

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

DATE: September 24, 2021

OVERVIEW

Jurisdiction: City of Pleasant Hill

Summary: The City of Pleasant Hill requests the decrease of its Draft RHNA Allocation by 1,019 units (57 percent) from 1,803 units to 784 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.
 - 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.
- 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 Pleasant Hill received the following draft RHNA allocation on May 25, 2021:

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
City of Pleasant Hill	566	326	254	657	1,803

Local Jurisdiction Survey

The City of Pleasant Hill did not submit 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 two comments that specifically relate to the appeal filed by the City of Pleasant Hill. Both comments support the City's appeal. [All comments received](#) are available on the ABAG website.

ANALYSIS

The City submitted an appeal based on Government Code Section 65584.05(b)(1), that ABAG "failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04." Government Code Section 65584.04(b) refers to the Local Jurisdiction Survey that ABAG conducted in January and February of 2020. However, the City of Pleasant Hill does not meet the statutory criteria for submitting an appeal on this basis, as described in Government Code Section 65584.05(b)(1), because the City did not submit a survey response to ABAG. Though the jurisdiction lacks a valid basis for appealing its draft allocation according to Government Code Section 65584.05(b)(1), ABAG-MTC staff responded to the issues raised in the jurisdiction's appeal. The City also appealed based on Government Code Section 65584.05(b)(2), claiming ABAG failed to determine the jurisdiction's Draft RHNA Allocation in accordance with the Final RHNA Methodology and in a manner that furthers the RHNA Objectives. ABAG's response below addresses these claims as well.

Issue 1: *The City argues ABAG failed to adequately consider local planning factors relevant to the City of Pleasant Hill that directly influence housing production. Specifically, the City claims the RHNA Methodology does not account for impacts of the Buchanan Airport on lands in the City.*

ABAG-MTC Staff Response: While the City claims that ABAG failed to consider the information cited in this appeal, the City did not submit a Local Jurisdiction Survey providing ABAG with this information. Though the jurisdiction does not meet the statutory criteria for appealing on this basis, as described in Government Code Section 65584.05(b)(1), staff explored the issues raised in the jurisdiction's appeal.

ABAG-MTC staff reviewed the "Buchanan Field Airport Policies" document cited in City's appeal.¹ As the City notes, Safety Zones 2 and 3 prohibit residences, while Safety Zone 4 has a building limitation of four stories. Staff then examined the locations of the household growth forecasted in Pleasant Hill in the Plan Bay Area 2050 Final Blueprint, as the total number of households in a jurisdiction in 2050 affects the baseline allocation of the Final RHNA Methodology. Staff confirmed that there is *no residential growth* forecasted in Pleasant Hill in Safety Zones 2 and 3 where residential development is prohibited. The Final Blueprint does forecast growth in Safety Zone 4, which is allowed with a building limitation of four stories. The largest residential project

¹ A copy of this document is available here:

<https://www.contracosta.ca.gov/DocumentCenter/View/856/Buchanan-Field-Airport-Policies?bidId>.

forecasted in this area stems from a residential development of townhomes in the forecasting model that replaces existing retail on the site. The parcel in question is 10.7 acres, and on this large site the development would certainly be within the height limit of four stories. Additionally, there are a variety of existing residential structures within Pleasant Hill in Safety Zone 4 adjacent to the forecasted growth, including both single-family and multi-family housing. Therefore, staff concludes that the Plan Bay Area 2050 Final Blueprint and Final RHNA Methodology align with the restrictions imposed by the Buchanan Airport safety zones and adequately consider these limitations on development.

Issue 2: *The City argues the RHNA Methodology fails to consider the availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. Additionally, Pleasant Hill claims it will need to re-zone commercial lands for housing to meet its RHNA requirements, and this re-zoning would limit its ability to create jobs and exacerbate jobs-housing imbalance.*

ABAG-MTC Staff Response: As noted previously, the City did not submit a Local Jurisdiction Survey, and so Pleasant Hill did not provide ABAG with the information that it claims the RHNA Methodology fails to consider. Though the jurisdiction does not meet the statutory criteria for appealing on the basis described in Government Code Section 65584.05(b)(1), staff explored the issues raised in the jurisdiction's appeal.

