



*"Small Town Atmosphere,  
Outstanding Quality of Life"*

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November 27, 2020

Public Information Office  
ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION  
375 Beale Street Suite 800  
San Francisco, CA 94105

**Subject: Methodology for Distribution of RHNA**

Dear ABAG & MTC colleagues:

Once again, the Town of Danville wishes to express our appreciation for ABAG's work on the 6<sup>th</sup> Cycle RHNA process. The Town recognizes that it is not an easy task to develop a methodology that appropriately and fairly distributes the 441,176-unit RHND to the 101 cities and nine Bay Area counties.

On October 15, 2020, the ABAG Executive Board voted to support the Housing Methodology Committee's recommended methodology "Option 8A" and to forward it for public review in advance of submittal to the State Department of Housing and Community Development. The methodology utilizes the "Plan Bay Area 2050 *Future Households*" Baseline and applies a series of *Factors* that adjust the Baseline allocation, in a manner which prioritizes a social equity focus ("Access to High Opportunity Areas") at the expense of region efforts to reach a jobs/housing balance and a greenhouse gas emissions (GHG) reduction targets.

Prior to the October public hearing, the Contra Costa Mayors Conference, Alameda County Mayors Conference and cities in the Bay Area submitted letters expressing significant concerns with the proposed methodology. This letter highlights five concerns that have been identified, which is that the proposed methodology is:

1. Inconsistent with Plan Bay Area 2050 Draft Blueprint.
2. Promotes suburban sprawl and furthers a pattern of jobs-housing imbalance.
3. Inconsistent with other State mandates including the requirement to reduce Vehicle Miles Traveled (VMT) and greenhouse gas (GHG) emissions.
4. Directs growth to areas with limited land capacity, restricted open space and natural hazards.
5. Works *against* equity and fair housing goals.

This letter also suggests an alternate methodology which would more equitably distribute RHNA and in a manner that is more consistent other State mandates.

**1. Insufficient evidence to demonstrate consistency with Plan Bay Area 2050 Draft Blueprint, the Bay Area’s long-range transportation, housing, economic and environmental plan.**

SB 375 requires that the RHNA is consistent with the Sustainable Communities Strategy. In other words, consistency between the 2023-2031 RHNA and the Plan Bay Area 2050 Draft Blueprint (PBA 2050) is statutorily required. Page 13 of ABAG’s RHNA methodology report concludes that the two documents are consistent since the 8-year RHNAs do not exceed the 35-year (2015-2050) growth forecasts for sub-regions in the Bay Area.

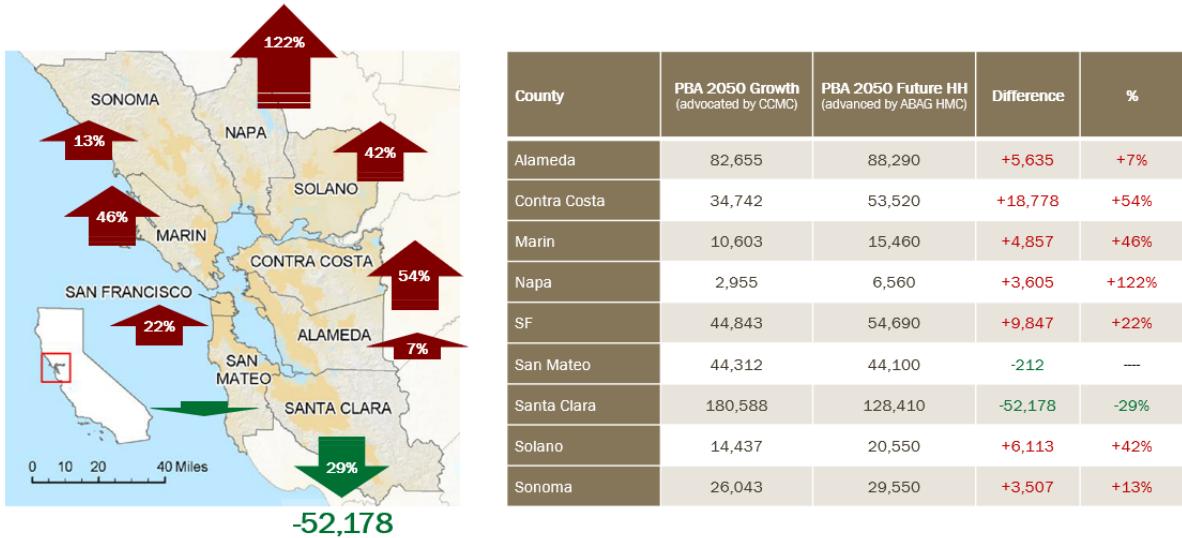
This conclusion is flawed on several levels. First, the 35-year forecast period is more than four times the length of the 8-year RHNA time horizon. It is unreasonable to conclude that a RHNA can be deemed consistent with the SCS if it presumes a sub-regional growth rate that is four times higher than the forecast for that area. It is also unreasonable to presume that a community can condense and assimilate housing growth that is projected over a 35-year period into a much shorter period of time.

