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November 18, 2020

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

RE: Proposed RHNA Methodology and Subregional Shares

Dear Board President Arreguín:

On behalf of the City Council of the City of Novato, please accept this letter of comment to the proposed 6th Cycle Regional Housing Needs Allocation (RHNA) methodology recommended by the Housing Methodology Committee (HMC) and subject of the November 12, 2020 public hearing before the Regional Planning Committee. We request these comments be read and considered in advance of the Executive Board's approval of a draft allocation methodology submission to the Department of Housing and Community Development (HCD) in January 2021.

The City of Novato appreciates the dedication of the various appointed officials, staff members and volunteers in developing a variety of methodologies and factors for consideration. We also appreciate the innumerable efforts to achieve consensus on an appropriate distribution of 441,000 new housing units. The responsibility was especially daunting given the array of competing issues, including housing supply and affordability, regional equity, climate change and transportation infrastructure and funding.

As a city located in one of the region's smaller and less urbanized counties, however, we are compelled to point out aspects of the resulting housing numbers which we believe are counter to the overall goals of Plan Bay Area, even if the inconsistencies are presumed to be a temporary step toward future consistency.

Plan Bay Area is a smart, well-formulated and sensible growth strategy for our region. We look to PBA 2040 for developing our own long range land use and transportation planning. We have been implementing those plans to the best of our ability by planning for and streamlining affordable housing development, by utilizing limited City funds to support development of housing for our area's lower income and homeless families and by advocating for the development of a third SMART station to provide forward-looking public transportation alternatives for our residents and visitors. The proposed methodology, however, allocates growth in ways that counter the strategies of PBA and sets us up for failure. It promotes auto dependency and long commute times, exacerbates a significant regional jobs/housing imbalance and results in numbers that are wholly unrealistic and not anticipated in our long range planning. This last point is especially critical for our ability to provide services to these future residents.

After several long years of technical work and community participation, just last month, this Council adopted Novato General Plan 2035. GP 2035 relied upon growth estimates from PBA 2040. Those estimates were consistent with past rates of growth and development activity. Our physical infrastructure (streets, water, sewer, storm drains) and our administrative

infrastructure (revenue projections, budgets and staffing) are all based on those same assumptions.

GP 2035 has a total future buildout of 930 housing units. The proposed RHNA methodology would result in a 2023-2031 Novato allocation of 2,107 housing units. This is more than a 125% increase in housing units and it is expected to be built in half the time. You can readily see why we anticipate we will be unsuccessful in achieving the housing or being able to provide the units with needed services. Dramatic increases in infrastructure capacity can be reliably achieved in only two ways – agency funded capital projects, or development impact fees. Increases in fees will simply lead to increases in the cost of developing housing and the same cycle of increasing costs and lack of production will continue. Without similar rates of growth in revenues, we will be unable to pay for needed capital projects or staffing to assist with permitting, streets maintenance, utility services, public safety services, business licenses, recreation services, etc. We believe the proposed HMC methodology accelerates housing development too quickly in areas with insufficient infrastructure. We simply do not have the resources to escalate our infrastructure at that same rate. The methodology takes the region off the strategic path identified by PBA and utilized by local governments, in good faith, to do our own realistic and sustainable long range planning.

Novato has a long history of providing affordable housing in our County. We have an inventory of nearly 2,200 below market rate, deed restricted housing units in our City. That number is more than 10% of our entire housing stock. In the past twenty years, nearly 50% of all new residential construction has been affordable housing. We are currently on track to achieve 88% of our 5th Cycle *very low income* units. We understand and support housing equity and believe strongly in the same goals of equity furthered by the recommended methodology. In addition, however, we want to continue implementing a smart and strategic plan for growth.