The RHNA methodology adequately considers the availability of land suitable for urban development or for conversion to residential use. The Final RHNA Methodology integrates data from the Plan Bay Area 2050 Final Blueprint as the baseline allocation, which addresses the issues described in the City's appeal. In developing the Plan Bay Area 2050 Final Blueprint, ABAG-MTC staff worked with local governments to gather information about local plans, zoning, 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 Pleasant Hill'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 Final Blueprint. Thus, the RHNA methodology adequately considers the development constraints raised in this appeal, but the allocation to this jurisdiction 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.”²

Per Government Code Section 65584.04(e)(2)(B), the City must consider the availability of underutilized land, opportunities for infill development and increased residential densities to accommodate its RHNA. While the City asserts it is built out and has little urban land available for development, it 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.³

Pleasant Hill argues that its RHNA allocation will lead to a worse jobs-housing balance, but 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. 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.

Issue 3: *The City argues that RHNA Methodology fails to consider the unknown long-term availability of water resources available for new housing development required by RHNA.*

² See [HCD’s comment letter on appeals](#) for more details.

³ See HCD’s [Housing Element Site Inventory Guidebook](#) for more details on the various methods jurisdictions can use to plan for accommodating their RHNA.

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 the City of Pleasant Hill do not meet the requirements for a valid RHNA appeal. Importantly, the City did not submit a Local Jurisdiction Survey, and so Pleasant Hill did not provide ABAG with the information it claims the RHNA Methodology fails to consider. The City’s appeal indicates that Contra Costa Water District’s Urban Water Management Plan (UWMP) does not analyze the impact of household growth resulting from RHNA. However, the email from Contra Costa Water District explicitly states the next update to the UWMP in 2024 will incorporate information from 6th Cycle RHNA and Plan Bay Area 2050. Therefore, the City has not provided information from its water service provider suggesting that there is not adequate water supply for the household growth required by RHNA. In fact, future planning from the Contra Costa Water District will incorporate this growth.

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.”⁴

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 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.⁵ The Drought Contingency Plan identifies 15 projects of a regional nature to further increase water supply reliability during droughts and other emergencies.

⁴ See [HCD’s comment letter on appeals](#) for more details.

⁵ See the [Drought Contingency Plan](#) for more information.

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 4: *The City claims that the RHNA Methodology fails to further the objective related to "increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner," as described in Government Code Section 65584(d)(1). Specifically, the City argues that the RHNA Methodology does not increase the housing supply in an equitable manner because the City believes that comparable cities that are forecasted to experience more job growth than Pleasant Hill experienced less of an increase in RHNA compared to last cycle.*

ABAG-MTC Staff Response: This argument by Pleasant Hill 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.⁶ Regarding the RHNA objective described in Government Code Section 65584(d)(1), HCD confirmed that the methodology increases the housing supply in an equitable manner and made the following findings:

On a per capita basis, the methodology allocates larger shares of RHNA to higher income jurisdictions, resulting in an allocation larger than their existing share of households. Jurisdictions with more expensive housing units – an indicator of higher housing demand – receive larger allocations on a per capita basis. For example, Palo Alto and Menlo Park have some of the highest housing costs in the region, according to American Community Survey Data. Both jurisdictions receive a share of the regional RHNA that is larger than their share of the region's population, putting them in the top 15 per capita allocations. Additionally,

⁶ For more details, see [HCD's letter](#) confirming the methodology furthers the RHNA objectives.

jurisdictions with higher rates of home ownership and single-family homes receive slightly larger lower-income allocations as a percentage of their total RHNA (supporting a mix of housing types).

Additionally, the data the City cites in its argument centers on the increase between jurisdictions' 5th Cycle RHNA and 6th Cycle RHNA, referring to this increase as the "housing growth rate." However, the "housing growth rate" resulting from RHNA may be more accurately defined as the household growth a jurisdiction would experience as a result of its 6th Cycle RHNA. Pleasant Hill would experience a growth rate of 13% from its 2020 households as a result of its 2023-2031 RHNA allocation. Notably, this household growth rate is lower than the 16% growth rate that the region will experience as a result of the 2023-2031 RHNA. Additionally, Pleasant Hill experiences a lower growth rate than the vast majority of jurisdictions in Alameda, San Francisco, and Santa Clara Counties, locations that the City's appeal cites as examples of job centers where growth should be directed. For more information on the growth rates experienced across the region due to the 2023-2031 RHNA, see Figure 1 below.⁷

Lastly, the City's claims also rely on older job projections data from Plan Bay Area 2040 to assert that Pleasant Hill's housing growth from RHNA is not aligned with forecasted job growth. However, more recent projections from Plan Bay Area 2050 suggest that the North Contra Costa County Superdistrict where Pleasant Hill is located is forecasted to see fairly robust job growth between 2015 and 2050, with an estimated increase of 62,000 jobs (+52% growth).⁸ Accordingly, housing growth in Pleasant Hill is not misaligned with local job growth, especially considering that Pleasant Hill's housing growth experienced as a result of RHNA remains below the regional average.