Second, and more importantly, there is no way to evaluate consistency without jurisdiction-level forecasts. Consistency at a sub-regional level is meaningless, as sub-regions do not have the authority to write, adopt, or implement Housing Elements. This responsibility rests with cities and counties alone. Sub-regions contain jurisdictions with vastly different populations, employment bases, geographies, hazard levels, and physical constraints. Lumping dissimilar cities together as sub-regions in PBA 2050, and then assigning growth at the city-level through the RHNA process, makes it impossible to determine consistency between the two processes.

We urge ABAG to publish jurisdiction-level forecasts for PBA 2050 so that consistency can be accurately and transparently determined. If the 2040 forecasts are used as a proxy, the RHNA appears grossly inconsistent with the forecasts for many jurisdictions, including our own.

2. **The Plan Bay Area 2050 *Future Households* Baseline promotes suburban sprawl by allocating a disproportionate number of housing units to the region’s urban fringes away from the major job centers, furthering the historic pattern of jobs-housing imbalance.**

Figure A. Impact of switching to the 2050 Future Households Baseline from the 2050 Growth Baseline.



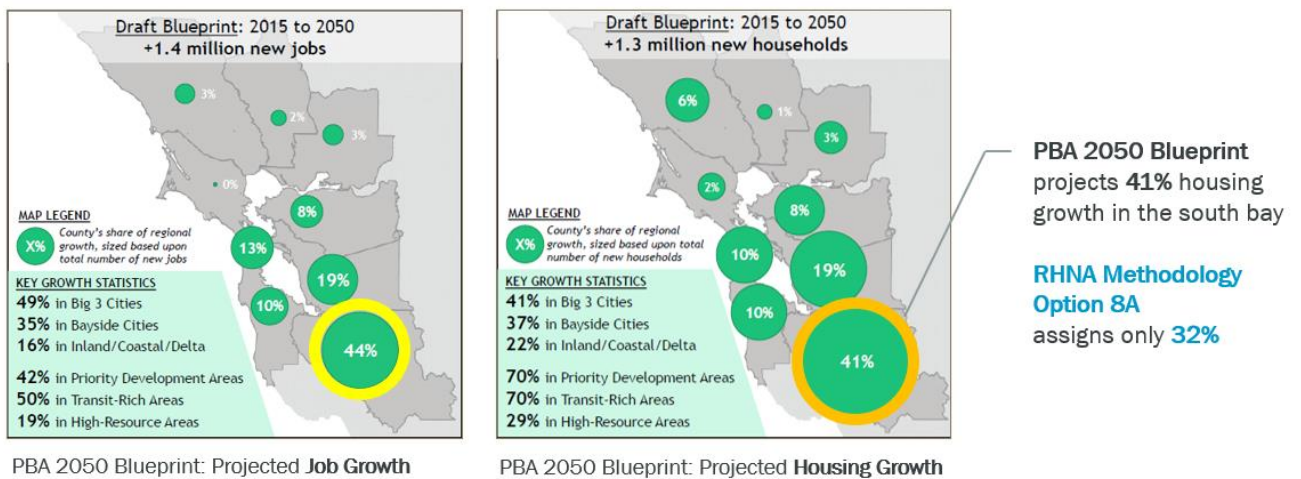
Furthermore, this baseline **reduces** housing assignment in the western and southern subregions of the Bay Area that has historically under-produced housing, at the expense of subregions that have historically been the region’s housing supplier. Under the Draft RHNA, the housing allocation to Santa Clara County fails to match the explosive jobs growth in that County over the past decade. This under allocation of new housing to Santa Clara County results in significantly higher allocations to other counties and fails to adequately address the significant jobs-housing imbalance in Santa Clara County.

