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CITY OF SARATOGA

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December 16, 2020

President Jesse Arreguin & ABAG Executive Board
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Subject: Regional Housing Needs Allocation (RHNA) Methodology

Dear President Arreguin & ABAG Executive Board Members,

Since as early as 1969, the State of California has recognized the need for cities, towns, and counties to plan for the future housing needs of residents across all income levels. Planning for and enabling future growth through the RHNA process and local Housing Element updates is one of many ways in which we have worked to address the housing crisis. While the City of Saratoga is eager to be a partner in this process, I would like to express concerns about the proposed RHNA Methodology.

In June 2020, the California Department of Housing and Community Development (HCD) released the housing needs allocation for the San Francisco Bay Area for the 2023 to 2032 time period. The total number of new housing units needed is estimated at 441,176. This compares to 187,990 for the prior planning period of 2015-2023 representing a 234% increase in future housing to be planned for in the Bay Area. The projected housing needs were developed well before we developed an understanding of the true impacts of the novel coronavirus (COVID-19) and it is becoming evident that this pandemic will cause a major shift throughout the Bay Area and in Santa Clara County. Major employers, such as Oracle and Hewlett-Packard, have responded by relocating their headquarters out of the region and state. Others, like Facebook and Twitter, have introduced new policies that allow employees to work remotely from any location for the foreseeable future. As a result, San Francisco apartment rental rates saw one of the steepest year-over-year declines. We are still grappling to identify the impacts of COVID-19 on our region and it would be prudent to postpone action on the RHNA Methodology until we clearly understand how COVID-19 will influence housing needs.

Under the proposed RHNA Methodology, the City of Saratoga would be expected to plan for 2,100 new housing units in the 2024-2032 Housing Element compared to 439 new units in the 2015-2023 Housing Element. Saratoga is a primarily residential community, with very limited commercial space or undeveloped lots. Less than 5% of the City is designated for commercial or office use. Planning for an additional 2,100 housing units will significantly reduce the already

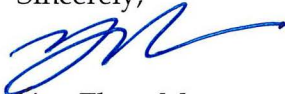
limited areas for commercial services and job opportunities, resulting in an increase in vehicle miles traveled as residents leave Saratoga to access grocery stores, common services, or get to work. Furthermore, there is very little access to public transportation in Saratoga. There are only a handful of bus lines that operate in the City of Saratoga with only one line that runs through Saratoga frequently (every 12 to 15 minutes on weekdays) with the other lines coming once every 30 to 60 minutes. This directly conflicts with the RHNA objective to encourage efficient development patterns and reduce greenhouse gas emissions.

Saratoga has been largely built out with a population of roughly 30,000 since the 1980s. The addition of more than 2,000 households to the City will have a marked impact on infrastructure and services. The RHNA Methodology fails to assess whether the infrastructure of a jurisdiction can accommodate the mandated growth. Furthermore, there has been no consideration of whether jurisdictions have the resources to meet future service burdens if RHNA targets are met. Additional households mean an overall increase in demand for various local services. With limited means for raising revenues, not all cities and counties may be able to fund infrastructure and services adequately.

In recent years, the State has adopted a slate of laws that assume the housing crisis can be solved simply by removing all imagined barriers to development. Many of these laws have penalized jurisdictions that have a track record of approving new housing projects but did not have enough private development applications to meet RHNA targets. This thinking has led to a drastic erosion of local control through laws like SB 35 that have done little to provide affordable housing to those who need it the most. These laws and penalties are an oversimplification of the housing crisis that completely fail to consider market influences on housing development. Roughly half the City is designated as part of the Wildland Urban Interface area. As a result, there are very few opportunities for economically feasible housing development. Without the appropriate financial incentives, the number of homes built in Saratoga and many other California communities will undoubtedly be lower than future housing needs anticipated in the RHNA process. While it is important that we plan for future growth, I hope our legislature will stop punishing communities if RHNA projections are out of sync with market demand and turn out to be wrong.

I believe that it is important to support affordable housing for the region, to build affordable housing in areas that have easy access to services and public transportation, and to align jobs and housing. However, I believe that the RHNA Methodology has seriously missed the mark if it aims to place more residential housing in areas that cannot sustain increased density due to lack jobs, transportation options, commercial services, and lack of available space or market interest for development.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Yan Zhao', written over a white background.

Yan Zhao, Mayor
City of Saratoga