⁷ This figure is also available on page 28 of ABAG's 2023-2031 Draft RHNA Plan, which can be found here: https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG_2023-2031_Draft_RHNA_Plan.pdf

⁸ For more information, see the Final Blueprint growth pattern data, available here: https://www.planbayarea.org/sites/default/files/FinalBlueprintRelease_December2020_GrowthPattern_Jan2021Update.pdf

JURISDICTION GROWTH RATE

150.0%
50.0%
30.0%
25.0%
20.0%
15.0%
10.0%
0.0%

Clvrdl 8%
Hldsbrg 10%
Wndsr 11%
Snt Rs 7%
Rhnrt 9%
Ctt 8%
Ptlm 8%
Snm 6%
Clstg 6%
St. Hln 10%
Yntvll 7%
Amrcn 7%
Cnyn 7%
Vllj 7%
Unc Np 11%
Np 7%
Unc Sln 13%
Frflld 8%
Vcvll 5%
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Ssn Cty 7%
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Unc Mrm 13%
Nvt 10%
Sn Rfl 14%
Frfrx 15%
Sn Anslm 16%
Rss 13%
Tbrn 16%
Crt Mdr 18%
Blvdr 17%
Mll Vllj 14%
Sslt 17%
Hrcsl 12%
Mrtnz 9%
Pttstbrg 9%
Antch 9%
Okly 9%
Sn Pbl 8%
Pnl 7%
Ornd 20%
Plsnt Hll 13%
Wnt Cr 18%
Unc Cnr Cst 13%
Rchmnd 10%
El Crrt 13%
Lfytt 22%
Mrg 20%
Dnvl 14%
Sn Rmn 18%
Albny 17%
Emryvll 27%
Brkly 19%
Pdmnt 15%
Hywrd 10%
Dbln 17%
Lvrmr 14%
Okld 16%
Sn Lndr 13%
Frmnt 17%
Plsntn 22%
Unn Cty 13%
Nwrk 13%
Sn Frncsc 22%
Brsbn 84%
Dly Cty 15%
Sn Brn 20%
Fstr Cty 15%
Blmnt 17%
Sth Sn Frncsc 18%
Hllsbrgh 15%
Brngm 26%
Sn Cris 23%
Est Pl 11%
Pfc 14%
Mllbr 27%
Sn Mt 18%
Rdwld Cty 15%
Mnl Prk 23%
Athrt 15%
Unc Sn Mt 13%
Wdsd 16%
Prtl Vllj 14%
Ls Alts 17%
Srtg 16%
Mnt Srm 15%
Ls Gts 16%
Pl Alt 22%
Snnyvl 21%
Cprtn 23%
Mrgn Hll 7%
Snt Clr 25%
Mlpts 31%
Snt Clr 25%
Sn Js 19%
Glry 11%
Unc Sn Clr 12%

ABAG-MTC Staff Response: This argument by Pleasant Hill again challenges the final RHNA methodology that was adopted by the ABAG Executive Board and approved by HCD, and thus falls outside the scope of the appeals process. In approving ABAG's RHNA methodology, HCD

confirmed that the methodology furthers the objective described in Government Code Section 65584(d)(2) and made the following findings:

The draft ABAG methodology 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.

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.

Staff concludes that Pleasant Hill's claim is neither a valid basis for an appeal nor factually accurate, as HCD has determined that the RHNA Methodology successfully achieves the Statutory Objective described in in Government Code Section 65584.05(b)(2). The response to Issue 6 below provides additional information regarding how the 2023-2031 RHNA allocations encourage reduced VMT and GHG in the region.

Issue 6: *The City claims that the RHNA Methodology fails to further the 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," as described in Government Code Section 65584(d)(3). Specifically, the City argues that RHNA should be reduced for Contra Costa County jurisdictions because Plan Bay Area 2050 forecasts that Contra Costa County's share of the region's projected housing growth will be larger than its share of the region's projected job growth.*

ABAG-MTC Staff Response: This argument by Pleasant Hill again challenges the final RHNA methodology that was adopted by the ABAG Executive Board and approved by HCD, and thus falls outside the scope of the appeals process. In approving ABAG's RHNA methodology, HCD confirmed that the methodology furthers the objective described in Government Code Section 65584(d)(3) and made the following findings:

The draft ABAG methodology⁹ 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.

