survey

The Town of San Anselmo 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 and there were 10 comments that specifically relate to the appeal filed by the Town of San Anselmo. All 10 comments oppose the Town's appeal. [All comments received](#) are available on the ABAG website.

ANALYSIS

Issue 1: *The Town of San Anselmo raises Constitutional arguments and asserts that the RHNA Appeals Procedures improperly limited the bases of appeal and that ABAG did not provide adequate data to jurisdictions to verify data or calculations used to generate the draft RHNA and, as a result, jurisdictions are unable to verify if the methodology has been applied correctly.*

ABAG-MTC Staff Response: ABAG developed the RHNA Appeals Procedures, including the limitations placed on the bases to appeal, in accordance with applicable law and principles of administrative due process and responds to the substance of each of the Town's arguments below. As noted, ABAG has provided local jurisdictions with the data related to the final RHNA methodology.

ABAG-MTC provided local jurisdiction staff with access to the underlying data for the Plan Bay Area 2050 Final Blueprint forecast that determines the RHNA methodology's baseline allocation. Both the land use modeling results and the inputs used to produce them have been made available to local staff. In fall 2019 ABAG-MTC staff collected local development policy data (i.e., information about zoning and general plans) from local jurisdictions for use in Plan Bay Area 2050 forecasting and modeling.¹ Local jurisdiction staff had several months to review and correct their land use and development pipeline data.² Jurisdictions then had an opportunity to review the growth pattern for the Draft Blueprint in summer 2020 and prior to the adoption of the Final Blueprint in January 2021, with office hours available to local jurisdictions to discuss model inputs and forecasted growth from the Bay Area UrbanSim 2.0 model. Additionally, the modeling assumptions for Plan Bay Area 2050 are documented in the *Draft Forecasting and*

¹ To learn more about these datasets, visit this website: <https://basis.bayareametro.gov/>.

² Communications to local staff about BASIS and review of Plan Bay Area 2050 baseline data included the following:

- Invitation to a webinar on August 6, 2019 about BASIS and how baseline information would be gathered for use in Plan Bay Area 2050.
- Email on August 26, 2019 asking staff to identify someone to review jurisdiction's baseline data in fall 2019.
- [Videos](#) to assist local staff with the data review process were made available on YouTube.
- Email on October 4, 2019 to jurisdictions who had not identified a staff contact to review BASIS land use data.
- Email reminder on October 29, 2019 to local staff about the BASIS data review process.
- Email to Bay Area planning directors on July 10, 2020 about office hours where local staff could have a one-on-one consultation with ABAG-MTC staff to provide feedback on the Plan Bay Area 2050 Draft Blueprint or BASIS.
- Additional office hours were held in December 2020 to discuss Plan Bay Area 2050 Final Blueprint outcomes and the draft RHNA methodology.

Modeling Report published in May 2021 and the *Final Forecasting and Modeling Report* published in October 2021.³ While only county and sub-county projections are used for the purposes of Plan Bay Area 2050, the jurisdiction-level totals of households in 2050 produced by the Final Blueprint forecast were then provided for use as the baseline allocation for the RHNA Methodology, in the Proposed Methodology report (October 2020), Draft Methodology report (February 2021), and the Draft RHNA Plan report (May 2021). Local jurisdictions, stakeholders, and the public at-large also had access to an online tool enabling them to compare RHNA baseline options, as well as factors and weights, during the Housing Methodology Committee (HMC) process to develop the RHNA methodology throughout 2020.

All relevant data and calculations for the RHNA Methodology are available in the [Draft RHNA Plan](#). Pages 15-21 of the report provide information about the data sources used and describe the steps in calculating the draft RHNA allocations. The specific information for each jurisdiction is shown in the report's appendices. As Plan Bay Area 2050 does not include growth forecasts at the jurisdiction level, the first column in Appendix 4 shows the information from the Plan Bay Area 2050 Final Blueprint that is relevant to the RHNA methodology, namely each jurisdiction's share of the region's total households in 2050 (baseline allocation). The other data in Appendix 4 shows the raw score for each factor, the scaled factor score for each factor, and the impact that each factor has on each jurisdiction's baseline allocation from the Plan Bay Area 2050 Final Blueprint.