We recommend the Executive Board take ABAG staff’s July 2020 suggestion to incorporate the *Draft Blueprint* in the RHNA methodology by using each jurisdiction’s share of **Household Growth** from 2010 to 2050 as the baseline. The **Household Growth** baseline results in higher allocations for jurisdictions with significant jobs that are experiencing growth, including communities that have elected to be Priority Development Areas. ABAG staff stated in their July 9, 2020 meeting materials that this approach is consistent with how long-range forecasts have been used in past methodology development. The advantages of this baseline were summarized by ABAG staff this way (July 9, 2020, HMC Meeting #8, Item 6a, Attachment A, Page 3):

- Simple and straightforward to implement and discuss (e.g., “the methodology aligns with growth predicted by Plan Bay Area 2050”)
- Integrates transit, hazards, and market feasibility through strategies and modeling
- Better aligned with Plan Bay Area 2050
- Emphasis on current and future employment development patterns leads to RHNA allocations more focused in Silicon Valley, region’s largest job center
- Higher RHNA allocations in high resource areas near major job centers – notably in the South Bay

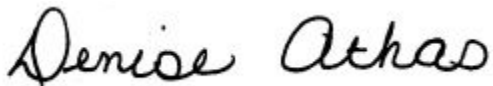
Finally, we want to emphasize several important factors considered in the development of GP 2035 related to climate change. It is now clearly understood that we are on track to experience prolonged high heat days and intensified winter rainfall. These conditions will result in increased threat of wildfire, flooding and sea level rise and create concern for us in our location and situation. Marin County’s topography has resulted in patterns of small development pockets surrounded by vegetated hillsides and ridges, often with limited points of access and evacuation routes. Runoff down these steep slopes results in numerous creeks and drainages. These features make the County a beautiful and desirable place to live but climate change has shown us that they can also be dangerous places to develop. Most of these areas are entirely unsuited for increased intensity, yet the extremely high numbers resulting from the methodology will lead to pressure to develop in these and other hazardous areas. We have enclosed fire hazard mapping to illustrate our points. The vast majority of

our city is surrounded by high or very high risk of fire and we are completely enclosed by either the Wildland-Urban Interface or areas subject to sea level rise.

In view of these potential hazards, the City requests that ABAG add to the *2050 Plan Bay Area Blueprint* Wildland-Urban Interface Fire Threat areas for the San Francisco Bay Region, which are available in the Metropolitan Transportation Commission Map Gallery. Currently, only CAL FIRE Very High Severity zones are factored into the Plan, which do not adequately represent wildfire risk. In addition, we request that FEMA flood maps be used to more accurately depict flooding hazards along our creeks and waterways. These data sets will more accurately reflect the true constraints we have in achieving the numbers and pace of housing development as well as necessary infrastructure support. These are not included as hyperbole, but rather, the scientific facts we incorporated into our long range planning for growth. We understand the HMC majority opinion that RHNA may not be the appropriate tool for evaluating risk. The logic is that cities can rezone for higher density in non-hazardous areas. Housing development over the past 10 years in our market has proven that to be an inaccurate precept and we respectfully disagree. Developers want to build less dense housing in this market, and despite numerous incentives, they consistently opt for townhome densities in the 18-22 du/acre range. Rezoning for a development type that will not materialize does not further the goal of increasing housing production and will simply drive land prices up even higher.

We respectfully request that the Board choose an alternative utilizing Household Growth as the baseline for an allocation methodology and incorporate the natural hazards data described above. This combination will result in realistic numbers that are achievable and keep us on the smart and strategic path established by Plan Bay Area. Thank you again for all of your hard work. We appreciate your consideration of our comments.

