



ABAG-MTC Staff Response to *City of Los Altos* RHNA Appeal

ABAG Administrative
Committee

October 22, 2021

Overview of City of Los Altos Appeal

Appeal Request:

- Reduce allocation by at least 50%.

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.

Note: The City of Los Altos did not submit a Local Jurisdiction Survey.

Issue #1: Jobs-Housing Relationship

***Jurisdiction Argument:** ABAG failed to adequately consider Los Altos's jobs-housing relationship. City is a net provider of housing and adding more housing will exacerbate its existing jobs-housing imbalance. Los Altos's RHNA is inconsistent with statutory objective to improve the intraregional jobs-housing relationship.*

ABAG-MTC Staff Response:

- The City's 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.
- Methodology must also consider jobs-housing fit. Census data shows Los Altos has 98 low-wage jobs per unit of rental housing affordable to low-wage workers. 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 #3: Water and Sewer Capacity

Jurisdiction Argument: Sewage treatment is provided by City of Palo Alto and Los Altos has no means to expand sewer capacity other than “buying” additional capacity from another willing jurisdiction. RHNA allocation is greater than level of growth CalWater and Valley Water anticipated to accommodate. Anderson Reservoir is empty and unavailable for at least 10 years due to dam reconstruction and seismic retrofitting.

ABAG-MTC Staff Response:

- Los Altos has not demonstrated it is precluded from accommodating its RHNA allocation because of a decision by its water or sewer service providers, as required by Government Code Section 65584.04(e)(2)(A).
- Appeal provides no evidence that City of Palo Alto has determined there is insufficient sewer capacity to meet the needs of future development in Los Altos, or that Palo Alto is unable to expand its sewage treatment capacity in the future to meet additional demand.
- Valley Water has stated there will be enough water for Santa Clara County while water from Anderson Reservoir is unavailable.
- Differences in growth assumptions between RHNA and Urban Water Management Plans do not represent a determination that Los Altos lacks sufficient water capacity to meet RHNA targets.

Issue #4: Consistency with General Plan

Jurisdiction Argument: Los Altos's RHNA allocation is inconsistent with its General Plan, which violates Government Code Section 65300.5 and existing case law.

ABAG-MTC Staff Response:

- All jurisdictions are expected to update the Housing Elements of their General Plans to accommodate their RHNA allocations.
- Los Altos may need to update other elements of its General Plan in addition to the Housing Element to achieve General Plan consistency, but the RHNA methodology itself is not in violation of the statute requiring the General Plan to be an integrated and internally consistent document.
- The City's need to revise its General Plan because of the 6th Cycle RHNA does not represent a valid basis for appeal as defined by statute.

Issue #5: Lack of Available Land

***Jurisdiction Argument:** Los Altos borders a Wildland-Urban Interface that is hilly and unsuitable for higher density development. City is also subject to flooding that restricts the development potential. Land originally zoned for commercial, retail, and office has already been rezoned, and further rezoning of sparse commercial land would affect city finances. Draft RHNA fails to consider implications of Housing Element site identification requirements.*

ABAG-MTC Staff Response:

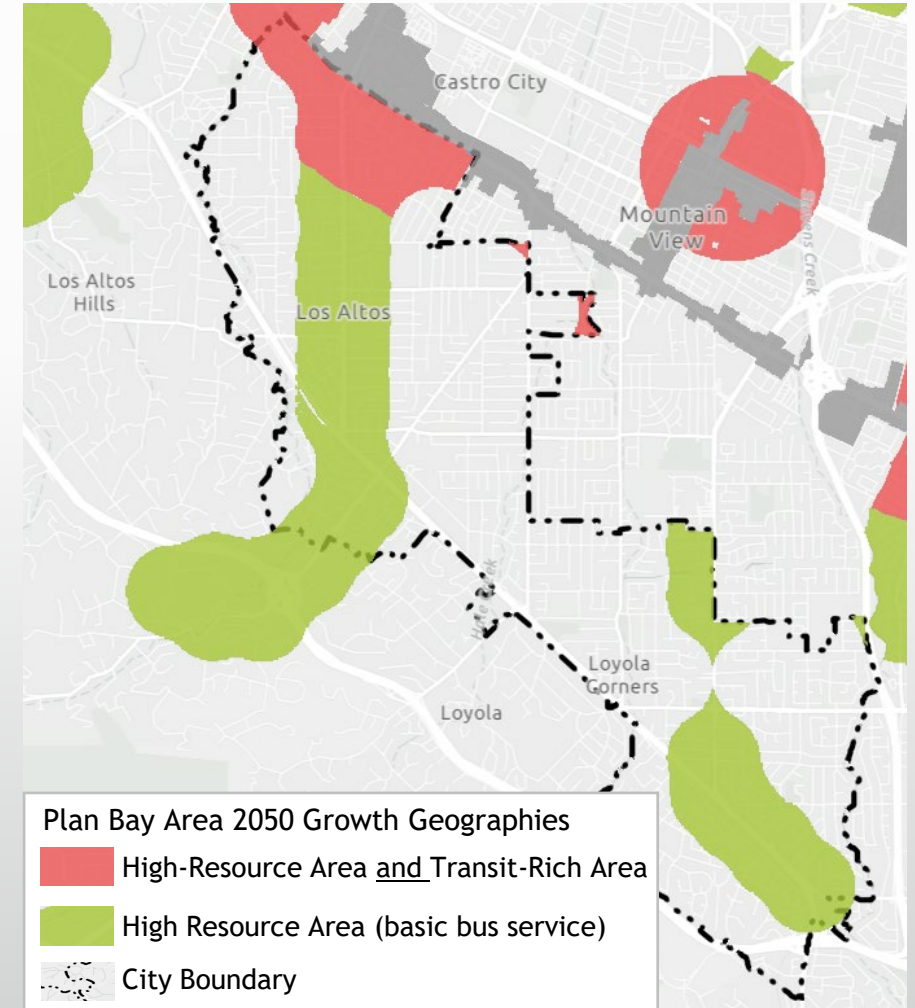
- Government Code Section 65584.04(e)(2)(B) states:
 - ABAG may not limit consideration of suitable housing sites to a jurisdiction's existing zoning and land use restrictions and must consider potential for increased residential development under alternative zoning ordinances and land use restrictions.
 - Jurisdictions must consider underutilized land, opportunities for infill development, and increased residential densities as a component of available land for housing.
- Areas at risk of natural hazards not identified in Housing Element Law as constraint to housing except when FEMA or Department of Water Resources has determined flood management infrastructure to protect land is inadequate.
- Statutory changes have increased the analysis required to demonstrate development likelihood for certain Housing Element sites, but statute does not preclude the consideration of non-vacant sites.