Appendix 5 shows the number of units, by income category, that each jurisdiction receives as a result of each factor in the methodology. Although the numbers presented in these tables are rounded to a single decimal point, the calculations were done using un-rounded numbers. ABAG-MTC staff provided access to a jurisdiction's un-rounded baseline allocation through the public open-source RHNA calculations posted on GitHub.⁴ Appendix 6 demonstrates how the Equity Adjustment is applied, and includes each jurisdiction's information for the adjustment's composite score.

Issue 2: *The Town claims that ABAG's Local Jurisdiction Survey did not request information related to two of the statutory factors: each member jurisdiction's existing and projected jobs and housing relationship, as described in Government Code Section 65584.04(e)(1), and the distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure, as described in Government Code Section 65584.04(e)(3). The Town believes that the lack of Local Jurisdiction Survey questions related to these topics prevented jurisdictions from submitting the relevant information for consideration during the methodology development process.*

³ For more details, see the [Plan Bay Area 2050 Draft Forecasting and Modeling Report](#) and the [Plan Bay Area 2050 Final Forecasting and Modeling Report](#).

⁴ Source: https://github.com/BayAreaMetro/regional-housing-needs-assessment/blob/master/RHNA/data/juris_baselines.xlsx

ABAG-MTC Staff Response: Government Code Section 65584.04(b) requires ABAG to survey its member jurisdictions to request information related to the factors listed in Government Code Section 65584.04(e). The Town argues that ABAG did not include a survey question related to the factor described by Government Code Section 65584.04(e)(1), which states *“Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.”*

As the Town notes in its appeal, the Local Jurisdiction Survey included several questions (Questions 1 through 6) that specifically address the statute’s emphasis on information related to the number of low-wage jobs within a jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers (also known as jobs-housing fit).⁵ This included providing relevant data to help local jurisdiction staff in answering questions about jobs-housing fit. As Government Code Section 65584.04(e)(1) specifies low-wage jobs and housing affordable to low-wage workers in its description of the jobs-housing relationship, ABAG-MTC staff believe the Local Jurisdiction Survey questions fulfilled the statutory requirement. In the interest of trying to minimize the number of questions requiring local staff input, ABAG-MTC staff did not focus on requests for information that could readily be obtained by other available sources, such as the U.S. Census.

Furthermore, Questions 51 through 53 in the Local Jurisdiction Survey were general, open-ended questions that provided local staff with the opportunity to submit comments and emphasize factors that ABAG should incorporate in the RHNA methodology. These questions provided the Town with additional opportunities to submit information related to the jobs-housing relationship in San Anselmo if San Anselmo staff did not believe the opportunities to comment on this topic in Questions 1 through 6 were adequate.

The Town also argues that ABAG did not include a survey question related to the factor described by Government Code Section 65584.04(e)(3), which states *“The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.”* However, Question 10 in the Local Jurisdiction Survey asked, *“Does your jurisdiction face opportunities or constraints in encouraging more jobs and housing near public transportation and existing transportation infrastructure?”* ABAG-MTC staff believe that this survey question aligns with the statutory factor described by Government Code Section

⁵ Responses to the Local Jurisdiction Survey are available on ABAG’s website: https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG_RHNA_Local_Jurisdiction_Surveys_Received.pdf. ABAG has also provided access to the data resources shared with jurisdictions as part of the Local Jurisdiction Survey: https://abag.ca.gov/sites/default/files/documents/2021-06/Jurisdiction_Survey_Resources.pdf.

65584.04(e)(3). Again, as the distribution of household growth assumed in Plan Bay Area 2050 is generated by ABAG-MTC staff, we focused on a question for that factor where local jurisdiction staff input was most valuable.

