



January 14, 2021

Mayor Jesse Arreguin, President  
Association of Bay Area Government, Executive Board  
375 Beale Street, Suite 700  
San Francisco, CA 94105

Dear Board President Arreguin:

On behalf of the City of Pleasanton, I am once again writing to express our significant concerns about the Draft Regional Housing Needs Allocation (RHNA) Methodology. The ABAG Executive Board is due to make a final recommendation on the methodology to the State Department of Housing and Community Development on January 21, 2021. This letter re-states our prior concerns, and, importantly, expresses our dismay at the most recent revisions to the Plan Bay Area 2050 Blueprint that have resulted in a dramatic, 25 percent increase in our potential RHNA allocation. As outlined in more detail in this letter, the changes not only fail to address our prior concerns but exacerbate them. And, being brought forward in the closing weeks of the process means that there was no opportunity for these significant changes to the baseline allocations to be considered or vetted as part of the RHNA methodology process – a significant deficiency.

On November 17, 2020, the Mayor of Pleasanton and fellow Tri-Valley mayors of Danville, Livermore, and San Ramon, wrote to reiterate comments previously raised in communication to you from the Tri-Valley Cities, and from the Alameda County Mayor's Conference, pointing out several significant flaws in the proposed RHNA methodology (Attachment 1). Not least of these was a marked underemphasis on housing allocations to South Bay communities that have favored massive jobs growth over recent years, without a balanced production of new housing; and a corresponding overallocation of housing to unincorporated communities, and to rural and suburban jurisdictions on the outer fringes of the Bay Area. We appropriately observed that the resultant growth pattern will only serve to exacerbate congestion and increase commutes, with substantial negative consequences in terms of meeting regional Greenhouse Gas (GHG) emissions goals. To correct these deficiencies, we recommended the use of an alternative baseline (2050 Household Growth) and adjusted factors, that would more appropriately allocate new housing where it is needed most, in the most transit-rich and jobs-rich counties, including Santa Clara and San Mateo counties.

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Since then, on December 18, 2020, ABAG/MTC released the Final Plan Bay Area 2050 Blueprint and growth projections, based on revised Blueprint Strategies. Because the RHNA methodology relies upon the Blueprint's housing projections in its Baseline allocation, on December 18, ABAG/MTC also published a revised series of "illustrative" RHNA allocations, including an allocation of just under 6,000 units to the City of Pleasanton (up from approximately 4,800 units in the prior draft). Although the Blueprint revisions make some appropriate adjustments, such as increasing housing growth projections in San Francisco, and reducing those in rural counties, they also reflect some much more alarming changes. Of particular concern, Santa Clara County and several of its cities, including Palo Alto, Cupertino, and Campbell, show significantly decreased housing projections and corresponding RHNA allocations; at the same time, the revised Blueprint projections and RHNA show much larger housing allocations to certain East Bay cities, including Pleasanton.

Key reasons for these shifts include softening of strategies intended to discourage overproduction of jobs in certain areas; and, in an effort to address GHG targets, more emphasis placed on increased housing densities on sites around transit, and through the redevelopment of commercial properties.

A consequence of these changes is to project even more future jobs growth in South Bay cities and to reduce these same cities' projected housing numbers. At the same time, the identical strategies that expand job growth and decrease housing production in Santa Clara County are shown as having the opposite effect in the Tri-Valley, with half the number of jobs compared to the July 2020 Blueprint forecast (now a minimal 13 percent increase in jobs over the next 35 years), while substantially increasing housing growth from 58 percent to 82 percent over 35 years, such that eastern Alameda County would now have the third highest housing growth rate in the entire region. As well as unrealistic jobs and housing projections, the revised growth forecasts continue precisely the trends that have benefited South Bay cities – allowing for more and more lucrative, employment-generating growth, while pushing the impacts of that growth to other parts of the Bay Area, particularly the East Bay's suburban communities.

The consequence of those decisions is clear. As illustrated by ABAG's mapping of the limited "transit-rich growth geography" in Pleasanton, our city and many similar suburban communities have extremely poor transit service outside of the immediate BART walking radius, meaning that most daily trips for school, shopping and recreation rely on private automobiles. It is unrealistic to assume that all of the RHNA can or will be located in these limited geographies and that these thousands of new commute and other daily trips associated with new housing will be served by BART and other transit. This means ever-more vehicles on our congested regional highways, more congestion, more vehicle trips, and more GHG emissions, in contradiction of ABAG/MTC's stated environmental goals.

Finally, as noted, the fact that these significant changes have been made, in the final weeks of the process, means that there has been no proper vetting of the effect of the revised projections, as they may have influenced the Housing Methodology Committee and others' decision-making on the RHNA methodology. While we understand the challenge faced by ABAG in managing the

Mayor Jesse Arreguin, ABAG Board President

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timeline for both processes simultaneously, doing so has deprived those involved the opportunity to make decisions with a solid understanding of one of the foundational elements of the methodology, the baseline housing allocations derived from Plan Bay Area.

In conclusion, these shifts result in a disproportionate and unrealistic eight-year RHNA allocation for Pleasanton, especially given recent changes to state law that make accommodating such substantial numbers of new housing units ever more challenging. In light of these concerns, we continue to ask the ABAG Executive Board to reconsider our prior requests to modify the Baseline and factors used to develop the RHNA methodology to result in allocations that can better meet regional environmental goals; and at a minimum, would urge the Board to reject the latest round of revisions to the Blueprint and resultant RHNA adjustments.

