CITY OF
PALO ALTO

# City of Palo Alto
# 6th Cycle RHNA Appeal

## *ABAG Administrative Committee*

October 22, 2021

# City Appeal

In accordance with Government Code Section 65584.05, the City submits an appeal of its RHNA on the following bases:

1. RHNA calculated with technical errors in modeling
2. Fails to consider local planning factors
3. Significant and unforeseen change in circumstance

# City of Palo Alto Affordable Housing Activity

- Active in affordable housing
  - One of oldest inclusionary housing programs in the State
  - Over 2200 units of affordable housing
    - One VLI project under construction
    - One teacher housing project under development
    - One project for developmentally disabled proposed

- Other Housing Services
  - Opportunity Center – 88 supportive housing units serving homeless including medical and psychiatric services.
  - Proposing second 80+ unit emergency shelter with Home Key funding

# Technical Errors

Staff discovered school district sites and sites with projected densities ranging 360-1,625 dus/acre.

- City has no jurisdiction over school sites
- Unrealistic densities led to higher PBA projection thus RHNA

**Request reduction by 185 units**

# Technical Errors

## Palo Alto Unified School District Sites

| | Address | Projected Units | Comment |
|---|---|---|---|
| **Frank Greene Middle School** | 750 N. California Ave. | 16 | **School District Property** |
| **Herbert Hoover Elementary** | 445 E. Charleston Rd. | 77 | **School District Property** |
| **Total** | | **93** | |

## Sites with unrealistic densities

| Address | Parcel Area (square foot) | 2050 Projection | Projected 2050 Density (units / acre) | Realistic High Density Yield* (120 du/acre) | Unit Discrepancy |
|---|---|---|---|---|---|
| **1725 Alma** | 7500 | 62 | 360 | 21 | **-41** |
| **2040 Yale** | 5062 | 99 | 690 | 17 | **-82** |
| **720 California** | 5750 | 99 | 750 | 16 | **-83** |
| **16 Churchill** | 6300 | 99 | 685 | 17 | **-82** |
| **2195 Alma** | 5625 | 62 | 480 | 15 | **-47** |
| **33 Encina** | 24286 | 906 | 1,625 | 67 | **-839** |
| **Total Units** | | **1514** | | **257** | **-1,164** |

**Total number of units in error: 1257 units**

# Local Planning Factors

City Office Cap

- Penalized for proactive measure
- Instituted in 2015 with recent revision in 2018 to lower cap
- Restricts Annual Office Development
  - Over past two years, reduced office development by 40,000 sq. ft. per year.
  - Equates to a reduction of 1100 workers over planning period.

**Request reduction of 285 units**

# Local Planning Factors

Disconnect between PBA 2050 and RHNA

- City RHNA half of 30-year PBA projection
  - PBA 2050 projects City growth of approximately 12,800 households
  - Anticipated RHNA is 6,086 units
  - Should be 1/3 of projection or approximately 4,300 units per planning period

**Request a reduction of 1,700 units**

# Unforeseen Circumstances

Understated COVID-19 impacts

- Higher percentage of telecommuters than projected
  - 17% modeled but studies show over 23% full time with additional 15% part time
  - Equates to a reduction of approximately 8,170 fewer workers in the City

- City is a high job producer and COVID has significantly impacted development feasibility
  - Need more research to fully understand COVID impacts

**Request a reduction of 345 units**

# Summary

City received between 530-2,515 more units than warranted.

| Appeal Basis | Requested Reduction |
|---|---|
| Technical Error | 185 |
| Local Planning Factors | 1,985 |
| Unforeseen Circumstance | 345 |
| | |
| **Total** | **2,515** |

**Request a total reduction of 1,500 housing units**