Issue 3: *The Town argues that ABAG failed to consider the availability of land suitable for urban development or for conversion to residential use in San Anselmo because the RHNA methodology does not account for small lot sizes and limited vacant land. Additionally, the Town claims that the RHNA methodology fails to exclude land at risk of wildfires and flooding.*

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

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 Final Blueprint. Thus, the RHNA methodology adequately considers the development constraints raised in this appeal, but the allocation to San Anselmo 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.”⁶

The Bay Area is subject to wildfire, flood, seismic, and other hazards and climate impacts, and ABAG-MTC staff understands San Anselmo’s concerns about the potential for future growth in areas at risk of natural hazards. However, with only a small exception, Housing Element Law does not identify areas at risk of natural hazards as a potential constraint to housing development.”⁷

Given the significant natural hazard risks in the Bay Area, whether to incorporate information about hazard risks when allocating RHNA units was one of the topics most thoroughly discussed by the Housing Methodology Committee (HMC) during the methodology development process.⁸ Ultimately, HMC members came to consensus that though housing in high hazard areas is a concern, adding a specific hazard factor to the RHNA methodology may not be the best tool to address this issue. In large part, this is because the Plan Bay Area 2050 Final Blueprint, which forms the baseline of the final RHNA methodology, already addresses concerns about natural hazards, as the Final Blueprint excludes areas with unmitigated high hazard risk from Growth Geographies.

As noted in San Anselmo’s appeal, the Final Blueprint Growth Geographies exclude CAL FIRE designated “Very High” fire severity areas in incorporated jurisdictions, and “High” and “Very High” fire severity areas as well as county-designated wildland-urban interfaces (WUIs) where applicable in unincorporated areas. The only exception is for locally-nominated Priority Development Areas (PDAs), which does not apply to San Anselmo.⁹ While there may be areas at risk of flooding in San Anselmo, it has not provided evidence that it cannot accommodate its RHNA allocation due to a determination by FEMA or the Department of Water Resources that the flood management infrastructure is inadequate to avoid the risk of flooding, consistent with Government Code Section 65584.04(e)(2)(B).

Throughout the region, it is essentially impossible to avoid all hazards when siting new development, but jurisdictions can think critically about which areas in the community have the *highest* hazard risk. Notably, the residents of new development are likely to be safer from hazards than current residents living in older structures, as new construction is built to modern

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

⁷ Government Code Section 65584.04(e)(2)(B) states “The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.”

⁸ See the [meeting materials for HMC meetings](#), including detailed notes for each meeting, for more information.

⁹ The only locally nominated PDA affected was the Urbanized Corridor PDA in Marin County.

standards that more effectively address hazard risk. In developing its Housing Element, San Anselmo has the opportunity to identify the specific sites it will use to accommodate its RHNA. In doing so, the Town can choose to take hazard risk into consideration with where and how it sites future development, either limiting growth in areas of higher hazard or by increasing building standards for sites within at-risk areas to cope with the hazard.

Per Government Code Section 65584.04(e)(2)(B), San Anselmo must consider the availability of underutilized land, opportunities for infill development, and increased residential densities to accommodate its RHNA. The Town does not provide evidence it is unable to consider underutilization of existing sites, increased densities, accessory dwelling units (ADUs), and other planning tools to accommodate its assigned need.¹⁰

Issue 4: *The Town asserts that the RHNA Methodology fails to adequately consider the "distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure," per Government Code Section 65584.04(e)(3). Specifically, the Town claims its draft RHNA is not consistent with the distribution of household growth assumed for Plan Bay Area 2050, the Bay Area's regional transportation plan and Sustainable Community Strategy.*

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

The Town's appeal includes figures that it argues relate to projected household growth from Plan Bay Area 2050. ABAG-MTC staff was unable to determine the source for these figures. However, while Government Code Statute 65584.04(m) requires that the RHNA plan allocate units consistent with the development pattern included in the Sustainable Communities Strategy, the statute does not specify how to determine consistency. In the absence of statutory direction, ABAG has discretion to identify the framework to be used for establishing that RHNA is consistent with Plan Bay Area 2050.