Sincerely,



Karla Brown, Mayor  
City of Pleasanton

cc. ABAG Executive Board  
Pleasanton City Council  
Senator Steve Glazer  
Assembly Member Rebecca Bauer-Kahan  
Nelson Fialho, City Manager  
Brian Dolan, Assistant City Manager  
Ellen Clark, Director of Community Development

Attachment:

November 17, 2020 Letter from Tri-Valley Mayors

# Tri-Valley Cities

DANVILLE • LIVERMORE • PLEASANTON • SAN RAMON

November 17, 2020

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

Dear Mayor Arreguin:

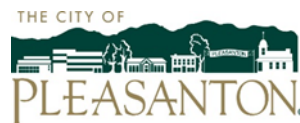
On behalf of the Tri-Valley Cities of Danville, Livermore, Pleasanton and San Ramon, we once again want to express our appreciation for ABAG's work on the 6<sup>th</sup> Cycle RHNA process, and to develop a methodology that appropriately and fairly distributes the 441,176 unit RHND recently allocated to the Bay Area by the State Department of Housing and Community Development (HCD).

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, with a strong equity focus ("Access to High Opportunity Areas"), and secondarily, jobs proximity, with the greatest weight given to jobs accessible by auto.

Prior to the October public hearing, on October 8, 2020 the Tri-Valley Cities submitted a letter expressing significant concerns with the proposed methodology, particularly that it would have several negative outcomes in terms of its resultant distribution of housing growth, inconsistent with Plan Bay Area and key regional planning goals. We are writing to reiterate those prior concerns, which were echoed in a similar letter from the Alameda County Mayor's Association and were also expressed by a number of ABAG Executive Board members and speakers at the October 15 hearing.

For Option 8A, these include housing allocations to Santa Clara County that fall far short of those projected in Plan Bay Area, and that fail to match the explosive jobs growth in the County over the past decade. And, significantly, we conclude the RHNA distribution resulting from Option 8A will work against key regional planning goals, including those to address GHG emissions by placing housing near jobs and transit centers, instead driving growth outwards, perpetuating sprawl and inefficient growth patterns.

As result, we would urge the Executive Board to consider an Alternative Methodology that 1) Uses the 2050 Household Growth Baseline; and 2) makes additional refinements to the Factors to allow for greater emphasis on transit and jobs access, while still maintaining an equity focus.



**Impacts of HMC Recommended Methodology**

As noted in our prior correspondence, the proposed Baseline would significantly under allocate new housing to Santa Clara County, resulting in significantly higher allocations to other counties. This means that the methodology fails to adequately address the significant jobs-housing imbalance in Santa Clara County caused by its recent extraordinary jobs growth. In contrast to Plan Bay Area, which anticipates a 42% increase in housing growth in Santa Clara, the methodology assigns only 32% of the RHND there. This amounts to over 40,000 units allocated elsewhere in the region – most problematically, to our outer suburbs, small cities, and rural and unincorporated county areas.

The Contra Costa letter highlights some of the inequitable and unrealistic distributions to smaller cities across the region. In Danville, here in the Tri-Valley, the difference would amount to over 1,800 units, a more than 700% difference from the 2050 Growth Baseline. Similarly, large disparities are seen in other small cities.

Although the HMC’s Option 8A provides an emphasis on equity and fair housing that is vitally important, we believe the unintended consequences of the growth patterns dictated by Option 8A may actually work against equity goals by:

- Inadequately addressing jobs-housing imbalances in the region requiring people to travel long distances from where they live to where they work.
- Driving growth from cities that want and need new housing to serve their communities and support their local economies.
- Underemphasizing transit access, thus increasing auto reliance for daily commutes and activities – at a significant economic, social and environmental cost to those residents.

**Recommended Alternative Baseline and Factors**

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

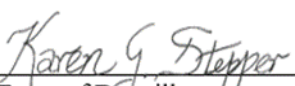
	<b>HMC Option 8A</b>	<b>Proposed Alternative Methodology</b>
<b>Baseline</b>	<b>Plan Bay Area 2050 Households</b>	<b>Plan Bay Area 2050 Growth</b>
<b>Factors and Weighting</b>		
<b>Very-Low and Low Income Units</b>	<ul style="list-style-type: none"> <li>• 70 % Access to High Opportunity Areas</li> <li>• 15 % Jobs Proximity – Auto</li> <li>• 15 % Jobs Proximity - Transit</li> </ul>	<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>

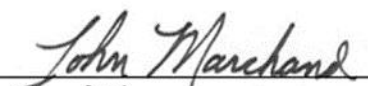
Together, these changes would have the following beneficial outcomes for the region, each of which would improve its consistency with Plan Bay Area:

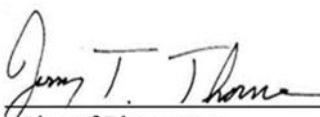
- **Increased share of RHNA to the “Big Three” cities and inner Bay Area**, and a corresponding decrease in that assigned to the outer Bay Area, unincorporated, and small and rural communities by approximately 30,000 units. This will ensure that the largest share of housing growth is allocated to the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


We appreciate the opportunity to bring forward this Alternative Methodology, and request that the Executive Board be provided an opportunity to duly consider this alternative in their forthcoming deliberations on the RHNA Methodology.

Respectfully,

  
Town of Danville  
Mayor Karen Stepper

  
City of Livermore  
Mayor John Marchand

  
City of Pleasanton  
Mayor Jerry Thorne

  
City of San Ramon  
Mayor Bill Clarkson

Attachments:

1. Summary of Representative Jurisdiction-Specific Allocations, Modified Methodology