

ALAMEDA COUNTY



City of Alameda • California

January 18, 2007

ABAG Executive Board
C/o Henry L. Gardner, Secretary-Treasurer
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: Draft Regional Housing Need Allocation Methodology

Dear Mr. Gardner:

The City of Alameda would like to thank you and the Association of Bay Area Government (ABAG) staff for the opportunity to comment on the proposed ABAG Resolution No. 02-07 adopting a methodology for allocating the regional housing need (2007-2014) among local jurisdictions.

The Bay Area and ABAG must continue to take a leadership role in the protection of the environment and the production of housing. As the ABAG Executive Board has stated in the past, the region and its governments must work together to coordinate our regional housing efforts with our regional transportation network. Therefore, we disagree with the ABAG's staff's recommendation to deemphasize the importance of transit in the methodology.

We recommend that the ABAG Executive Board maintain its leadership role advocating for transit oriented development and adopt a methodology that emphasizes the need to direct future housing growth to those locations that are well served by transit.

Of the four options provided by the ABAG staff to the Executive Board, we recommend that the Executive Board adopt the original Draft Allocation which include the following weighted factors: 40% Household Growth, 20% Job Growth, 20% 2007 Jobs, 10% Transit Oriented Development (TOD) Housing, 10% TOD Jobs. The original draft methodology correctly directed future housing growth to those locations that are well served by BART and that will continue to be the primary beneficiaries of the region's public transportation funding.

Meeting the regional housing need will be a challenge for all of the cities and counties in the Bay Area, including the City of Alameda, but we respectfully disagree with the large cities in the region, which have the benefit of the regional BART system and in some cases, multiple BART stations, which are arguing for a deemphasize in the Transit Weighting.

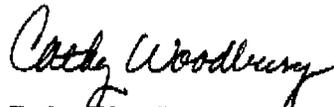
Planning & Building Department
2263 Santa Clara Avenue, Room 190
Alameda, California 94501-4477
510.747.6800 • Fax 510.747.6804 • TDD 510.522.7538

Association of Bay
Area Governments

January 18, 2007
Page 2

We hope you will continue your emphasis on transit and not back away from ABAG's previous work and resolutions that support linking transit and land use. We look forward to continuing to work with ABAG on these critical issues. Should you have any questions or wish to discuss this matter, please contact me at (510) 747-6800.

Sincerely,



Cathy Woodbury, AICP ASLA
Planning and Building Director

cc: Mayor Johnson and City Council members
City of Alameda Planning Board
Debra Kurita, City Manager
David Brandt, Assistant City Manager
Michael Pucci, Housing Authority Executive Director
Leslie Little, Development Services Director



City of Alameda • California

November 15, 2006
BY FAX AND MAIL

ABAG Executive Board
C/o Henry L. Gardner, Secretary-Treasurer
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: Draft Regional Housing Need Allocation Methodology

Dear M. Gardner:

The Planning and Building staff has reviewed the Draft Regional Housing Need Allocation Methodology to be used for the Regional Housing Needs Allocation Methodology (RHNA) for the 2007-2014 period and submits the following comments. Our response addresses both the projected total number of potential units allocated to Alameda and the number of units allocated in the income distribution categories.

Number of Units

In 2000 we expressed concern that our housing need allocation was too high based upon the unrealistic assumptions of ABAG's projections regarding land availability as well as economic recovery from base closure. Alameda is primarily a built-out community and the third most densely developed community in Alameda County. There is little or no land available within the city limits for future development until the former naval air station property (Alameda Point) is transferred to the City. The City also does not have undeveloped County land adjacent to its boundaries in which to expand the city limits and incorporate for future development.

Although the City has prepared and adopted General Plan Amendments for Alameda Point and has even developed Preliminary Design Concepts, Alameda Point is still not in the City's possession. The housing and job growth anticipated in the ABAG models has not occurred. The redevelopment of this property is further delayed by the recent loss of the Master Developer. While the City has initiated a search for a new Master Developer, it is likely that a new development process must be initiated to meet their needs as well as additional negotiations with the Navy. Therefore, 2007-2014 time frame will be primarily a time of planning and not construction.