Plan Bay Area 2050 includes adopted growth forecasts at the county and subcounty levels, not the jurisdiction level where RHNA is statutorily focused.¹¹ Therefore, staff developed an

¹⁰ See HCD's [Housing Element Site Inventory Guidebook](#) for more details on the various methods jurisdictions can use to plan for accommodating their RHNA.

¹¹ View the table of 35-year household growth at https://www.planbayarea.org/sites/default/files/pdfs_referenced/FinalBlueprintRelease_December2020_GrowthPattern_Jan2021Update.pdf

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

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

Superdistrict	County	Superdistrict Name	Blueprint Final 2015-2050 Growth	Draft RHNA
33	Marin	Central Marin County	22,000	5,977

* The Central Marin County superdistrict contains the following jurisdictions: Fairfax, San Anselmo, San Rafael, Ross, and portions of unincorporated Marin County.

As noted previously, RHNA reflects both existing and future housing demand in the Bay Area, which is captured with the use of total households in 2050 as the baseline allocation for the adopted RHNA methodology. The factors in the methodology – Access to High Opportunity Areas and Job Proximity – adjust a jurisdiction’s baseline allocation from the Final Blueprint to emphasize near-term growth during the 8-year RHNA period in locations with the most access to resources (to affirmatively further fair housing) and jobs (to improve the intraregional relationship between jobs and housing). San Anselmo’s high share of existing households living in areas designated as Highest Resource or High Resource on the State’s Opportunity Map¹² relative to other jurisdictions in the region adjusts its baseline allocation upward, resulting in more RHNA units. However, its lower access to jobs relative to other jurisdictions adjusts its baseline allocation downward.

Issue 5: *The Town argues the RHNA allocation methodology does not adequately promote an improved intraregional relationship between jobs and housing, which is the statutory objective described in Government Code Section 65584(d)(3). Additionally, the Town claims that the RHNA methodology fails to reduce greenhouse gas emissions, the statutory objective described in Government Code Section 65584(d)(2), because too much housing is allocated to communities far from jobs and existing transportation infrastructure.*

¹² For more information about the Opportunity Map, visit <https://www.treasurer.ca.gov/ctcac/opportunity/2020.asp>.

ABAG-MTC Staff Response: This argument by San Anselmo challenges the final RHNA methodology that was adopted by the ABAG Executive Board and approved by HCD. A valid appeal must show ABAG made an error in the application of the methodology in determining the jurisdiction's allocation; a critique of the adopted methodology itself falls outside the scope of the appeals process. Jurisdictions had multiple opportunities to comment as the methodology was developed and adopted between October 2019 and May 2021. Housing Element Law gives HCD the authority to determine whether the RHNA methodology furthers the statutory objectives described in Government Code Section 65584(d), and HCD made this determination.¹³ Regarding the RHNA objective related to *"Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction,"* HCD made the following findings:

The draft ABAG methodology¹⁴ allocates more RHNA units to jurisdictions with more jobs. Jurisdictions with a higher jobs/housing imbalance receive higher RHNA allocations on a per capita basis. For example, jurisdictions within the healthy range of 1.0 to 1.5 jobs for every housing unit receive, on average, a RHNA allocation that is 61% of their current share of households. Jurisdictions with the highest imbalances – 6.2 and higher – receive an average allocation 1.21 times their current share of households. Lastly, higher income jurisdictions receive larger lower income allocations relative to their existing lower income job shares.

HCD also made the following findings regarding the RHNA objective related to *"Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080:"*

"The draft ABAG methodology¹⁵ encourages a more efficient development pattern by allocating nearly twice as many RHNA units to jurisdictions with higher jobs access, on a per capita basis. Jurisdictions with higher jobs access via transit also receive more RHNA on a per capita basis.

