



# CITY OF MILPITAS

## OFFICE OF THE CITY MANAGER

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August 27, 2020

**VIA EMAIL: [RHNA@BAYAREAMETRO.GOV](mailto:RHNA@BAYAREAMETRO.GOV)**

Association of Bay Area Governments and Metropolitan Transportation Commission  
Housing Methodology Committee  
Chair – Mayor Jesse Arreguin, City of Berkeley

**Subject: City of Milpitas Comments on the Regional Housing Needs Allocation Methodology**

Dear Housing Methodology Committee:

The City of Milpitas appreciates the dedication and hard work of the ABAG/MTC staff and the Housing Methodology Committee over the last year. Housing remains a core issue for the Bay Area and it is challenging to balance so many factors. I am writing to share feedback from the City of Milpitas as you prepare to formalize your recommendations on the Regional Housing Needs Allocation (RHNA) methodology.

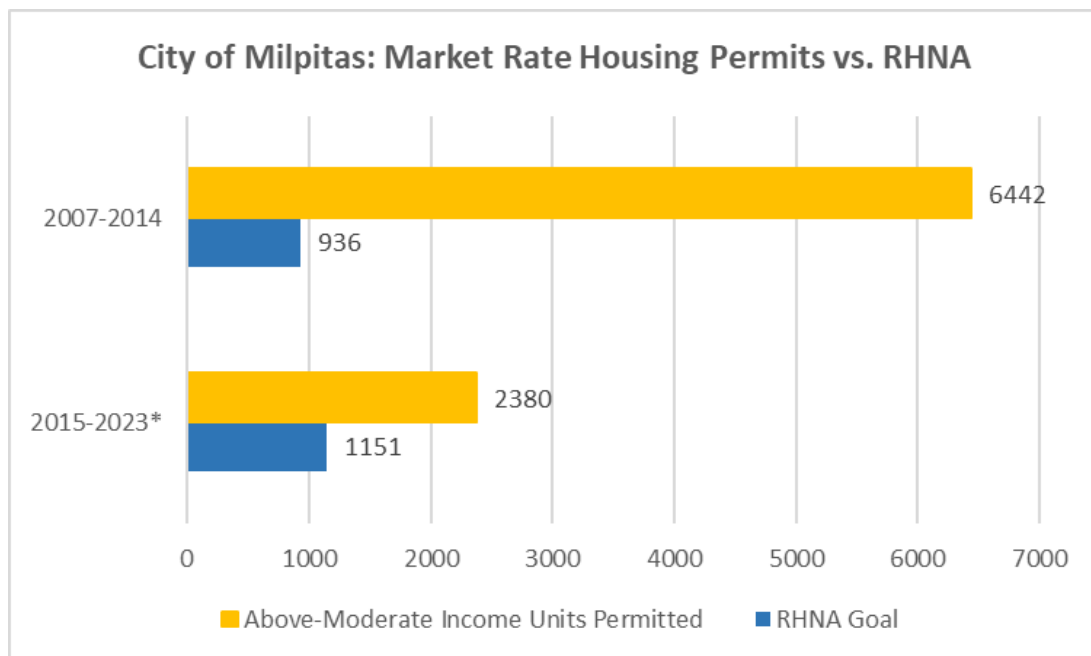
While we understand that the RHNA methodology must further the objectives identified in Housing Element Law and be consistent with the development pattern and outcomes envisioned in Plan Bay Area 2050, the Draft Blueprint sets forth ambitious goals for addressing the region's challenges and needs, particularly for the South Bay. Although the intent is to create a more affordable, connected, diverse, healthy, and vibrant Bay Area, we have concerns that using the Draft Blueprint as a baseline for the RHNA methodology will not achieve these goals.