Figure B. Job Growth in the Bay Area between 2010 to 2016, as documented by ABAG.



This conflicts with Plan Bay Area 2050 (PBA 2050), which anticipates a 42% increase in housing growth in Santa Clara while the methodology assigns only 32% of the RHND there. This amounts to over 40,000 units allocated elsewhere in the region – most problematically, to outer suburbs, small cities, and rural and unincorporated county areas.

Figure C. Job Growth in the Bay Area between 2010 to 2016, as documented by ABAG



3. **The proposed RHNA methodology is inconsistent with State mandates to reduce Vehicle Miles Traveled (VMT) and greenhouse gas (GHG) emissions, improve air and water quality, preserve agricultural land, and focus development away from areas with high wildfire risks.**

As result of the lack of jobs-housing balance, the Draft RHNA will work against key regional planning goals and State mandates including those to address VMT and GHG emissions by perpetuating sprawl and inefficient growth patterns.

The housing distribution under the Draft RHNA conflicts with the requirements of SB 743, which requires use of the VMT standard when evaluating potential environmental impacts of a proposed development under CEQA. The Legislative Intent of SB 743 is to: encourage infill development; improve public health through active transportation; and reduce GHG emissions. Placing the housing in the urban fringes of the Bay Area, away from job centers and transportation hubs, will increase, not reduce, VMT. As a result, review of proposed housing developments under CEQA will not meet established VMT Thresholds of Significance and will result in potentially significant environmental impacts that cannot be easily mitigated.

