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November 6, 2020

Mayor Jesse Arreguín, President
Association of Bay Area Governments, Executive Board
375 Beale Street, Suite 700
San Francisco, CA 94105-2066

RE: DRAFT RHNA METHODOLOGY

Dear Board President Arreguín:

On behalf of the City of Mill Valley, please find herewith our comments related to the proposed Regional Housing Needs Allocation (RHNA) methodology recommended by the RHNA Housing Methodology Committee (HMC). We ask that these comments be considered in advance of the November 12, 2020 Regional Planning Committee Public Hearing where the recommended methodology will be discussed.

The City of Mill Valley appreciates the efforts and dedication of the diverse stakeholder group of HMC members over the last year in attempting to make a collective recommendation regarding the distribution of 441,000 new housing units within the region, and understands the urgency and challenge of addressing regional policy goals related to housing affordability, climate change and equity in this RHNA cycle.

However, the methodology recommended by the HMC allocates new housing units to areas that lack adequate transportation infrastructure, away from existing and future job centers, and into areas at risk of wildfire and sea level rise. As a result, the recommended methodology and resulting RHNA will threaten our region's ability to grow safely and sustainably into the future. The recommended methodology continues to promote auto dependency and long commute times, exacerbates a significant jobs/housing imbalance and results in numbers for areas like ours that are entirely unrealistic.

The City of Mill Valley is committed to increasing our housing production, especially of homes affordable to lower income households. But the methodology recommended by the HMC allocates far too many units to suburban areas far from job centers that lack adequate transportation infrastructure and are in areas at risk of wildfire and sea level rise. The proposed methodology will not further greenhouse gas reduction goals and is inconsistent with the growth patterns and policy objectives more carefully considered in the *Plan Bay Area 2050 Blueprint*.

Household Growth. We recommend the Executive Board follow ABAG staff's July 2020 suggestion to use the Draft Blueprint in the RHNA methodology by using each jurisdiction's share of Household Growth from 2010 to 2050 as the baseline, and based on guidance received from the Contra Costa County Mayors Conference dated October 2, 2020. We support the Household Growth baseline as it results in allocations that reflect jurisdictions with significant jobs that area experiencing growth, including communities that have elected to be Priority Development Areas. "This approach is consistent with how long-range forecasts have been used in ABAG's methodologies for previous RHNA cycles" (July 9, 2020 HMC Meeting #8, Item 6a, Attachment A, Page 3).

In addition, the State Housing and Community Development Department (HCD) has already approved using regional plan household growth as a baseline for 4 of the 8 approved 6th Cycle RHNA methodologies (with 3 others using baselines that factor in jobs, and one using a variety of factors). For example, Mill Valley is forecasted to grow by 1,000 households during the 30-year Plan Bay Area 2050 but is assigned 830 units for the first eight years of the Plan period alone.

On a regional scale, the Household baseline fails to proportionally assign units to larger jurisdictions that are experiencing growth in both jobs and housing. For example, San Jose is allocated fewer units than San Francisco even though Plan Bay Area forecasts that San Jose will create a half million jobs and San Francisco 182,000 jobs by 2050. However, using a baseline Household Growth increases the units for San Jose above San Francisco in an amount that is equal to 1/3 of its forecasted household growth in the next 30 years.

Small jurisdictions are being set up for failure under the proposed methodology. Mill Valley’s proposed RHNA is *more than twice* our current RHNA. Our proposed RHNA of 830 units for the next eight years is *more than the total number* of units we have been allocated over the last three cycles (23 years of RHNA allocations; see table below). Based on our housing production since 1999, it would take 30 years to create the housing proposed under the current RHNA. This is entirely unrealistic.

RHNA Cycle	Units Allocated to Mill Valley
3 rd :1999-2006	225
4 th :2007-2014	129
5 th : 2015-2022	292
Subtotal RHNA Cycles 3 rd -5 th (23 years)	646
6 th : 2023-2030 / Proposed HMC Methodology	830

Roadway Access, Fire Hazard Areas and FEMA Floodway Areas. Moreover, protecting Bay Area citizens from hazardous conditions, such as fire danger, must be included in the RHNA criteria. ABAG should collect more information and factor topographical constraints of the region, FEMA and high fire severity zones in the RHNA Methodology in order to accurately address development constraints.

Emergency access and fire safety are of paramount concern for residents living along hillsides in communities like ours. Of the 6,539 parcels in Mill Valley, approximately 60% (3,865) are located in the Wildland Urban Interface and 33% (2,183) are located in the Very High Fire Severity Zone. These areas also represent largely sloped areas with roadways less than 20’ wide. These lots are developed parcels zoned as Single-Family-- rightfully so, as they pose little opportunity for any other type of development due to limited access. Another 306 parcels are in the FEMA Floodway where the building footprint cannot be expanded.

These local site conditions have to be recognized as part of the process. *Almost 65% of the City’s parcels which are already developed are in a high fire zone with limited access or FEMA Floodway that prohibits changes to an existing parcel’s footprint.* There needs to be a better understanding of these local site conditions and acknowledgement that there is little opportunity for growth and development in these areas. Mill Valley like other similar limited access coastal communities settled in challenging terrain and simply lacks the capacity to physically accommodate anything remotely close to the housing units under the proposed housing methodology.

COVID and Changing Conditions. Finally, the housing allocation methodology must factor changing conditions—the economy, housing market and working conditions based on COVID. The region’s commercial and business zones are not what they once were due changes in consumerism/retail (pre-COVID) as well as new economic conditions and increasing prevalence of working remotely from home. Remote work from home is becoming a new business model that should be further explored. Former commercial and business zones provide new housing opportunities through mixed use development, or conversion of existing office buildings into housing units. The vacancy rate of commercial buildings in the region should be documented to help identify such potential. Conversion of office space could potentially provide the same housing opportunities that have come about through the State’s Accessory Dwelling Unit program.

We acknowledge the work of the Committee and the importance of addressing the current and future housing needs of the Bay Area. The City of Mill Valley continues to do its part through the implementation of various programs contained in its Housing Element and has successfully worked to meet its regional housing goals in the past three cycles. Most recently, the City launched a home sharing program. While these programs and new housing starts may not necessarily be documented in the “RHNA” process, the City recognizes the potential opportunity to provide additional housing within the existing built environment.

In summary, ABAG must provide overall policy guidance to address Bay Area housing needs that acknowledge local topographical conditions such as FEMA Floodway and Fire Severity Zones, that prioritize areas with adequate transportation infrastructure and are in or near existing and future job centers.

Sincerely,



Sashi McEntee
Mayor of Mill Valley

Cc:
Mill Valley City Council
Planning and Building Director Kelly
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