The City of Milpitas supports prioritizing housing growth in high-resource and transit-served areas and near existing job centers, but we have a number of concerns about how the RHNA methodology will align with the goals of the Sustainable Communities Strategy (SCS) and SB 375, as well as the feasibility and practicality of achieving such a dramatic increase of housing in Santa Clara County. As such, we offer the following comments regarding the RHNA methodology:

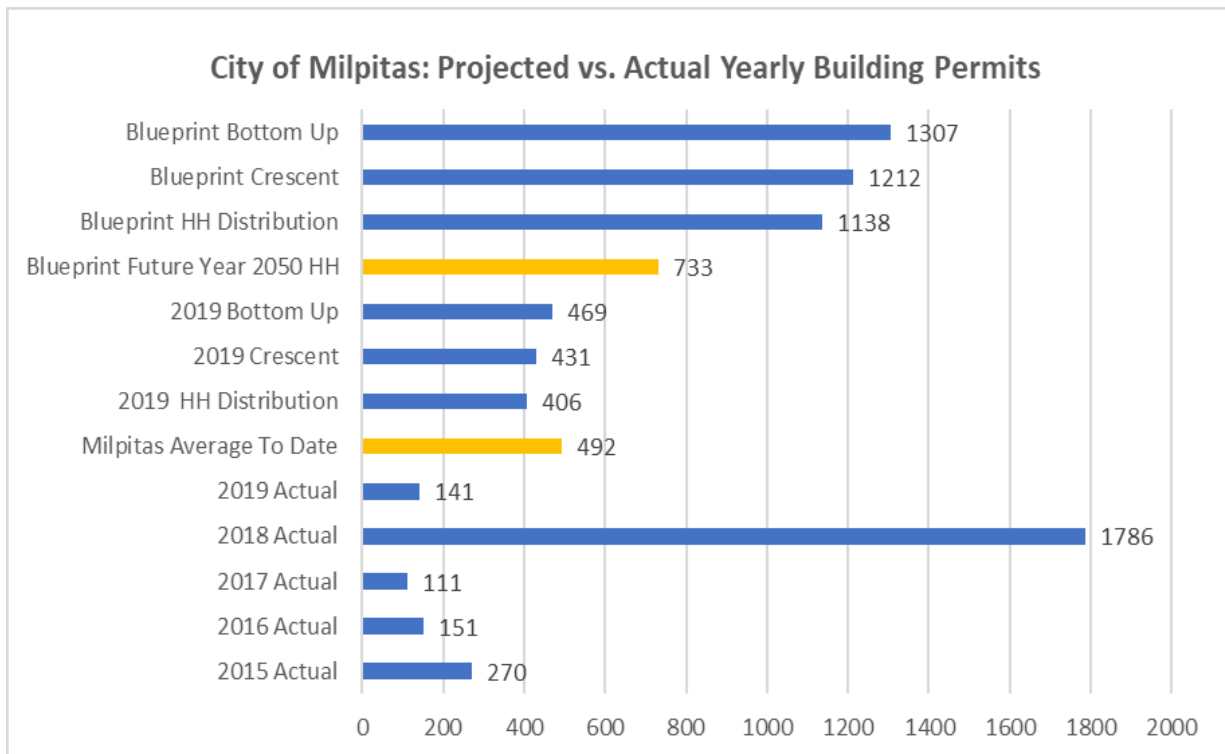
- 1. Cities Association of Santa Clara County Comments on the Plan Bay Area 2050 Draft Blueprint:** The City of Milpitas supports the comments made by the Cities Association of Santa Clara County Planning Collaborative on the Plan Bay Area 2050 Draft Blueprint. The Draft Blueprint locates a large percentage of growth in areas within Santa Clara County that do not currently have excellent access to transit. Additionally, the expected level of future growth in Santa Clara County jurisdictions is both unrealistic and unsustainable based on current and projected levels of infrastructure spending. For the reasons listed in the Planning Collaborative's letter, the City of Milpitas does not recommend using the "Future Housing Growth 2015-2050 (Draft Blueprint)" as the baseline for the RHNA methodology. Instead, the City supports the HMC's straw vote on August 13th to use the new option, "Blueprint Future Year 2050 Households" which finds a middle balance

and calls for a more feasible pace of housing growth in Milpitas. The letter from the Cities Association of Santa Clara County Planning Collaborative is attached for reference.