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. The Final Blueprint emphasizes growth near job centers and in locations near transit, including in high-resource areas, with the intent of reducing GHG. 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.

These factors 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

⁹ 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.

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 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 Pleasant Hill has an imbalanced ratio between low-wage jobs and affordable housing in the region, with 28 low-wage jobs per unit of rental housing affordable to low-wage workers and their families.¹⁰ Accordingly, the allocation of 892 units of lower-income RHNA assigned to Pleasant Hill could enable many of the low-wage workers in Pleasant Hill to live closer to their jobs, helping to improve the jobs-housing balance, reduce commute times and VMT, and lower GHG.

Issue 7: *The City claims that the RHNA Methodology fails to further the objective related to “allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category,” as described in Government Code Section 65584(d)(4). Specifically, the City argues that most of Pleasant Hill encompasses areas designated as Moderate Resource on the TCAC/HCD Opportunity Map, and the City believes that Pleasant Hill received a “larger percent increase” than higher resourced jurisdictions. The City also asserts that methodology’s equity adjustment is applied within each county and that the adjustment should instead be made regionally.*

ABAG-MTC Staff Response: This argument by Pleasant Hill again challenges the final RHNA methodology that was adopted by the ABAG Executive Board and approved by HCD, and thus falls outside the scope of the appeals process. In approving ABAG’s RHNA methodology, HCD confirmed that the methodology furthers the objective described in Government Code Section 65584(d)(4) and made the following findings:

On average, cities with a larger existing share of lower income units receive smaller allocations of low- and very-low income units as a percentage of their total RHNA. For example, East Palo Alto’s current percentage of households that are lower income is the highest in the ABAG region and it receives the lowest lower income allocation as a percentage of its total RHNA. San Pablo’s percentage of households that are lower income is the second highest in the region and its lower income allocation as a percentage of its total RHNA is lower than 92% of other jurisdictions. Cities with smaller shares of existing lower income units receive larger allocations of low- and very low-income units as a percentage of their total RHNA.

¹⁰ For more information, see this data source created by ABAG for the Local Jurisdiction Survey: <https://rhna.mtcanalytics.org/jobshousingratio.html?city=Pleasant%20Hill>

Notably, the argument that Pleasant Hill makes in its appeal is not directly related to the statutory objective it cites. The objective described in Government Code Section 65584(d) relates to ensuring that disproportionately low-income areas do not receive a disproportionate share of lower-income RHNA and vice versa. HCD affirms that the RHNA Methodology furthers this objective, as noted above.

Pleasant Hill's appeal also incorrectly describes the Equity Adjustment when it states, "This methodology appears flawed since the equity housing number increases or decreases are applicable to the County only, while the total RHNA is applied and distributed throughout the greater Bay Area region." In fact, the redistribution of lower-income RHNA that occurs as a result of the Equity Adjustment is not applied solely within each county. Lower-income units are shifted from 60 jurisdictions located across the region to the 18 jurisdictions whose allocations are increased as a result of the Equity Adjustment. This aspect of the methodology is described in more detail on pages 18 through 21 of ABAG's [2023-2031 Draft RHNA Plan](#), and Appendix 6 of this document provides additional calculations related to the Equity Adjustment.

Ultimately, the Equity Adjustment included in the Final RHNA Methodology helps ABAG make even greater progress towards its statutory obligation to affirmatively further fair housing. HCD commended the methodology's use of the Equity Adjustment in its April 2021 letter affirming that ABAG's RHNA Methodology successfully furthers all statutory objectives, including the mandate to affirmatively further fair housing. This adjustment ensures that the 49 jurisdictions identified as exhibiting racial and socioeconomic demographics that differ from the regional average receive a share of the region's lower-income RHNA units that is at least proportional to the jurisdiction's share of existing households. Most of these 49 jurisdictions receive allocations that meet this proportionality threshold based on the final RHNA methodology's emphasis on access to high opportunity areas. However, the Equity Adjustment ensures that 18 jurisdictions that might exhibit racial and economic exclusion but do not have significant shares of households living in high opportunity areas also receive proportional allocations.

RECOMMENDED ACTION

ABAG-MTC staff have reviewed the appeal and recommend that the Administrative Committee **deny** the appeal filed by the City of Pleasant Hill to reduce its Draft RHNA Allocation by 1,019 units (from 1,803 units to 784 units).