Issue #6: Growth Geography Designation

***Jurisdiction Argument:** No part of Los Altos should be a Transit-Rich Area Growth Geography in Plan Bay Area 2050 due to limited transit service. Transit service many not return to pre-COVID levels until after RHNA Cycle, so RHNA allocations based on transit proximity should be reconsidered.*

ABAG-MTC Staff Response:

- Staff determined Growth Geography mapping in Los Altos is consistent with Growth Geography definitions adopted by MTC/ABAG.
- Growth Geographies were determined based on transit service frequencies reported in January 2020, combined with any service improvements submitted by County Transportation Agencies.
- VTA Route 22 and Route 522 have bus stops within the City's boundary with a peak service frequency of 15 minutes or less, with the VTA frequency improvements featured in Plan Bay Area 2050. This qualifies the areas near these stops to be identified as a Transit-Rich Area.
- Strategy T1 in Plan Bay Area 2050 restores service levels to pre-COVID conditions, and federal funding in 2020 and 2021 has been provided to transit operators to assist with accelerated service restoration.



Issue #7: VMT and GHG Reduction

***Jurisdiction Argument:** The allocation will increase vehicle miles traveled (VMT) and greenhouse gas emissions (GHG) because most Los Altos residents rely on automobiles to commute. RHNA should be adjusted so Los Altos can meet its Climate Action Plan goals.*

ABAG-MTC Staff Response:

- The RHNA Methodology considers opportunities to maximize transit use by incorporating the forecasted development pattern from the Plan Bay Area 2050 Final Blueprint as the baseline allocation.
- The Final Blueprint emphasizes growth near job centers and in locations near transit. This land use pattern is developed with complementary transportation investments to ensure past and future transportation investments are maximized.
- HCD concluded that the RHNA methodology encourages an efficient development pattern, allocates more RHNA to jurisdictions with more job access, and allocates more RHNA to jurisdictions with lower VMT.

Issue #8: Availability of Data for Review

Jurisdiction Argument: It is difficult to validate application of the methodology because it is not possible to assess the baseline allocation based on the Plan Bay Area 2050 Final Blueprint.

ABAG-MTC Staff Response:

- 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.
 - Local jurisdiction staff had several months to review and correct land use and development pipeline data.
 - Jurisdictions could review growth pattern for Draft Blueprint in summer 2020 and prior to adoption of Final Blueprint in January 2021, with office hours to discuss model inputs and forecasted growth from Bay Area UrbanSim 2.0 model.
 - Plan Bay Area 2050 modeling assumptions documented in *Forecasting and Modeling Report*.
- All data and calculations for RHNA Methodology available in [Draft RHNA Plan](#), including each jurisdiction's share of 2050 households, raw and scaled factor scores, and each factor's impact on each jurisdiction's baseline allocation, as well as the number of units, by income category, that result from each factor in the methodology.
- Public open-source RHNA calculations also posted on [GitHub](#).

Issues #9 and #10: Concerns That Are Not A Valid Basis For An Appeal

Jurisdiction Argument:

- *Issue #8: Low population growth rates in California should result in revision of RHNA allocations as well as the Regional Housing Needs Determination (RHND) calculations from HCD. The RHNA Methodology is also flawed because HCD made an error in how it used vacancy rates in its calculation of the RHND.*
- *Issue #9: Changes to jobs, transit, and commute patterns resulting from COVID-19 represent a change in circumstance meriting a revision of the allocation to Los Altos.*

ABAG-MTC Staff Response:

- *Issue #8: Government Code Section 65584.04(g)(3) states that stable population numbers cannot be used as a justification for a reduction of a jurisdiction's RHNA. Critiques of the RHND methodology itself fall outside the scope of the appeals process.*
- *Issue #9: HCD comment letter on appeals indicates RHNA appeals based on changes caused by COVID-19 do not fall within the appeal criteria defined by statute. Impacts from COVID-19 are not unique to any single jurisdiction, and the appeal does not indicate Los Altos's housing need has been disproportionately impacted relative to the rest of the Bay Area.*

Recommended Action for City of Los Altos Appeal

Deny the appeal filed by the City of Los Altos to reduce its Draft RHNA Allocation.

- Los Altos did not submit a Local Jurisdiction Survey, so an appeal on this basis is not valid. Further, 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).
- Los Altos did not submit a Local Jurisdiction Survey, so an appeal on this basis is not valid. Further, no significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of Los Altos's RHNA.