- Milpitas has sustained dramatic housing growth:** Milpitas is one of the rare cities that has exceeded its market rate housing production goals for two consecutive RHNA cycles. This growth was made possible by long range planning, zoning and infrastructure investments. We encourage the HMC to consider this unprecedented growth when right sizing future market rate housing in the South Bay. The below chart compares actual housing permit activity in Milpitas with its RHNA goals:



- Milpitas Housing Growth:** Since 2000, Milpitas’s rate of housing growth has significantly outpaced the rate for Santa Clara County, a region that has experienced substantial growth during this time. Due to the previously strong economic climate and anticipation of the newly opened Milpitas BART Station, Milpitas experienced unprecedented housing growth in the last few years and has been recognized by the 2020 US Census as one of the fastest growing cities in California and in the US. However, the BART effect is unlikely to sustain such high levels of construction because much of the land around the station has been developed. Without such a major driver of growth, the housing market in Milpitas could fall short of the annual housing goals called for in the Draft Blueprint (1,138 to 1,307 units per year). The chart below compares the City’s recent annual housing production with the RHNA baseline scenarios proposed by ABAG/MTC. Using the Draft Blueprint as a baseline would more than double the annual RHNA for Milpitas as compared to using the 2019 household distribution as a baseline. Using “Blueprint Future Year 2050 Households” as a baseline results in ambitious but more realistic housing growth that is closer to our yearly average as shown in the chart below.



- Jobs Housing Balance:** The Draft Blueprint calls for Milpitas to accommodate 1% of the region’s job growth, but 7% of the region’s housing growth. This would shift Milpitas’s already balanced jobs-housing ratio toward housing. Meanwhile, major jobs-rich cities such as San Francisco and Berkeley, which are also well-served by transit, would receive an allocation that is below the regional average.

The City of Milpitas wholly recognizes our responsibility to add housing to address the current housing crisis and provide for future growth. Milpitas has exceeded our market rate RHNA goals for the last thirteen years and we are planning for significant new housing development through updates to our General Plan and two Specific Plans. The General Plan update will be completed by the end of 2020, and updates to both Specific Plans will be completed by the end of next year. However, the use of the Draft Blueprint assumptions in the RHNA methodology would result in housing growth in Milpitas that is unrealistic and at odds with stated SCS goals. We support the HMC’s straw vote on using the “Blueprint Future Year 2050 Households” as the baseline for applying other RHNA methodology factors. In this way, we can add housing and infrastructure more gradually so communities like Milpitas can grow sustainably over the next 30 years.

Sincerely,

Steven G. McHarris  
City Manager  
City of Milpitas



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August 10, 2020

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San Francisco, CA 94105-2066  
Via E-mail: [info@planbayarea.org](mailto:info@planbayarea.org)

Re: Planning Collaborative Comments on Plan Bay Area 2050 DRAFT Blueprint

Dear ABAG Executive Board and MTC Commissioners:

On behalf of the Cities Association of Santa Clara County Planning Collaborative which includes the fifteen cities and the county, we offer our comments on the Draft Blueprint for Plan Bay Area (PBA) 2050.

As a general vision for the future growth and evolution of the Bay Area through 2050, the Blueprint sets forth an ambitious agenda for addressing the region's challenges and directing growth. While we understand your goal is to create a more affordable, connected, diverse, healthy and vibrant Bay Area, we have concerns that the Blueprint fails to do so.

While the Cities Association of Santa Clara County Planning Collaborative endorses the Blueprint's guiding principles, we have a number of concerns about how the Blueprint will achieve the key goals of the Sustainable Communities Strategy (SCS) and requirements of SB 375, as well as the feasibility and practicality of implementing the PBA Blueprint in Santa Clara County as a whole as well as for its individual jurisdictions, as enumerated below:

- 1. Does not Achieve Key Goal of the Sustainable Communities Strategy.** The primary goal of the regional SCS per the requirements of SB 375 is to link household and employment growth to transit infrastructure and services to reduce VMT and GHG emissions. Unfortunately, the PBA 2050 falls short of this goal because it locates a large percentage of growth in areas that do not currently have excellent access to transit (i.e. Santa Clara County communities). Even with new investments in transit infrastructure in Santa Clara County by BART and VTA, the cities in Santa Clara County are not as well served by transit than cities such as San Francisco, Oakland and Berkeley. While the Cities Association maintains a strong commitment to investing in new transit facilities and related community development, we believe that it is a strategic mistake for the region to actively plan for a level of housing and employment growth in Santa Clara County that could not possibly be accommodated in transit and service rich neighborhoods during the PBA time frame.
- 2. Unrealistic Household and Employment Growth Targets for Santa Clara County.** The Draft Blueprint allocates 41% of the region's household growth and 44% of the region's employment growth to Santa Clara County. For Santa Clara County jurisdictions, this level of future growth is both unrealistic and unsustainable based on current and projected levels of infrastructure spending. Our local cities, school districts, transportation agencies, utility

providers, special districts, etc. are unable to provide the necessary services and infrastructure that would be required for this level of new development. Even with significant new infrastructure spending measures at the jurisdictional, sub-regional or regional levels, this level of growth would still likely be unrealistic within PBA time frame.

### 3. **Potential Impact of the Draft Blueprint assumptions on the Regional Housing Needs Allocation Housing Methodology.**

The RHNA Housing Methodology Committee will be making a recommendation to ABAG's Executive Board on whether RHNA for the region should be based on Plan Bay Area or existing households in addition to other demographic factors. The Cities Association does not recommend using the Plan Bay Area assumptions in the RHNA process for the following reasons:

- **Timing.** Public comment on the PBA Blueprint ends August 10, with the Final Blueprint scheduled for adoption in late 2020. Based on their existing schedule, the HMC won't have time to recommend adjustment or modification of the RHNA methodology based on the Final Blueprint.
- **Double-Counting of Factors.** Plan Bay Area is presumed to include some of the same inputs as the RHNA process, such as a focus on access to jobs. While these are important factors, they could be double counted through the RHNA process, especially since the HMC and jurisdictions' staffs have had less opportunity to review and understand the PBA model.
- **Locating Growth in the Regional Transit-Oriented, Jobs-Rich Core.** As noted above, several major cities in the region's transit-oriented, jobs-rich core, including San Francisco and Berkeley, would receive *less allocation than the regional average (16%)*. This seems to conflict with the PBA's goals of focusing growth near jobs, high-quality transit and existing infrastructure. This is especially problematic since most of the region's proposed transportation funding (approximately 75%) is scheduled for the maintenance and operation of existing transportation infrastructure.
- **Lack of Access to Transit.** The PBA options reveal a large percentage of projected growth within Santa Clara County cities. While as a whole Santa Clara County cities do have large parcels of underutilized land to accommodate additional growth, the area's transportation system is not well equipped to provide viable transportation options for new residents to help meet the Plan's GHG reduction targets. If these PBA options become part of the final RHNA determination, the Cities Association recommends that an equivalently proportional amount of transportation funding be allocated to Santa Clara County to support the transit improvements necessary to support this growth and reduce VMT and GHG emissions, per the goals of the SCS.
- **Unachievable Housing Targets.** Combining the PBA Baseline Option with some of the RHNA allocation factors already studied could create an extraordinary housing allocation for Santa Clara County jurisdictions to achieve within the eight-year time frame of the next Housing Element. In some instances, these increases could

represent a 30 to 50% increase over existing households. These are unrealistic assumptions which would not be achieved, especially considering that many of our jurisdictions have to largely rely on redevelopment of infill sites for housing growth.

The Cities Association of Santa Clara County Planning Collaborative wholly recognizes our regional responsibility to add housing to meet the current housing crisis and future growth needs. Many of our jurisdictions have already planned for significant housing growth by rezoning major employment and commercial areas and adopting policies mandating the development of housing supply in tandem with new jobs added to achieve a jobs-housing balance. However, the household and employment growth projected in the PBA Draft Blueprint would simply be unrealistic and at odds with the SCS stated goals of creating, affordable, connected, diverse, healthy and vibrant communities. We strongly recommend a recalibration of the PBA Blueprint employment and household projections for Santa Clara County to produce practical and implementable targets that are more consistent with the ability of our communities to grow sustainably over the next 30 years.

Sincerely,



Larry Klein  
President, CASCC  
Mayor, City of Sunnyvale

cc: Therese McMillan, Executive Director  
Bradford Paul, Deputy Executive Director, Local Government Services