¹³ For more details, see [HCD's letter](#) confirming the methodology furthers the RHNA objectives.

¹⁴ Pursuant to Government Code Section 65584.04(i), HCD must review the Draft RHNA Methodology developed by the Council of Governments. On May 20, 2021, ABAG adopted the Draft RHNA Methodology without any modifications as the Final RHNA Methodology.

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

The RHNA methodology incorporates each jurisdiction's jobs-housing relationship through use of the Plan Bay Area 2050 Final Blueprint as the baseline allocation. The Final Blueprint incorporates information about each jurisdiction's existing and projected jobs and households, and when exporting data about total households in 2050 for the RHNA baseline, appropriate jurisdiction boundaries were used. The Final Blueprint emphasizes growth near job centers and in locations near transit, including in high-resource areas, with the intent of reducing greenhouse gas (GHG) emissions. It includes strategies related to increased housing densities and office development subsidies to address jobs-housing imbalances in the region. This land use pattern is developed with complementary transportation investments in an effort to ensure past and future transportation investments are maximized. The strategies incorporated into the Final Blueprint help improve the region's jobs-housing balance, leading to shorter commutes—especially for low-income workers. The Draft RHNA Allocation was also found to be consistent with Plan Bay Area 2050, which meets the statutory GHG reduction target.

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

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

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

Notably, state law also requires the RHNA to improve the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction, as described in Government Code Section 65584(d)(2). Data from the Census Bureau indicates that San Anselmo has an imbalanced ratio between low-wage jobs and affordable housing units, with nearly 12 low-wage jobs per unit of rental housing affordable to low-wage workers and their families.¹⁶ Accordingly, the allocation of 398 units of lower-income RHNA assigned to the Town could enable many of the low-wage workers in San Anselmo to live closer to their jobs, helping to improve the jobs-housing balance, reduce commute times, and lower GHG.

Issue 6: *The Town argues that the declaration of a drought by the Marin Municipal Water District represents a change in circumstances meriting a revision of San Anselmo's draft RHNA. The Town claims that jurisdictions served by the Marin Municipal Water District lack capacity to accommodate RHNA, and the Town also asserts that there is uncertainty for developers about water connections for new housing development.*

ABAG-MTC Staff Response: Government Code Section 65584.04(e)(2)(A) states that ABAG must consider the opportunities and constraints to development of additional housing in each member jurisdiction due to "Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period." However, the arguments put forward by San Anselmo do not meet the requirements for a valid RHNA appeal.

While the Marin Municipal Water District has discussed a potential moratorium on new water connections in response to the drought, this action has not yet been implemented. Even if a moratorium is implemented in the future, there is no indication that it would extend for the next ten years until the end of the RHNA planning period in 2031. Thus, at this time, there is no evidence that San Anselmo is precluded from accommodating its RHNA allocation.

Importantly, future population growth does not necessarily mean a similar increase in water consumption: while the region's population grew by approximately 23 percent between 1986

¹⁶ For more information, see this data source created by ABAG for the Local Jurisdiction Survey: <https://rhna.mtcanalytics.org/jobshousingratio.html?city=San%20Anselmo>.

and 2007, total water use increased by less than one percent.¹⁷ A review by ABAG-MTC staff of 54 Urban Water Management Plans from 2015 and 2020 produced by water retailers that cover 94 percent of the Bay Area's population illustrate a further reduction in per capita water use over the past decade. Between 2010 and 2015 per capita water use fell from 162 gallons per person per day to 105, reflecting significant conservation during the last major drought. In the 2020 non-drought year, conservation held, with the regional daily use at 114 gallons per person per day, a 30 percent reduction since 2010. In addition to having an impressive aggregate reduction in water use, only one water retailer out of the 54 reviewed plans did not meet state per capita water conservation goals. In other words, per capita water use has substantially declined in the region over the last quarter century.

