

November 18, 2020

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

RE: Proposed RHNA Methodology and Subregional Shares - Support for **Option 8A** using the Plan Bay Area 2050 **Households** Baseline with the **Equity Adjustment**

Dear President Arreguin and ABAG Executive Board,

We are a diverse set of organizations and stakeholders, including the 6 Wins for Social Equity Network and close partners, from across the region focusing on housing, the environment, and the economy. **We strongly support ABAG’s proposed RHNA methodology, known as the “High Opportunity Areas Emphasis & Job Proximity” methodology (“Option 8A”) using the Plan Bay Area 2050 Households baseline, but believe the methodology needs to be further refined through a small but meaningful adjustment to more fully meet the statutory objective for affirmatively furthering fair housing.**

With the adjustment, this methodology will move us closer to an inclusive and prosperous region where all residents have a safe and affordable home and equal access to environmental, economic, and educational opportunity.

Option 8A represents a sound compromise born of an in-depth, iterative process at the ABAG Housing Methodology Committee. Over the last year, this diverse group of local elected officials, city and county staff, and community stakeholders engaged in robust discussion on every aspect of the methodology. ABAG adopted the Committee’s recommendation due to its strong performance on the statutory objectives of RHNA. A majority of the Committee also supported an equity adjustment. We urge you to continue to respect the integrity of this process and move forward with the Committee’s recommendation, with the equity adjustment.

As ABAG staff has demonstrated through a set of performance metrics, Option 8A performs well on all five of RHNA’s statutory objectives. This methodology will help our region improve our environment, reduce our commutes, and ensure every resident has a stable home they can afford:

1. Improve our Environment: Option 8A will help improve our environmental health and mitigate climate change in several ways:
 - a. The “Access to High Opportunity Areas” factor allocates more homes in jurisdictions with high quality economic, educational, and *environmental* opportunity.¹ This means that more homes, especially affordable homes, will be allocated to jurisdictions with quality jobs, adequately-resourced schools, and minimal pollution.
 - b. The 70 percent weight to the “Access to High Opportunity Areas” factor for affordable homes will require jurisdictions that have mostly zoned for single-family homes to now zone for multi-family housing to meet the very low- and low-income allocations.² Multi-family buildings, such as apartments, are more efficient uses of our space and they use less energy, water, and land than single-family neighborhoods.³
 - c. The Plan Bay Area 2050 Households baseline and job proximity factors allocate more homes near projected job growth, thereby reducing commutes and greenhouse gas emissions. Option 8A with an Equity Adjustment allocates 60 percent of the total RHNA to the counties with highest projected job growth: San Francisco, San Mateo County, and Santa Clara County.

2. Reduce our Commutes: Option 8A will reduce commutes for *all kinds of jobs*, not just the tech jobs in Silicon Valley, in order to meet the new statutory jobs-housing fit requirement. Jobs-housing fit is a jurisdiction’s ratio of low-wage jobs to homes affordable to those workers.⁴ Those workers include farmworkers, service workers at our tourist destinations, homes, offices, and schools, and many others. Currently, many of our jurisdictions have a severely imbalanced jobs-housing fit. For example, Pleasanton’s jobs-housing fit is 19 (meaning there are 19 low-wage jobs for every home affordable to those workers), Danville’s is 11, and Sonoma’s is 8. Each day, over 170,000 people commute into Contra Costa County for work and about one-third of those commuters are traveling more than 50 miles to those jobs, which means we need homes in Contra Costa County too.⁵ Thus, Option 8A and the Equity Adjustment will help reduce commutes for everyone.

¹ California Tax Credit Allocation Committee’s [Opportunity Mapping Methodology 2020](#); Environmental opportunity is based on [CalEnviro Screen 3.0](#), which measures the level of environmental health in each census tract, including the extent of air and water pollution.

² Cal. Gov. Code Section [65583.2\(c\)\(3\)\(B\)](#).

³ “[Apartments in buildings with 5 or more units use less energy than other home types](#),” U.S. Energy Information Administration (June 2013).

⁴ “[Low-wage Jobs-housing Fit: Identifying Locations of Affordable Housing Shortages](#),” UC Davis (Feb. 2016).

⁵ U.S.Census Bureau, Center for Economic Studies at <https://onthemap.ces.census.gov/>.

3. Stable Homes for all Bay Area Residents: Residents across the Bay Area have a wide range of income levels but those on the lower end have few options affordable to them. Option 8A helps ensure that there will be new homes affordable in every part of the region. However, an Equity Adjustment, as described below, is necessary to fully meet this need.

An Equity Adjustment is necessary to improve this methodology's performance on the affirmatively furthering fair housing objective. At the Housing Methodology Committee's final meeting on September 18, more than half of the committee supported an adjustment to ensure that each exclusive jurisdiction receives a share of the region's very low and low-income allocations that is at least proportional to the jurisdiction's share of the region's total number of households.⁶ Many members of the ABAG Executive Board also stated on October 15 that meeting the statutory objectives of RHNA and advancing racial equity were critical and worthy of potential improvements to the methodology.

The Equity Adjustment will operate as follows: if a racially and/or economically exclusive jurisdiction receives a share of the region's very low- and low-income allocations that is less than proportional to the jurisdiction's share of the region's households, the Equity Adjustment will add very low- and low-income units to its allocations until the jurisdiction's share of the region's very low- and low-income allocations is proportional to its share of the region's households. For example, if jurisdiction A is racially and/or economically exclusive and is home to 1% of the region's households but receives 0.8% of the region's very low- and low-income allocations, then the adjustment will add at least 0.2% of the region's very low- and low-income allocations to jurisdiction A.

