



OFFICE OF THE CITY MANAGER

CITY OF
**PALO
ALTO**

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October 14, 2020

ABAG Executive Board Members

Submitted Via Email To: info@bayareametro.gov

RE: Regional Housing Needs Allocation (RHNA) Proposed Methodology – Agenda Item 7.a.

Dear ABAG Executive Board Members,

The City recognizes and appreciates the work of the housing methodology committee (HMC)B and ABAG staff in forwarding a RHNA housing methodology. Unfortunately, the recommended methodology does not address several concerns raised by many jurisdictions and unnecessary sets up a conflict among regional communities, which could have been avoided. Many comments the Board is receiving relates to the unsupportable direction ABAG staff took influencing HMC members to use Plan Bay Area 2050 as a baseline for distributing housing. The result is that unincorporated portions of counties received aggressive housing targets, small and medium sized communities are burdened with an excessive amount of housing that will never be built, and the region will fall well short of meeting our shared housing targets.

During the best of times, the RHNA methodology process and allocations is a complex and contentious. With the unanticipated intrusion of COVID-19 early this year and all that has come with this pandemic, the seriousness and depth of its implications to the overall RHNA process has not been fully considered. All the foundational work that has been done thus far for the analysis had been based on a pre-COVID condition that does not reflect the reality that we are in today. The effects of the pandemic are not factored into the methodology and far exceeds the recessionary scenario planning included in Plan Bay Area 2050.

Even without the backdrop of these unprecedented times, it does not make sense to distribute the RHNA allocation based on the 30-year time horizon of Plan Bay Area 2050. Over the next 30 years, there will be three more RHNA cycles that we will go through, where adjustments can be made along the way. Moreover, achieving these visionary housing goals relies on unfunded mandates, some of which require voter approval, political compromises and infrastructure that has not been funded, approved, or built. It is unreasonable to apply long range aspirational housing goals to the near term RHNA allocation as required by the recommended methodology. Using Plan Bay Area as a baseline will result in many jurisdictions failing to meet their market rate housing targets and will subject those jurisdictions to the permit streamlining requirements of SB 35. The proposed methodology will result in many communities losing control over local land use decisions four years into the RHNA cycle. Communities need to build more housing and having reasonable housing targets are necessary component of that equation.

At a minimum – the Executive Board must impose a reasonable cap that limits how much housing a community is expected to build over the RHNA cycle. Housing units that exceed the cap should then be redistributed to other jurisdictions. It is fundamentally unfair to expect built-out



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communities to increase their housing inventory at levels that a match the post-war housing boom. A reasonable housing cap is needed to ensure regional housing needs are actually built and fairly distributed throughout the region.

Thank you for your consideration.

DocuSigned by:
Ed Shikada
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Ed Shikada, City Manager

CC:

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