Respectfully,



Denise Athas
Mayor

cc: RHNA@bayareametro.gov
Judy Arnold, Supervisor District #5, County of Marin

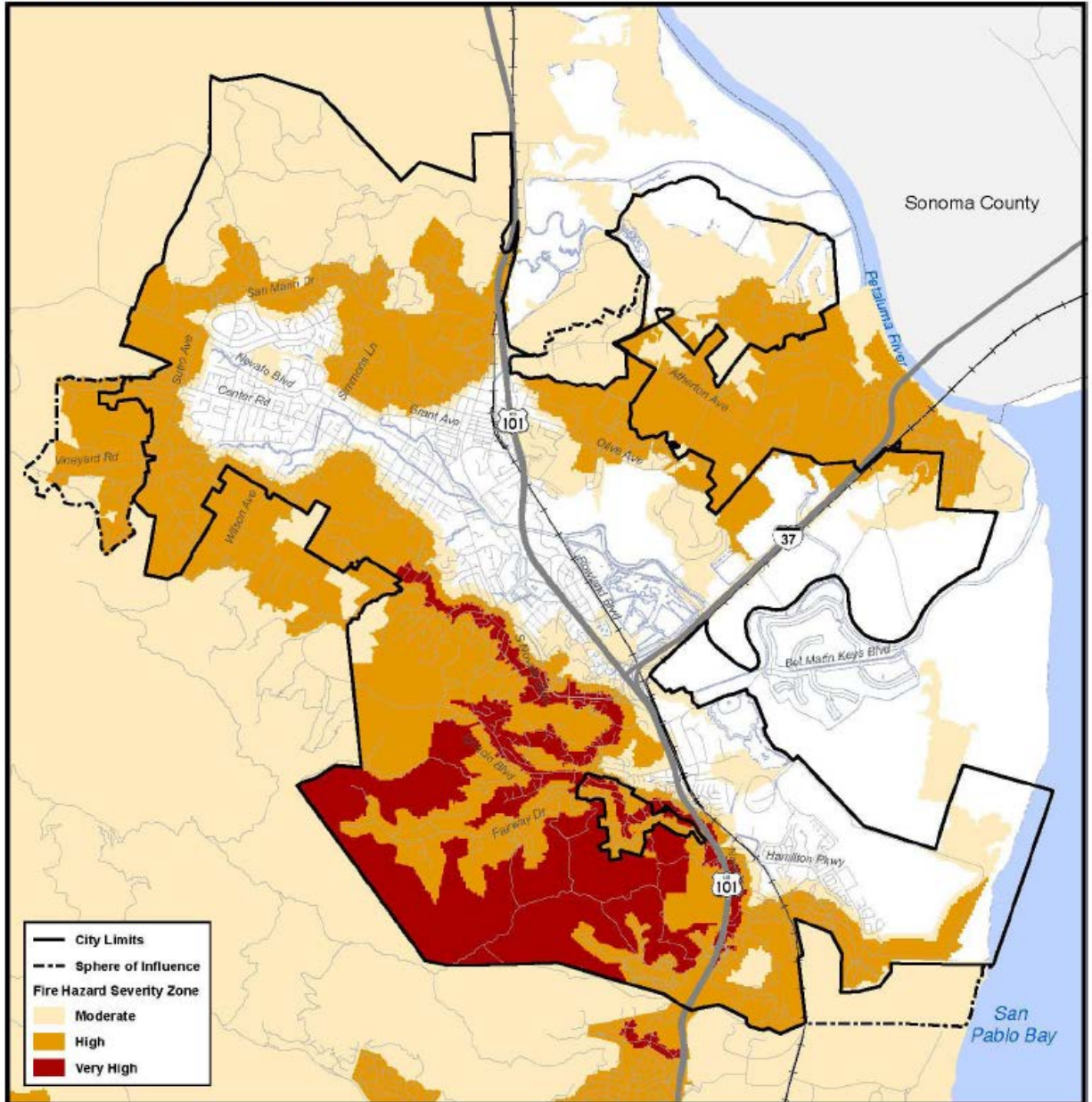
Attachments:

1. Novato Fire Hazard Severity zones
2. Novato Wildland Urban Interface zones

NOVATO GENERAL PLAN 2035 (EXCERPT)

