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To: [MTC Info](#)
Subject: Written comment for 4/9 ABAG Exec Board Meeting
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External Email

This is a public comment for Agenda Item 6 of the 4/9 ABAG Exec Board Meeting on Plan Bay Area 2050.

I do expect a written response to my request from the staff after the meeting.

Dear ABAG Executive Board Members,

I am Liang Chao, Cupertino City Councilmember, representing myself.

The recent change in the state law regarding Housing Element requires all the cities to FULLY IMPLEMENT the allocated RHNA numbers within the 8-year Housing Element Cycle; otherwise, the cities get punished in various ways. Thus, it's essential to ensure that the RHNA numbers allocated are realistic, not imaginary.

I request ABAG provide realistic estimations for 4 factors to ensure FULL IMPLEMENTATION of RHNA numbers In Plan Bay Area 2050 by all cities.

1. Realistic estimates of the funding required for the full buildout of all BMR housing units in PBA 2050. - The BMR units (at whatever income level) have to be supplemented by government funding.

Thus, ABAG must provide realistic estimation of the total amount of funding for BMR units for the full implementation of Plan Bay Area 2050. Without sufficient funding for the allocated BMR units, PBA 2050 only sets the cities up for failure.

[Not to be included in the oral comment] (For example, if the allocation for a city is 250 market-rate units and 750 BMR units, the 250 market-rate units would likely fund 25 (10% of 250) BMR units. Then, the remaining 725 BMR units need to be subsidized. At \$0.5 million per unit, the estimate funding for 725 BMR units would be about \$362.5 millions)

2. Realistic estimates of the total construction materials required for full buildout of PBA 2050 - it is well known that there is a limit amount of construction materials to go around, which drives up the construction price. With the full buildout of PBA 2050, how much more construction materials will be needed, compared with 2019's numbers? Assuming there is no significant change in the total construction materials, how much more the construction price will become?

3. Realistic estimates of the total construction labor staffing required for full buildout of PBA 2050 - There is already a shortage of skilled construction labor in 2019 in the Bay Area. With the full buildout of PBA 2050, how much more construction labor staffing will be needed, compared with 2019's numbers? What steps are required to meet the demand?

4. Realistic estimates of the impact of economic downturn on residential real estate building

market. - The cities do not build housing. The cities can only approve whatever proposals presented to the cities. If there is not sufficient housing project applications due to economic downturns or soft rental markets, unfortunately the cities will still get punished by the current state law for not meeting the RHNA numbers. Thus, PBA 2050 must take into account of potential economic downturns so that the cities are not punished for factors beyond their controls.

Without sufficient funding, construction materials or labor force for the allocated RHNA numbers, PBA 2050 would only set the cities up for failure. That's extremely irresponsible. I'm sure ABAG Exec. Board would ensure that the full implementation of PBA 2050 you adopt is realistic under proper estimates in place.

Looking forward to your response.

Sincerely,

Liang Chao