Regional Allocation of Housing Units based on Affordability

The use of across-the-board percentages for the calculation of affordability requirements may provide an "equal share" but it does not acknowledge those communities that have

Planning & Building Department
2263 Santa Clara Avenue, Room 190
Alameda, California 94501-4477
510.747.6800 • Fax 510.747.6804 • TDD 510.522.7538

Letter to ABAG
Page 2

November 15, 2006

provided below market-rate housing in the past. Regional average income distribution does not account for past performance or the ability of a jurisdiction to provide affordable housing.

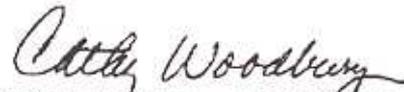
Transfer of Units

The City of Alameda supports the ability of jurisdictions to transfer units between themselves. The ability to transfer units should not be impeded by the recommended HMC criteria, which only hinders inter-governmental cooperation and coordination. It should not be ABAG's responsibility to maintain income proportionality between jurisdictions if the jurisdictions themselves can come to an acceptable resolution on how to transfer units. It better serves housing production in the region if jurisdictions are provided the flexibility to negotiate their own agreements. Given the fact that the regional allocation of housing units based on affordability does not acknowledge those communities that have provided below market-rate housing in the past and does not acknowledge existing over-concentrations of lower-income households, the idea of "fair share" has already been compromised.

Conclusion

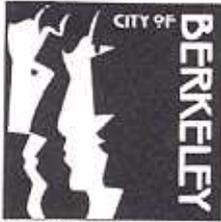
Given the City of Alameda's unique geographic location and inability to proceed with the development at Alameda Point, we ask that ABAG consider the significant challenges facing Alameda and reduce the allocation of housing units in accordance with our comments. We look forward to continuing to work with ABAG toward resolving our fair share allocation of housing units and await your response. Should you have any questions or wish to discuss this matter, please contact me at (510) 747-6800.

Sincerely,



Cathy Woodbury, AICP ASLA
Planning and Building Director

cc: Mayor Johnson and City Council members
Planning Board
Debra Kurita, City Manager
David Brandt, Assistant City Manager
Michael Pucci, Housing Authority
Leslie Little, Development Services



Planning and Development
Office of the Director

January 3, 2007

Mr. Paul Fassinger
ABAG Research Director
Association of Bay Area Governments
Post Office Box 2050
Oakland California 94604-2050

Reference: Comments on Draft Regional Housing Needs Assessment Methodology

Dear Paul:

Thank you for the opportunity to review and comment on the proposed Regional Housing Needs Allocation Methodology. The overall allocation for the City of Berkeley is 2712 units over the 7-year allocation period, assuming the overall regional allocation remains the same as it did for the previous RHNA. This is an increase of 114 percent over the previous allocation. An allocation of 2712 units over 7 years implies the City is expected to plan for and add 387 units per year.

State law requires ABAG to take into account certain factors in its RHNA allocations. Among those factors are protection of open space and agricultural land, and promoting City-centered growth policies. In addition, ABAG has adopted regional growth policies that it has incorporated into its projections that affect the regional housing allocations. Those policies, as a whole, are generally referred to as "smart growth" policies and encourage development near transit and near existing and projected jobs.

As a result of the interest in promoting "smart growth," the RHNA Housing Methodology Committee and subsequently the ABAG Executive Board further emphasized ABAG's policies by adopting an allocation methodology that focused largely on existing and projected jobs and transit. Because the methodology applies these factors to a set of projections that already incorporate them to some degree, the net result was that the RHNA allocations magnify the impact of the "smart growth" policies on certain communities. Berkeley is one of those communities. Berkeley has three BART stations. It has an existing jobs/housing imbalance, largely due to the influence of a major university and national research laboratory within its jurisdiction. It is expected to add a significant number of jobs (relative to its comparatively small size) over the next few years, also largely due to the existing institutions. It is a mostly built-out city with almost no vacant land. To the degree that development occurs in Berkeley, it will be through intensification of already developed sites.

