

Date: September 30, 2020

ABAG Regional Planning Committee Members  
Submitted Via Email To: [info@bayareametro.gov](mailto:info@bayareametro.gov)

**RE: Recommendation for Regional Housing Needs Allocation (RHNA) Proposed Methodology – Agenda Item 5.a.**

Dear Committee Members,

At your October 1<sup>st</sup> meeting you will consider the Housing Methodology Committee's (HMC) recommended regional housing needs methodology (RHNA). The City of Palo Alto appreciates the HMC's significant work effort, but is disappointed that the City's concerns have not been adequately addressed in the recommended methodology. Attached to this letter is the City's last communication to the HMC that highlights some of our concerns.

In addition to the attached document, the City has recently learned from at least one HMC committee member that the methodology has resulted in the unintended consequence of placing more housing units in Santa Clara and Sonoma Counties. In fact, the City of Palo Alto has been contacted by Santa Clara County to discuss its concerns and desire to seek a redistribution of housing units to nearby jurisdictions. The City of Palo Alto commends county staff for its engagement and interest in seeking regional solutions to address an obvious flaw in the methodology. Unfortunately it is unclear how this can be resolved outside of the process that the Regional Planning Committee is currently engaged. Importantly, a vote to forward the HMC's recommendation to the ABAG Executive Board ignores critical flaws with the methodology and renders attainment of our shared housing interests infeasible.

Moreover, the City has made requests to ABAG staff for jurisdiction-level data to better understand key datapoints and assumptions made that serve as the basis for the methodology model. While some interim information has been received, we are still awaiting other aspects.

The City of Palo Alto requests the RPC review the attached letter and redirect the momentum of this effort back to the HMC to address these outstanding concerns and come up with a methodology that reasonably distributes future housing growth within the Bay Area.

Thank you for your continued consideration.

DocuSigned by:



Ed Shikada, City Manager

CC:

Palo Alto City Council Members  
ABAG Executive Board Members  
Molly Stump, City Attorney, City of Palo Alto  
Jonathan Lait, Director, Planning and Development Services Department, City of Palo Alto  
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September 17, 2020

Housing Methodology Committee Members  
Submitted Via Email To: [info@bayareametro.gov](mailto:info@bayareametro.gov)

**RE: Preferred Methodology for 6<sup>th</sup> Cycle RHNA**

Dear Committee Members,

Thank you again for your tireless work. The City of Palo Alto supports an equitable distribution of housing to serve the Bay Area's future housing needs and the final alternatives being considered by the Committee come woefully short of achieving that goal.

It is fundamentally not reasonable to accept that some jurisdictions will bear the burden of increasing its housing stock upwards of 25% - 40% over the next eight years. Not since the end of World War II have established Bay Area communities seen such unprecedented growth. Beyond growth rate, consider the actual feasibility of adding 10,000 new housing units in a small to medium size jurisdiction. Higher property values, less land, less federal and state funding to subsidize housing, and known limitations on existing infrastructure all conspire against the ambitious and unachievable housing goals being contemplated by the Committee.

The City of Palo Alto supports bold initiatives and recognizes it has a role in providing more housing with access to transit, good paying jobs, education and affordable housing. Recommendations for a five-fold increase to some jurisdictions over current RHNA targets is a tacit endorsement that the region will fail to build the number of needed housing units. Not only will certain jurisdictions fail to meet their RHNA numbers, many more communities will not be required to produce more than they can actually build.

Corrective action is needed before the Committee forwards a recommendation to the ABAG Executive Board. The alternatives do not consider local constraints such as topography raised by the City of Piedmont. The alternatives also do not recognize the added housing pressure and other unique attributes of town and gown communities, such as the City of Palo Alto and Stanford University that lies predominantly within adjacent Santa Clara County. Future housing allocations must reconcile these adjacencies.

A limit or cap is needed for any alternative that results in unachievable housing allocations for any jurisdiction. Housing units beyond a reasonable cap must then be redistributed to other cities and counties that have substantially lower housing production targets.

While many of the factors under consideration by the Committee reflect critical planning principles, the City continues to question the fundamental pre-pandemic and recession attribution of where jobs are located, as well as where they will be in post pandemic and recession conditions. The pandemic has shown a significant outflux of workers from the City.



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Furthermore, we anticipate that a significant percentage of those workers will continue to work from home into the future, especially in light of local and County emphasis on telecommuting. Using the draft thirty year planning document to anticipate the needs for the next eight years under an unprecedented economic environment, public health crisis and adjustments in cultural norms defies explanation.

The City of Palo Alto encourages the Committee to serve in the capacity it was charged to lead and direct the work of ABAG staff to produce a more equitable and achievable housing distribution.

Thank you for your continued consideration.

Sincerely,



Ed Shikada  
City Manager

CC:

Palo Alto City Council Members  
ABAG Executive Board Members  
Molly Stump, City Attorney, City of Palo Alto  
Jonathan Lait, Director, Planning and Development Services Department, City of Palo Alto  
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