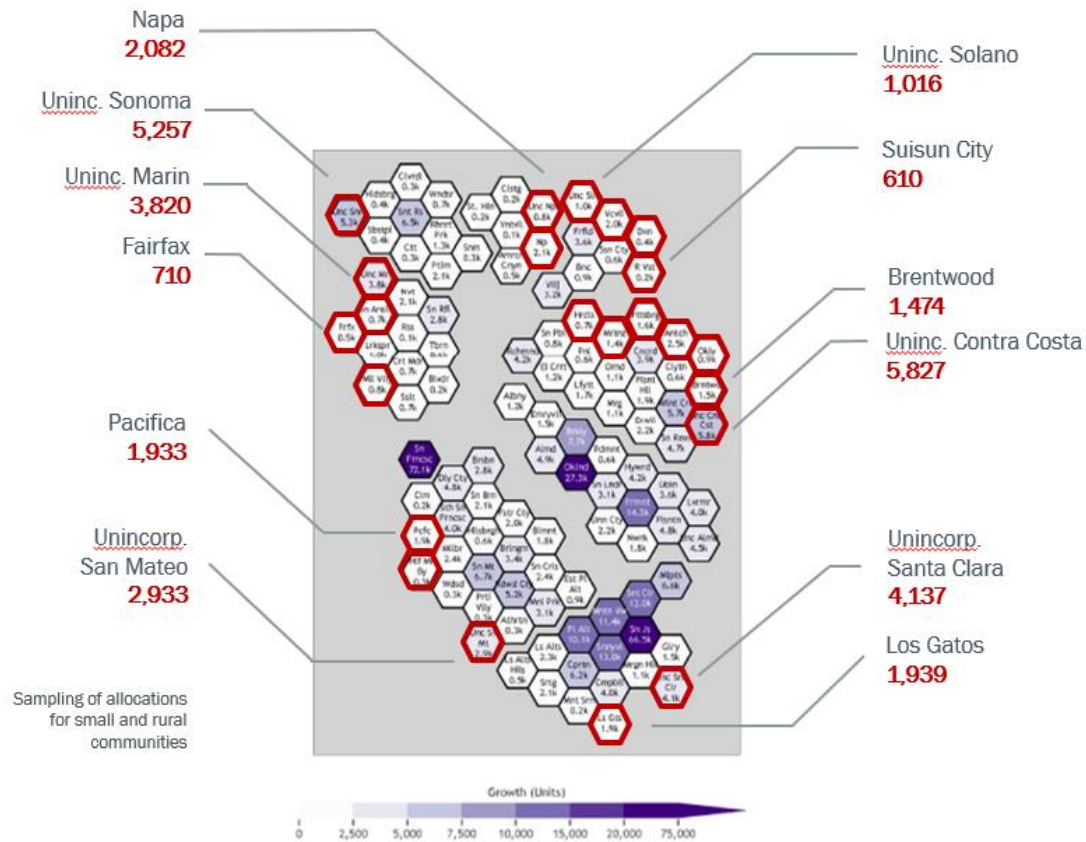
The Draft RHNA also conflicts with the GHG reduction requirements under AB 32, SB 32, and AB 197. These laws require that the State limit GHG emissions so that emission levels in 2030 do not exceed 1990 levels. Based on Plan Bay Area’s housing and job projections, and emphasis on housing-jobs balance and transit-oriented housing, the plan would still fall short of GHG emission reduction goals. The Draft RHNA’s departure from prioritizing housing-jobs balance and transit-oriented housing will lead the region and the State further from achieving these GHG emission requirements.

This impact is amplified for the Town of Danville as the community is not projected to add a significant number of new jobs over the next 35 years and Danville has limited bus service and limited access to mass transit options.

4. **The proposed RHNA methodology directs growth to cities and unincorporated county areas with limited to no develop-able land, restricted open space areas, land outside of voter-approved urban growth boundaries, areas that lack mass transit, and natural hazard constraints.**

Sampling of Impacted Jurisdictions	PBA 2050 <i>Growth Methodology</i> (Proposed Altern)	PBA 2050 <i>Future Households</i> (HMC Option 8A)	Difference	% Change
Santa Clara County				
Los Gatos	142	1,430	+1,288	+907%

Monte Sereno	3	140	+137	+4,567%
Mountain View	12,377	7,810	-4,567	-37%
Palo Alto	11,127	6,810	-4,317	-39%
San Jose	100,155	67,240	-32,915	-33%
Santa Clara	14,285	9,630	-4,655	-33%
Sunnyvale	12,025	9,980	-2,045	-17%
Alameda County				
Albany	355	930	+575	+162%
Piedmont	60	430	+370	+617%
Unincorporated	1,638	5,950	+4,312	+263%
Contra Costa County				
Danville	223	1,820	+1,597	+716%
Hercules	411	1,060	+649	+158%
Martinez	311	1,670	+1,359	+437%
Unincorporated	2,588	7,310	+4,722	+182%
Marin County				
Fairfax	215	460	+245	+114%
Mill Valley	27	710	+683	+2530%
San Anselmo	202	670	+468	+232%
San Mateo County				
Atherton	30	280	+250	+833%
Hillsborough	116	470	+354	+305%
Pacifica	199	1,580	+1,381	+694%
Portola Valley	3	200	+197	+6,567%
Solano County				
Benicia	258	1,270	+1,012	+392%
Dixon	209	690	+481	+230%
Rio Vista	84	420	+336	+400%
Suisun City	298	1,070	+772	+259%
Vacaville	1,056	3,650	+2,594	+246%
Vallejo	2,117	5,250	+3,133	+148%
Sonoma County				
Sonoma	184	620	+436	+237%
Unincorporated	6,893	9,080	+2,187	+32%



