



**Local Agency
Formation Commission
of Santa Clara County**

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

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January 21, 2021

VIA EMAIL: RHNA@bayareametro.gov

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

**RE: DRAFT RHNA METHODOLOGY - CONCERN REGARDING OVERALLOCATION TO
UNINCORPORATED SANTA CLARA COUNTY**

Dear President Arreguin and ABAG Executive Board,

Thank you for the opportunity to comment on the Draft Regional Housing Needs Allocation (RHNA) Methodology. Santa Clara LAFCO recognizes the current housing crisis and supports the need for producing adequate housing to accommodate projected growth in our region, consistent with statutory requirements. We appreciate that ABAG's revised RHNA methodology has resulted in a reduction to the County's allocation from 4,100 to 3,158 units. However, this revised allocation is significantly above the County's estimated capacity for housing production in the unincorporated area and is contrary to Plan Bay Area goals and climate-smart growth policy.

We submit this letter to reiterate our ongoing concerns regarding the RHNA Methodology that has produced high allocations for unincorporated Santa Clara County which if met would promote sprawl and pose a serious threat to farmland and open space preservation in our region without significantly contributing to meeting our housing needs in a manner that is consistent with statutory requirements.

**RHNA Methodology Ignores Longstanding Cooperative Interagency Agreement on
Location of Future Urban Development, including Housing**

As stated in our prior letter dated August 10, 2020, since the early 1970's, urban growth and development in Santa Clara County has been governed by an agreement (known as the Countywide Urban Development Policies) between the County, the 15 cities, and LAFCO. The most central policy of this longstanding agreement is that urban development should occur solely within cities and rural unincorporated lands outside cities should remain rural. In Santa Clara County, the 15 cities have the responsibility to plan for, accommodate and provide services to urban development, whereas the county has made a commitment to limit densities and urban uses in the rural unincorporated areas in order to protect natural resource lands. Further, the County does not provide

urban services such as sewers within the unincorporated rural areas. Consistent implementation of this agreement by the parties over the years has helped discourage urban sprawl, preserve agricultural and open space lands, and promote efficient urban services delivery in Santa Clara County. **ABAG's Draft RHNA Methodology and allocation fails to acknowledge and account for this foundational agreement between the 15 cities and the County that directs urban development into cities, away from the rural unincorporated areas.**

Furthermore, under the same agreement, it is infeasible for the County to meet its large housing allocation within existing urban unincorporated communities that are near job and transit centers. In Santa Clara County, most such existing urban unincorporated areas are located within city Urban Services Areas (USA) and referred to as urban islands. The longstanding countywide agreement calls for urban unincorporated islands (with the exception of Stanford) to eventually annex into their surrounding cities, so that cities have complete responsibility for urban services and land use authority over all lands within their USA boundaries. Accordingly, the County has referral policies that provide cities with an opportunity to annex these unincorporated islands as a prerequisite to proposed new urban development. Additionally, the County General Plan policies require that major development proposals in urban unincorporated areas conform to city General Plans. As a result, while new housing development may be appropriate in some of these urban unincorporated islands, such development could occur only upon annexation to the cities. It is therefore unrealistic and infeasible to expect the County to meet its large RHNA allocations in the urban unincorporated areas, just as it is infeasible in the rural unincorporated areas due to lack of urban services and in the public interest of keeping urban development out of natural resource lands and other natural hazard lands deemed unsuitable for urban development.

ABAG should meet Statutory Requirements for Developing RHNA Methodology and NOT defer its Responsibility

The Draft RHNA Methodology is inconsistent with Government Code §65584(d) as it does not further the objectives of promoting infill development, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets and therefore fails to comply with statutory requirements.

ABAG notes that the Housing Element law allows an unincorporated county to develop an agreement to transfer a portion of its RHNA allocation to a city after it receives its RHNA allocation from ABAG. We appreciate ABAG's offer to provide assistance to local jurisdictions with this process. We believe that while this may be a useful fall-back provision in some cases, the important issue of high allocations to county unincorporated areas should be addressed in advance and resolved within the RHNA Methodology by ABAG and not deferred for future negotiation/resolution amongst local jurisdictions.

For the above stated reasons, we respectfully request that ABAG revise its RHNA methodology and allocations for unincorporated Santa Clara County to take into consideration the longstanding cooperative agreement between the 15 cities and the

County, and more importantly to ensure that much needed housing is feasible and will be built in locations capable of meeting statutory objectives.

Sincerely,

A handwritten signature in cursive script, appearing to read "N. Palacherla".

Neelima Palacherla
Executive Officer

CC: LAFCO Members
Jacqueline Onciano, Santa Clara County Planning Director