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

Dear Board President Arreguín:

On behalf of the City Council of the City of Novato, please accept this letter of comment to the proposed Regional Housing Needs Allocation (RHNA) methodology recommended by the Housing Methodology Committee (HMC). We request these comments be read and considered in advance of the October 15, 2020 ABAG Executive Board meeting where the recommended methodology will be discussed.

The City of Novato appreciates the dedication of the various appointed officials, staff members and volunteers to develop a methodology and achieve consensus on an appropriate distribution of 441,000 new housing units. The responsibility was especially daunting in the face of competing goals of housing supply and affordability, climate change, and transportation infrastructure and funding. Mayor Pro Tempore Pat Eklund represented Marin County on the HMC and her reports demonstrated the complexity of the task undertaken.

However, as a city located in one of the region's smaller and less urbanized counties, 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 2050 Draft Blueprint, 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 looked 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 homeless and lower income families and by advocating for the development of a third SMART station to provide forward-looking public transportation alternatives to our residents. The HMC methodology, however, allocates growth in ways that counter the strategies of PBA. The methodologies continue to promote auto dependency and long commute times, exacerbate a significant jobs/housing imbalance and result in numbers for areas like ours that are wholly unrealistic. The methodology sets us up for failure.

The City's allocation estimate is nearly six times our 5th Cycle allocation. While we continue to make progress toward achieving 100% of our current allocation, we have not yet accomplished it. Despite all of our good work to develop and adopt a compliant housing element, to rezone properties and streamline processing for our housing opportunity sites, the units have not all been built by the private market. We believe that is due, in large part, to our location within the Bay Area housing market and our lack of jobs growth. These are two things which we have very little control over. With the proposed methodology, we will be expected to produce six times our previous allocation. The number is unrealistic and the potential penalties to our community are significant.

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 with the 5th Cycle housing element production to achieve 88% of our *very low income* units. We understand and support housing equity and, in addition, we want to continue implementing a smart and strategic plan for growth. We do not believe the proposed HMC methodology keeps us on that strategic path.

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, 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 the Bay Area. Marin County's topography has resulted in historical patterns of small development pockets surrounded by vegetated hillsides and ridges, often with limited points of access and evacuation routes. 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 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.

Thank you again for all of your hard work on this effort. We appreciate your time and consideration of our comments.

Respectfully,

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

Denise Athas
Mayor