Application of a College/University Factor

While ABAG took certain factors into account in the RHNA process as required by State law, it chose to largely ignore a factor recently added by the Legislature: the impact of universities and colleges on housing needs in a community. We recognize that this additional factor came very late in the process and largely after the RHNA HMC had completed its work. Nevertheless, we believe that insufficient consideration was given to this issue. In our comments on Projections 2007, and in our comments on the RHNA process, the City suggested some ways in which ABAG could better account for the impacts of the University of California at Berkeley on the City of Berkeley. We continue to believe that these should be more fully considered in the allocation methodology:

- The “vacancy factor” applied in college communities to increase the overall housing need number could be somewhat lower reflecting the extremely high demand and very low vacancy factors that exist in these areas, especially in high impact communities such as Berkeley where the proportion of students to overall population is very high.
- Projected household size should perhaps be adjusted to reflect the relatively high household size of students who squeeze into available housing.
- Since the University is a major regional institution, the largest such institution in the Bay Area, and it is situated in a relatively small community (in comparison to the University’s size), we believe ABAG should not apply the same RHNA jobs factor to Berkeley as to other communities. Those jobs should be spread within the many communities that contribute workers to the University.

In regard to this last point, we recognize that other jurisdictions in the Bay Area could make similar claims for their major employers, but we believe that Berkeley is distinguishable from those other communities. First, the legislature has specifically called out educational institutions for special consideration in the RHNA process. Second, UC Berkeley has a disproportionate impact on Berkeley in comparison to other schools in larger communities such as San Jose or San Francisco. Cal State University-East Bay located in a somewhat larger community than Berkeley is still only one-third the size of UC Berkeley, not including the Lawrence Berkeley National Lab. Finally, the City has no ability to exercise control over the University’s job growth. The University is a completely autonomous “government” within the City in regard to adding jobs, but is not required to address the housing needs those jobs generate, either through financial contribution to the housing needs of employees, or by locating new housing on University land. Accordingly we believe that there should be an equitable distribution of the impact of University jobs (both existing and projected) throughout the region.

Need for Realistic Goals

The City of Berkeley does not yet know whether it can identify sufficient sites to accommodate the significantly larger allocation that results from the draft methodology. Our policies already allow for some of the highest permitted densities in the Bay Area along our major transit corridors and in our downtown. By maintaining our existing policies, we may be able to identify a sufficient number of underutilized sites to meet the expected need. However, we are deeply concerned by the unrealistic expectations raised by these allocations and the impacts this will have on overall regional housing production.

Mr. Paul Fassinger
January 3, 2007
Page 3

In the past six years, Berkeley has experienced a relative development boom that saw the construction of more housing than at any time in the past 40 years. That boom led to an annual average increase of 160 units per year. Despite our policies that allow for comparatively high intensity development, the City has achieved less than half the required number of units in the past six years as we are allocated for the next seven years. Even if we were to assume that we could maintain the pace of the past few years – an unlikely scenario given the downturn in the market – we would still fall far short of meeting the allocation provided. We expect this same scenario exists for other urban communities under the proposed 2007 allocation methodology such as San Francisco and Oakland. We believe this is a market issue, not necessarily a regulatory one. Assembling and building new housing in built-up communities is a time-consuming, expensive process and leads to product types that are less-tested in the market place than lower-intensity, more traditional development types. While planners may agree, from a sustainability point of view, that “it is better to go up than out,” it is the market that largely decides what gets built and when. There is little evidence that the market can and will build the housing that would be expected under the draft ABAG allocations.

Meanwhile, under the proposed methodology, other cities will be required to plan and accommodate far less housing than in the previous RHNA cycle. If the housing is not being planned in areas where it is comparatively easy to build, and the market does not accommodate housing at a sufficient rate in existing built-up cities, no matter how laudable the goal, the net result is insufficient regional housing production relative to need.