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

It is true that the current drought poses significant challenges to Bay Area communities, and that the incidence of droughts is likely to increase as a result of climate change. All jurisdictions in the Bay Area, State of California, and much of the western United States must contend with impacts from drought and all 441,176 new homes that must be planned for in the region need sufficient water. However, as HCD notes in its comment letter on appeals that identified drought as an issue, "these issues do not affect one city, county, or region in isolation. ABAG's allocation methodology encourages more efficient land-use patterns which are key to adapting to more intense drought cycles and wildfire seasons. The methodology directs growth toward infill in existing communities that have more resources to promote climate resilience and conservation efforts."¹⁸

Action can be taken to efficiently meet the region's future water demand, even in the face of additional periods of drought. Eight of the region's largest water districts in the region worked

¹⁷ San Francisco Bay Area Integrated Regional Water Management Plan, 2019.

¹⁸ See [HCD's comment letter on appeals](#) for more details.

together to produce the Drought Contingency Plan to cooperatively address water supply reliability concerns and drought preparedness on a mutually beneficial and regional focused basis.¹⁹ The Drought Contingency Plan identifies 15 projects of a regional nature to further increase water supply reliability during droughts and other emergencies.

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

Issue 7: *The Town argues that the impacts of COVID-19 on transit service represent a significant and unforeseen change in circumstances meriting a revision of San Anselmo's draft RHNA.*

ABAG-MTC Staff Response: The Job Proximity factors in the RHNA methodology 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 Methodology was developed by the Housing Methodology Committee in 2020, ABAG used MTC's readily available data on job proximity by transit.²⁰ 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. The column "Raw JPT Factor Score" in Appendix 4 of the [Draft RHNA Plan](#) shows the share of the region's jobs that can be accessed by a 45-minute transit commute for each jurisdiction (which for San Anselmo is 0.23%). Relative to other jurisdictions in the region, the Town has a small number of jobs that can be accessed within a 45-minute commute. As a result of its low score, San Anselmo receives a scaled score of 0.5 on the Job Proximity – Transit factor, which means few units are allocated to San Anselmo based on this factor compared to other jurisdictions in the region.

ABAG-MTC Staff appreciates the Town's concerns about the significant economic and societal changes resulting from COVID-19. In its comment letter on submitted appeals, HCD indicated

¹⁹ See the [Drought Contingency Plan](#) for more information.

²⁰ 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

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.”²¹

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. Approved in January 2021, the Final Blueprint was crafted throughout the entirety of 2020, taking into account the best information available on future impacts related to telecommuting, locational preferences, and more. External forces, including long-term projections for telecommuting and office square footage needs per employee, were updated to reflect potential post-COVID conditions. Long-range household and job projections were adjusted in the short-to-medium term to capture the weak economic conditions of 2020 and a multi-year recovery period in the years ahead. Additionally, strategies in the Final Blueprint were updated, including new strategies to encourage an accelerated shift toward telecommuting and other sustainable modes of travel, to support job training programs to assist in economic recovery, and to expand opportunities to rebuild aging malls and office parks into housing-rich neighborhoods as e-commerce continues to boom.

Importantly, the eight-year RHNA cycle (which starts in 2023) represents a longer-term outlook than the current impacts of the pandemic in 2020 and 2021. San Anselmo 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. Therefore, the pandemic is not cause for a reduction in RHNA for any particular jurisdiction. Regardless of the impacts of the pandemic, demand for housing remains high across the region, as reflected in home prices that continue to rise. Accordingly, jurisdictions must maintain their statutory obligation to plan for additional housing.

RECOMMENDED ACTION

ABAG-MTC staff have reviewed the appeal and recommend that the Administrative Committee **deny** the appeal filed by Town of San Anselmo to reduce its Draft RHNA Allocation by 558 units (from 833 units to 275 units).

²¹ See [HCD’s comment letter on appeals](#) for more details.