Under the proposed methodology, without an adjustment, there are 17 exclusive jurisdictions that are *not* receiving this proportional share of very low- and low-income allocations.⁷ Using an adjustment to re-allocate just 3,003 more affordable homes (which make up 1.7% of the total lower-income RHNA and 0.7% of the total RHNA) to these jurisdictions will ensure that this proportional threshold is met throughout the region. These allocations are essential to encourage more multi-family zoning, which will further both our need to build more affordably in areas of opportunity and build more efficiently and densely. Otherwise, the RHNA will exacerbate fair housing problems in over one-third of our historically exclusive jurisdictions which would be the opposite of affirmatively furthering fair housing.

⁶ Housing Methodology Committee [Meeting on Sept 18, 2020](#) at 1:06:00-1:06:47 (only 9 out of 31 members voted against the equity adjustment).

⁷ Four out of those 17 jurisdictions are in Napa and Sonoma Counties where fire risk is increasing. Consistent with the duty to affirmatively further fair housing, ABAG should work with HCD and those 4 jurisdictions to discuss how these risks can be mitigated in their housing elements.

To apply the Equity Adjustment, the additional allocations must come from other jurisdictions. The following are a few different ways to perform this reallocation:

1. **Unincorporated jurisdictions:** The Equity Adjustment could take allocations from some unincorporated jurisdictions that may lack sewage and utility lines or have substantial protected open space. If ABAG chooses this option, it must carefully consider which unincorporated areas from which to reduce allocations, because there are many high-income, urbanized communities in unincorporated areas as well. For example, Alamo is an unincorporated community in Contra Costa County where the jobs-housing fit is 10, the median home value is \$1.6 million, and it is a high opportunity area.⁸ Thus, this reallocation must still affirmatively further fair housing by ensuring that the unincorporated areas with high-income, urbanized communities are allocated their fair share of affordable units.
2. **Non-exclusive jurisdictions:** as staff had recommended to the Housing Methodology Committee on September 18, another option is to reduce allocations from all jurisdictions that are *not* “racially and economically exclusive” (as defined by the AFFH performance metric) in proportion to their initial share of the region’s lower-income RHNA.
3. **Least exclusive jurisdictions:** another option is to reduce allocations from the jurisdictions that have the *lowest* extent of racial and economic exclusion (as defined by the AFFH performance metric).

Moreover, **we strongly urge ABAG to reject alternatives, such as changing the baseline, that perform worse on the statutory objectives’ performance metrics.** Alternative proposals that use Plan Bay Area 2050 Growth as the baseline, for example, fail to meet the statutory objective to affirmatively further fair housing and perform worse than the current ABAG proposed methodology on almost all other metrics. If any further adjustments to the methodology are made, they should instead perform holistically better on the metrics and objectives.

Finally, we recognize that there are many essential objectives of the RHNA process that must be advanced through local housing element updates, including equitable planning that accounts for geographies particularly vulnerable to fire and flood, protecting our open space, and dismantling segregation within local jurisdictions. These are essential goals that local jurisdictions must address in their housing elements after they receive their RHNA allocations. State law allows local jurisdictions to plan how to meet their RHNA in ways that are most appropriate for their local context. For instance, they should avoid using sites with

⁸ UC Davis Jobs-Housing Fit [data](#) (2016); [Alamo Census Estimates](#) (2019); California Tax Credit Allocation Committee’s [Opportunity Map](#) (2020).

insufficient water, sewage, and dry utilities,⁹ they should avoid planning for very low and low income homes in the neighborhoods facing moderate and high wildland fire hazards, and they should plan for more affordable homes in the neighborhoods with higher access to opportunity. We look forward to continuing to work with our elected leaders and agency staff across the region to ensure these goals are met.

Now is the time for all Bay Area cities and counties to come together and move collectively toward a more equitable, sustainable, inclusive future where people of all racial and economic backgrounds have access to housing and resources. ABAG's proposed methodology with the Equity Adjustment outlined above will help us get there.

Signed,

Shajuti Hossain, *Public Advocates*

Debra Ballinger, *Monument Impact (in Concord)*

Tim Frank, *Center for Sustainable Communities*

Louise Auerhahn, *Working Partnerships USA (in San Jose)*

Justine Marcus, *Enterprise Community Partners*

Leslie Gordon and Tameeka Bennett, *Urban Habitat*

Rodney Nickens Jr., *Non-Profit Housing Association of Northern California* [HMC member]

Jeffrey Levin, *East Bay Housing Organizations* [HMC member]

Darnell Grisby and Hayley Currier, *TransForm*

Mike Rawson, *Public Interest Law Project*

Matt King, *Sacred Heart Community Service (in San Jose)*

⁹ Cal. Gov. Code Section [65583.2\(b\)\(5\)\(B\)](#).

Laura Hall, *EAH Housing*

Héctor Malvido, *Ensuring Opportunity Campaign to End Poverty in Contra Costa County*

Ian Winters, *Northern California Community Land Trust*

Gina D. Dalma, *Silicon Valley Community Foundation*

Cindy Wu, *Bay Area Local Initiatives Support Corporation*

Leslye Corsiglia, *Silicon Valley at Home*

Adam Briones, *The Greenlining Institute*

Ruby Bolaria Shifrin, *Chan Zuckerberg Initiative* [HMC member]

Judith Bell, *The San Francisco Foundation*

Karen Chapple, *Professor of City & Regional Planning at UC Berkeley*