FIGURE CW-4 FIRE HAZARD SEVERITY ZONES

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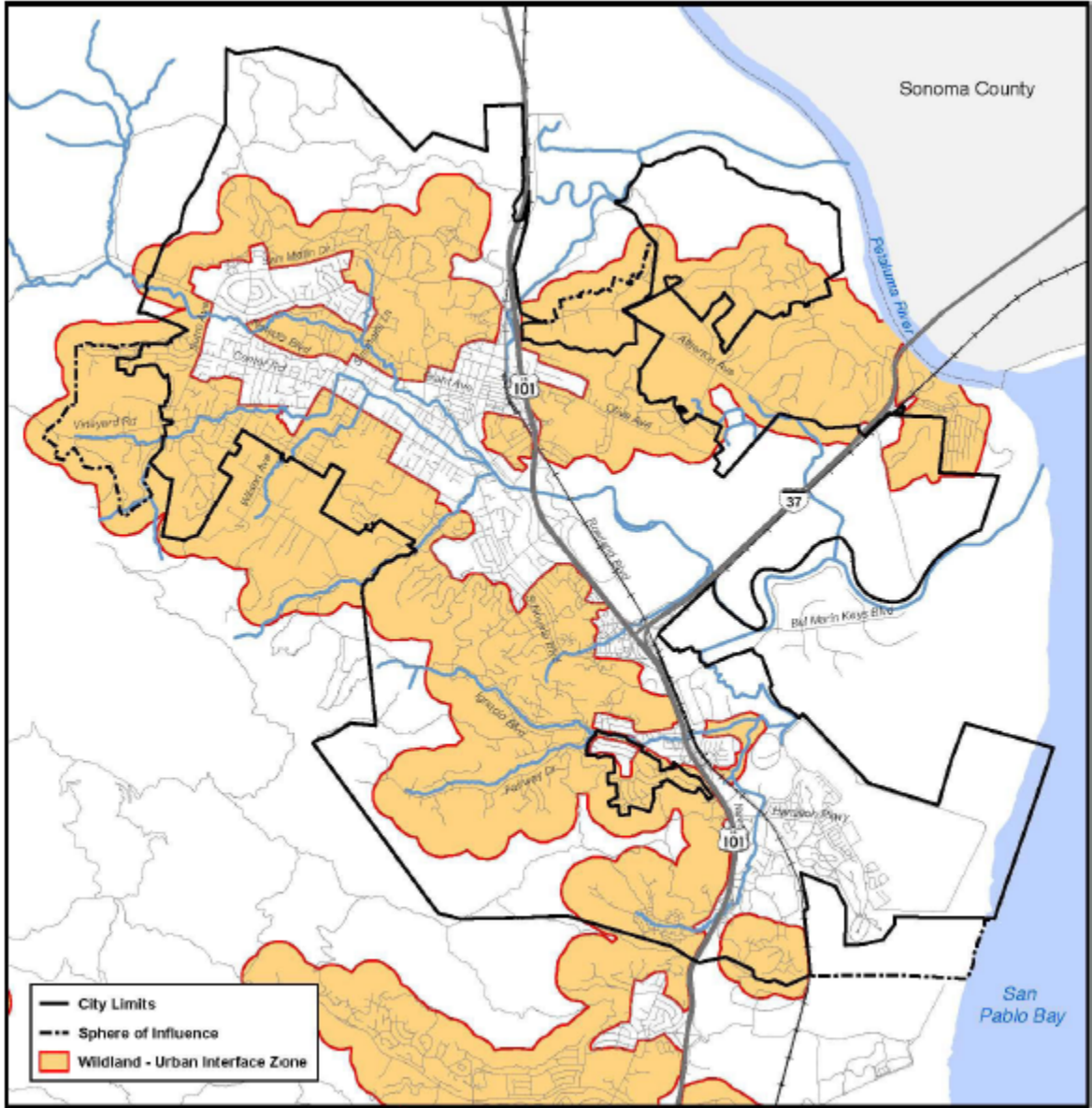


Source: MarinMap, 2016

NOVATO GENERAL PLAN 2035 (EXCERPT)

FIGURE CW-5 WILDLAND URBAN INTERFACE ZONE

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Source: MarinMap, 2016