5. While the Draft RHNA provides an emphasis on equity and fair housing which is vitally important, we believe the unintended consequences of the growth patterns dictated by Option 8A may actually work against equity goals by:
- Requiring *people who are unable to work from home* to travel long distances from where they live to where they work.
  - *Increasing auto reliance* those residents who are unable to work from home for daily commutes by underemphasizing transit access – at a *significant economic, social and environmental cost* to those residents.
  - *Disincentivizing urban re-investment* on in-fill lots and brownfields by prioritizing housing growth away from cities that want and need new housing to serve their communities and support their local economies.
  - Allocating a disproportionate number of housing units to communities that are largely built out, with little undeveloped or under-developed lands, would result in the need to re-designate lands for housing which already contain either viable housing and/or high assessed-value developments.

In terms of economics, this makes these lands un-likely to redevelop regardless of the change in land use designation, especially when multiple properties would need to be aggregated to create a viable site. Furthermore, assigning units to physically constrained communities in some instances would require the removal of existing affordable units (due to their age and/or other characteristics) in order to accommodate a high housing assignment. In either scenario, these lands would carry a high land cost and any resulting re-development would result in housing units that would be far from affordable without significant subsidies.

Adopting a RHNA that more equitably assigns units to under-developed urban areas would result in timely re-development addressing the States critical housing shortage.

### Recommended Alternative Baseline and Factors

As previously requested, and similar to the approach advocated by Contra Costa Mayors Conference and others at the Executive Board’s October public hearing, we would urge the Executive Board to consider an Alternative to Option 8A, that uses the “Plan Bay Area 2050 Growth” Baseline. We would also seek further refinements to the Factors as follows:

	HMC Option 8A	Proposed Alternative Methodology
<b>Baseline</b>	<b>Plan Bay Area 2050 Households</b>	<b>Plan Bay Area 2050 Growth</b>
<b>Factors and Weighting</b>		
<b>Very-Low and Low Income Units</b>		<ul style="list-style-type: none"> <li>• 60 % Access to High Opportunity Areas</li> <li>• 20 % Jobs Proximity - Auto</li> <li>• 20 % Jobs Proximity - Transit</li> </ul>
<b>Moderate and Above Moderate Income Units</b>	<ul style="list-style-type: none"> <li>• 40 % Access to High Opportunity Areas</li> <li>• 60 % Jobs Proximity Auto</li> </ul>	<ul style="list-style-type: none"> <li>• 20 % Access to High Opportunity Areas</li> <li>• 40 % Jobs Proximity - Auto</li> <li>• 40 % Jobs Proximity - Transit</li> </ul>

Together, these changes would have the following beneficial outcomes for the region, each of which would improve its consistency with Plan Bay Area:

- **Increased share of RHNA to the “Big Three” cities and inner Bay Area**, and a corresponding decrease in that assigned to the outer Bay Area, unincorporated, and small and rural communities by approximately 30,000 units. This will ensure



that that the largest share of housing growth is allocated to the region's biggest job centers, in areas well-served by transit and infrastructure.

- **Reduced allocation to unincorporated county areas by over 10,500 units** – avoiding further residential growth pressures in areas most subject to natural hazards, lack of infrastructure capacity, and threatened loss of agricultural and open space land.
- **Alignment of the share of housing growth in Santa Clara County to match Plan Bay Area 2050 and the County's significant jobs growth of the past decade.** Santa Clara, home of some of the region's largest tech firms, has the largest numeric deficit in housing production to jobs production over the past decade, which could be corrected in part by this adjustment.

Please do not hesitate to contact me if you have questions or would like to discuss this letter further.

Sincerely,  
TOWN OF DANVILLE

A handwritten signature in cursive script that reads "Karen G. Stepper".

Karen G. Stepper, Mayor

C: Danville Town Council