



CITY OF PIEDMONT CALIFORNIA

January 20, 2021

Mayor Jesse Arreguín, President

Executive Board

ASSOCIATION OF BAY AREA GOVERNMENTS

375 Beale Street, Suite 700

San Francisco, CA 94105

VIA ELECTRONIC MAIL

Dear Mayor Arreguín and Members of the Executive Board:

On January 21, 2021, you will be asked to recommend transmittal of ABAG's proposed RHNA methodology to the State Department of Housing and Community Development for review. Prior to taking this action, we urge you to make the following modification to the methodology:

- **No jurisdiction should receive an 8-year RHNA that exceeds their 35-year (2015-2050) household growth forecast as projected by the Plan Bay Area 2050 Blueprint.**

This is common-sense and should be foundational to the methodology. ABAG staff produced jurisdiction-level projections, drawn from the Plan Bay Area 2050 Blueprint, and has used these projections as the baseline for the RHNA methodology. The 2015-2050 projections are intended to promote greater housing equity in high resource areas, housing near transit, and reduction of greenhouse gas emissions, in alignment with California law. Yet, the currently proposed RHNA results in some cities receiving eight-year housing allocations that vastly exceed their 35-year growth forecasts. As currently proposed, the methodology directs tens of thousands of housing units to smaller cities that ABAG's own forecasts for 2050 indicate will never be built. The methodology essentially sets these cities up to fail.

In the case of Piedmont, ABAG's 2050 Blueprint forecasts indicate the City will add no more than 180 households between 2015 and 2050—or roughly up to five households a year. By contrast, the proposed 2023-2031 RHNA for Piedmont is 587 units, which equates to more than 73 units a year. The City's RHNA is more than 14 times its projected annual growth rate, as calculated by ABAG. We have raised this inconsistency in multiple letters but have seen no change to the methodology since it was finalized last summer.

The City of Piedmont is not alone. There are at least a dozen cities in the same situation, facing RHNA's that are higher than their 35-year growth forecasts. The inconsistency is difficult to fully

assess because ABAG has not released 2050 forecasts for cities.¹ Thus, we respectfully request that:

- **2015, 2020, and 2050 household and employment data for each city must be published by ABAG and made available to local jurisdictions for planning purposes.**

Projections data has historically been provided to cities by ABAG and is regarded as an essential tool for use in long-range planning. ABAG has opted not to release this data for the 2050 Blueprint, making it more difficult to cities to fully grasp the discrepancies cited above. ABAG has instead published the percentage of the region's households expected to reside in each jurisdiction in 2050 (in our case “.098%”), which is not a helpful metric for smaller communities due to rounding, and the lack of data for the base year (2015 or 2020).

We have submitted four prior letters to ABAG/ MTC, each pointing out problems with the methodology that result in disproportionately large amounts of housing being assigned to small communities with limited land capacity, no (or negative) projected job growth, and severe wildfire hazard and slope constraints. Our prior letters also have pointed out that the proposed RHNA directs housing growth away from the region's principal job centers and toward the East Bay and rural and unincorporated areas.

For example, revisions to the RHNA made in December 2020 reduced the allocations for Palo Alto by nearly 4,000 households, Cupertino by over 1,600 households, and San Jose by over 3,700 households, while increasing Alameda County's allocation by more than 3,200 households. Shifting housing growth away from the region's job centers, where there is ample capacity, runs counter to state and regional goals to reduce greenhouse gas emissions, manage traffic congestion, and discourage urban sprawl.

Our prior letters have also pointed out a disturbing shift in the allocation of our community's RHNA among the four HCD income groups. Piedmont's RHNA for the Fifth Cycle (2015-2023) was appropriately weighted toward the production of housing for lower income households. As noted in our November 27, 2020 letter to ABAG, 63 percent of our allocation in the 2015-2023 cycle was for low- and very low-income households. By contrast, our proposed Sixth Cycle (2023-2031) allocation is weighted toward moderate- and above- moderate income households. These households represent 56 percent of our 2023-2031 allocation. In the next eight years, Piedmont is being asked to plan for 238 above moderate-income units, a 3,300 percent increase above our allocation for this income group in the current cycle. This appears to run counter to the equity goals implicit in the objectives of RHNA.

We wish to note that concerns about the methodology have been expressed by roughly half the cities in the region, including every city in Contra Costa County, eight of the 14 cities in Alameda County, every city in Marin County, every city in Sonoma County, and many cities in

¹ The 2050 forecasts for cities can be unofficially calculated using ABAG's RHNA data indicating the percentage of the region's households residing in each city in 2050. Some of the other communities with RHNAs that appear to exceed their 35-year forecasts are Mill Valley, Danville, Martinez, Foster City, Pacifica, Los Gatos, Vacaville, Portola Valley, and San Anselmo, among others.

San Mateo and Santa Clara County. Some of these concerns stem from the decision to use Plan Bay Area 2050 Blueprint households as the baseline, rather than the increment of growth expected between 2020 and 2050.

We acknowledge that the total RHNA for the Bay Area has increased by 134 percent. We concur that the RHNA for Piedmont should exceed the regional average, given the City's designation as a High Resource Area. However, the proposed RHNA for our City is nearly 900 percent higher than it was in 2015-2023, which suggests that that the methodology has unintended outcomes and needs a mechanism to correct for outlier communities. We again urge you to forward the methodology to HCD with adjustments for cities with RHNA's that exceed their 2015-2050 local growth forecasts. This will enable Piedmont and other Bay Area cities to prepare more realistic—and ultimately more effective—Housing Elements during the coming years.

Thank you for your consideration.

Sincerely,

CITY OF PIEDMONT

A handwritten signature in black ink that reads "Sara". The signature is written in a cursive, flowing style.

Sara Lillevand
City Administrator

cc: City Council
ABAG Regional Housing Needs Allocation Staff, via RHNA@bayareametro.gov
Dave Vautin, AICP, ABAG Assistant Director, Major Plans via dvautin@bayareametro.gov
Gillian Adams, Principal Planner, RHNA via gadams@bayareametro.gov
Ada Chan, ABAG Regional Planner, via achan@bayareametro.gov
Paul Fassinger, Regional Planning Program, Bay Area Metro, via pfassinger@bayareametro.gov
Matt Maloney, Bay Area Metro, via mmaloney@bayareametro.gov
Elizabeth Bugarin, Bay Area Metro, via ebugarin@bayareametro.gov
Eli Kaplan, Bay Area Metro, via ekaplan@bayareametro.gov