



ABAG-MTC Staff Response to *City of Monte Sereno* RHNA Appeal

ABAG Administrative
Committee

October 22, 2021

Overview of City of Monte Sereno Appeal

Appeal Request:

- Reduce allocation by 97 units (50%) from 193 units to 96 units.

Staff Recommendation:

- Deny the appeal.

Appeal bases cited:

- ABAG failed to adequately consider information submitted in the Local Jurisdiction Survey.
- 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.
- 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.

Issues #1 and #6: Jobs-Housing Relationship

Jurisdiction Argument: Monte Sereno lacks jobs to support its RHNA, as the City has 0.37 jobs per resident worker. City was chartered to be residential-only district and has no commercial or mixed-use developments to be rezoned. ABAG's methodology does not further statutory objective to improve intraregional relationship between jobs and housing.

ABAG-MTC Staff Response:

- This argument challenges the final RHNA methodology adopted by ABAG and approved by HCD, and thus falls outside the scope of the appeals process.
- HCD has authority to determine if the RHNA methodology furthers the statutory objectives and HCD found that ABAG's methodology does further the objectives.
- RHNA methodology uses data about each jurisdiction's jobs-housing relationship in the Plan Bay Area 2050 Final Blueprint and in factors related to Job Proximity, which measure job access based on commute shed to better capture lived experience of accessing jobs irrespective of jurisdiction boundaries.
- Housing Element Law requires RHNA methodology to improve *intraregional* relationship between jobs and housing—not jobs-housing balance in any particular jurisdiction.
- The methodology must also consider jobs-housing fit. Census data shows Monte Sereno has 94 low-wage jobs and few units of rental housing affordable to low-wage workers. The City's lower-income RHNA could enable many of these workers to live closer to their jobs, for better jobs-housing balance, shorter commutes, and lower GHG.

Issues #2 and #7: Transit Access

***Jurisdiction Argument:** ABAG failed to adequately consider the lack of transit access in Monte Sereno. Adding more housing to Monte Sereno will lead to increased vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions due to the lack of transit and jobs in the jurisdiction.*

ABAG-MTC Staff Response:

- RHNA methodology considers opportunities to maximize transit use by incorporating forecasted development pattern from Plan Bay Area 2050 Final Blueprint as baseline allocation. The Final Blueprint emphasizes growth near job centers and in locations near transit with the intent of reducing GHG.
- Inclusion of job proximity by transit as methodology factor directs more housing to jurisdictions with the most jobs that can be accessed with a 45-minute commute by transit.
- Monte Sereno's limited transit service is reflected in the fact that application of the Job Proximity - Transit factor results in a smaller allocation for the City.
- HCD determined RHNA methodology achieves statutory objective to promote infill development and socio-economic equity through efficient development patterns that achieve GHG reduction targets. HCD noted that ABAG's methodology allocates more RHNA to jurisdictions with more job access and lower VMT.

Issue #3: Lack of Available Land

Jurisdiction Argument: ABAG-MTC Housing Element Site Selection (HESS) Tool shows limited vacant sites suitable for development in Monte Sereno. 50% of City is in very high fire hazard area with limited evacuation routes, while 75% of City's area has high potential for earthquake induced landslides, both of which limit availability of land for housing.

ABAG-MTC Staff Response:

- Development constraints considered in Plan Bay Area 2050 Final Blueprint, the baseline allocation for RHNA.
- HESS Tool plays no role in RHNA, and it evaluates sites based on **existing** local development policies.
- Government Code Section 65584.04(e)(2)(B) states:
 - ABAG may not limit consideration of suitable housing sites to a jurisdiction's existing zoning and land use restrictions and must consider potential for increased residential development under alternative zoning ordinances and land use restrictions.
 - Jurisdictions must consider underutilized land, opportunities for infill development, and increased residential densities as a component of available land for housing.
- Given variety of natural hazard risks Bay Area faces, it is not possible to address the region's housing needs and avoid planning for new homes in places at risk. Monte Sereno has authority to plan for housing in places with lower risk.
- Monte Sereno does not provide evidence it is unable to consider underutilization of sites, increased densities, ADUs, and other planning tools to accommodate its assigned need.

Issues #4 and #9: Drought and Water Capacity

Jurisdiction Argument: ABAG failed to adequately consider Monte Sereno's water capacity. Monte Sereno's ability to provide water supplies to new residential development has become progressively constrained due to ongoing drought conditions, representing a change in circumstances that merits a reduction in its RHNA.

ABAG-MTC Staff Response:

- Government Code Section 65584.04(e)(2)(A) states:
 - ABAG must consider opportunities and constraints to development of housing 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.”
- Monte Sereno has not demonstrated it is precluded from accommodating its RHNA allocation because of a decision by its water service provider.
- HCD's comments on Bay Area appeals note that “ABAG's allocation methodology encourages more efficient land-use patterns which are key to adapting to more intense drought cycles and wildfire seasons.”
- Drought poses significant challenges to Bay Area communities, but these issues do not affect one city or county in isolation. Action can be taken to efficiently meet the region's future water demand, even in the face of additional periods of drought.

Issues #5 and #10: Concerns That Are Not A Valid Basis For An Appeal

Jurisdiction Argument:

- *Issue #5: Embarcadero Institute report argues that HCD's methodology for calculating the Regional Housing Needs Determination (RHND) is flawed and overestimates statewide housing need.*
- *Issue #10: Units should first be allocated to Santa Clara County and then allocated to jurisdictions within the county, so units assigned to Monte Sereno could be allocated to other cities in the county that can accommodate them.*

ABAG-MTC Staff Response:

- *Issue #5: There are no further appeal procedures available to alter the ABAG region's RHND for this cycle. Critiques of the RHND methodology fall outside the scope of the RHNA appeals process.*
- *Issue #9: Government Code Section 65584.03 describes the process by which jurisdictions within a county or multiple counties can form a subregion, and the subregion can then create its own methodology for distributing RHNA units to its jurisdictions. Santa Clara County jurisdictions had the opportunity to form a subregion and declined to do so. Santa Clara County jurisdictions' decision not to form a subregion is not one of the bases for appealing RHNA as defined by statute.*

Issue #8: Change in Circumstances - Fire Hazard

Jurisdiction Argument: Increased fire hazard potential in Monte Sereno due to ongoing drought represents a change in circumstances requiring a reduction in the City's RHNA.

ABAG-MTC Staff Response:

- HCD's comment letter on Bay Area RHNA appeals notes that wildfire hazards “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.”
- Increasing fire hazard alone does not directly correlate to increasing fire risk. Risk is a function of hazard, susceptibility, consequence, and adaptive capacity. The State of California and local governments have begun to take more aggressive actions to reduce susceptibility and consequences, which in turn may keep overall wildfire risk constant during the coming RHNA cycle.

Recommended Action for City of Monte Sereno Appeal

Deny the appeal filed by the City of Monte Sereno to reduce its Draft RHNA Allocation by 97 units.

- ABAG considered information submitted in the local Jurisdiction Survey consistent with how the methodology factors are defined in Government Code Section 65584.04(e).
- The jurisdiction's Draft RHNA Allocation is in accordance with the Final RHNA Methodology adopted by the ABAG Executive Board and approved by HCD and furthers the RHNA Objectives identified in Government Code Section 65584(d).
- No 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.