



CITY OF
**PALO
ALTO**

OFFICE OF THE CITY MANAGER

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September 17, 2020

Housing Methodology Committee Members
Submitted Via Email To: info@bayareametro.gov

RE: Preferred Methodology for 6th Cycle RHNA

Dear Committee Members,

Thank you again for your tireless work. The City of Palo Alto supports an equitable distribution of housing to serve the Bay Area's future housing needs and the final alternatives being considered by the Committee come woefully short of achieving that goal.

It is fundamentally not reasonable to accept that some jurisdictions will bear the burden of increasing its housing stock upwards of 25% - 40% over the next eight years. Not since the end of World War II have established Bay Area communities seen such unprecedented growth. Beyond growth rate, consider the actual feasibility of adding 10,000 new housing units in a small to medium size jurisdiction. Higher property values, less land, less federal and state funding to subsidize housing, and known limitations on existing infrastructure all conspire against the ambitious and unachievable housing goals being contemplated by the Committee.

The City of Palo Alto supports bold initiatives and recognizes it has a role in providing more housing with access to transit, good paying jobs, education and affordable housing. Recommendations for a five-fold increase to some jurisdictions over current RHNA targets is a tacit endorsement that the region will fail to build the number of needed housing units. Not only will certain jurisdictions fail to meet their RHNA numbers, many more communities will not be required to produce more than they can actually build.

Corrective action is needed before the Committee forwards a recommendation to the ABAG Executive Board. The alternatives do not consider local constraints such as topography raised by the City of Piedmont. The alternatives also do not recognize the added housing pressure and other unique attributes of town and gown communities, such as the City of Palo Alto and Stanford University that lies predominantly within adjacent Santa Clara County. Future housing allocations must reconcile these adjacencies.

A limit or cap is needed for any alternative that results in unachievable housing allocations for any jurisdiction. Housing units beyond a reasonable cap must then be redistributed to other cities and counties that have substantially lower housing production targets.

While many of the factors under consideration by the Committee reflect critical planning principles, the City continues to question the fundamental pre-pandemic and recession attribution of where jobs are located, as well as where they will be in post pandemic and recession conditions. The pandemic has shown a significant outflux of workers from the City.



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Furthermore, we anticipate that a significant percentage of those workers will continue to work from home into the future, especially in light of local and County emphasis on telecommuting. Using the draft thirty year planning document to anticipate the needs for the next eight years under an unprecedented economic environment, public health crisis and adjustments in cultural norms defies explanation.

The City of Palo Alto encourages the Committee to serve in the capacity it was charged to lead and direct the work of ABAG staff to produce a more equitable and achievable housing distribution.

Thank you for your continued consideration.

Sincerely,



Ed Shikada
City Manager

CC:

Palo Alto City Council Members

ABAG Executive Board Members

Molly Stump, City Attorney, City of Palo Alto

Jonathan Lait, Director, Planning and Development Services Department, City of Palo Alto

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