ABAG needs to consider the cumulative effect of the proposed allocation methodology and perhaps consider modifying it somewhat so that the resulting numbers are more realistic. The Housing Methodology Committee did not even see the final allocations that arose from its recommendations and certainly did not have sufficient time to consider the implications of those recommendations. The City of Berkeley believes that further refinement of the methodology is necessary and may lead to more realistic and obtainable allocations.

The City hopes that ABAG will consider our two major recommendations to: 1) consider adjusting the methodology for Berkeley in conformance with State law; and 2) consider revising the methodology so that the resulting allocations are more likely to be achieved. Thank you for your consideration of our comments.

Sincerely,

Dan Marks, AICP
Director of Planning and Development

cc: Mayor and Council
Planning Commission
Phil Kamlarz, City Manager
Steve Barton, Housing Director
Mark Rhoades, Land Use Planning Manager
Allan Gatzke, Principal Planner
Erin Dando, Associate Planner



CITY OF DUBLIN

100 Civic Plaza, Dublin, California 94568

Website: <http://www.ci.dublin.ca.us>

January 17, 2007

VIA FACSIMILE AND MAIL
(510) 464-7970

Association of Bay Area Governments
Attn: Paul Fassinger, Research Director
P.O. Box 2050
Oakland, CA 94604-2050

Subject: Alternative RHNA Allocation Methodology, Income Allocation

Dear Mr. Fassinger:

Thank you for providing us with an opportunity to review and comment on the draft Regional Housing Needs Allocation methodology which was authorized for release by the ABAG Executive Board on November 16, 2006.

The City of Dublin supports the proposed methodology for the allocation of the region's housing need which is based on 40% household growth, 20% existing employment, 20% employment growth, 10% household growth near transit and 10% employment growth near transit. Dublin also supports the methodology for the allocation of housing units by income level which is based on an "equal share" approach whereby every jurisdiction would provide 23% very low income units, 16% low income units, 19% moderate income units and 42% above moderate income units.

At the January 4, 2007 Housing Methodology Committee (HMC) meeting, ABAG presented 3 alternative methodologies for the total income allocation and 3 alternative methodologies for the allocation of housing units by income level in response to comments received by some local jurisdictions. Dublin supports the recommendation by the HMC to adopt the originally proposed methodology (noted above) and does not support ABAG's recommendation for a total allocation methodology which reduces the weighting of transit.

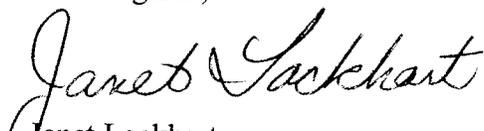
The alternative methodology for the allocation of housing units by income level which was recommended by the HMC and supported by ABAG uses a 175% multiplier to calculate the allocation in an effort to address existing concentrations of lower income housing within the region. While Dublin supports both ABAG and the HMC in their efforts to reduce existing concentrations of lower income housing, we feel that the 175% multiplier is too aggressive for the 7-year planning period. The City respectfully requests that ABAG staff and the Executive Board consider a less aggressive multiplier of 100% or 125%. It is our belief that a less

aggressive multiplier still works towards the goal of reducing existing concentrations of lower income housing while producing income allocations that are more realistic and achievable for local jurisdictions.

In addition to concerns over the aggressiveness of the multiplier, the City is also concerned about the lack of services available to serve lower income households in the Tri-Valley area. Again, while Dublin supports the efforts to reduce existing concentrations of lower income housing, we feel that approaching the issue incrementally will not only set more realistic goals for our community and the entire Bay Area, but will also give the support service providers, needed by lower income households, the opportunity to redirect resources to outlying areas as the service population grows.

The City of Dublin has made great strides during the last RHNA cycle to remove constraints and zone for lower income housing. Over the last RNHA cycle, the City of Dublin has constructed 3,585 housing units offering a range of housing opportunities for all income levels and will continue to work towards providing housing that is affordable to all income levels. We recognize the need to address existing concentrations of lower income housing and believe that taking smaller steps towards achieving this goal will yield better results than setting unrealistic goals that will not be achievable.

Best Regards,


Janet Lockhart
Mayor

CC: Richard Ambrose, Dublin City Manager
Henry Gardner, ABAG Executive Director, Association of Bay Area Governments, P.O. Box 2050, Oakland, CA 94604
Don Perata, State Senator 9th District, 1515 Clay Street, Suite 2202, Oakland, CA 94612
Mary Hayashi, State Assembly 18th District, 22320 Foothill Blvd, #540, Hayward, CA 94541
Loni Hancock, State Assembly 14th District, 712 El Cerrito Plaza, El Cerrito, CA 94530



CITY OF EMERYVILLE

INCORPORATED 1964

1333 PARK AVENUE
EMERYVILLE, CALIFORNIA 94608-3517

TEL: (510) 596-4300 FAX: (510) 596-4399

January 8, 2007

Dave Cortese
President, Executive Board
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

RE: City of Emeryville Comments on the Draft Regional Housing Needs Allocation Methodology

Dear President Cortese and members of the ABAG Executive Board:

Thank you for providing Bay Area jurisdictions the opportunity to comment on the proposed methodology for the 2007-2014 Regional Housing Needs Allocation. During the month of December, City of Emeryville staff presented the draft methodology that has been proposed by the Association of Bay Area Government's (ABAG) Housing Methodology Committee to the City's Housing Committee, Planning Commission, and City Council. The purpose of this letter is to forward their comments so that these may be incorporated into the public record to be presented to the ABAG Executive Board at the public hearing being held on January 18, 2007.

In the proposed methodology, the City of Emeryville is likely to see at least a doubling of its assigned housing need allocation of 777 over the 1999 through 2006 period. During the previous period, the City of Emeryville exceeded the need allocation by producing over 1,800 units (234% of the allocation) and achieving between 70 and 79% of the very low and low income allocations. The City's concerns with the proposed allocation methodology, as noted by its Housing Committee and City Council, are that the strong residential production seen over the past five years (and reflected in the City's surpassing of the 1999-2006 need allocation) is not likely to continue during the next RHNA period. Given the City's limited size (1.2 square miles) and urban setting, there is no vacant land for development, and nearly all residential development is the reconstruction of a previously developed sites. Taking these constraints as well as the current downturn in the residential market into account, a doubling of Emeryville's housing production will be very difficult to achieve. Therefore, the City does not wish to have its 2007-2014 allocation increased beyond the allocation assigned to it during the 1999-2006 period.

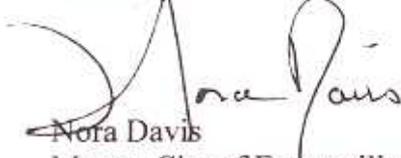
While the City of Emeryville applauds ABAG's efforts at incorporating regional smart growth policies such as the promotion of higher density, in-fill development near existing employment and transit centers, the City feels that its strong record of producing *exactly this type*

of housing has resulted in a methodology that places yet more pressure on our city to produce high levels of residential development, without heed for competing demands in the community to balance out residential development with other commercial or industrial development, preserve land for other uses such as parks and community facilities that improve Emeryville's quality of life, and develop at more moderately-scaled densities.

In early 2007, the City of Emeryville will begin the process to update the housing element of its General Plan, which is due to the State of California Department of Housing and Community Development (HCD) by June 30, 2009. By state law, the housing element must provide evidence that zoning is in place to allow for the development of the jurisdiction's regional housing allocation, it must identify sites that are appropriately zoned for production of the housing, and it must provide for the removal of regulatory barriers to that development. The City of Emeryville is proud to acknowledge that its current housing element was adopted and certified by State HCD ahead of schedule and in full compliance with State housing element law. The City wishes to continue this record in the next housing element update period. However, the City is concerned that it may not have the sites available, or appropriate zoning levels, to accommodate the residential growth projected through the proposed housing allocation need methodology, thereby increasing the chance that the City's housing element is not certified by the State. Given the increased emphasis on State certification of housing elements for funding opportunities, and the increased risk of lawsuits to cities that lack certified housing elements, the City of Emeryville views as imperative the adoption of a housing element in full compliance with State housing element law.

The City of Emeryville wishes to thank you for giving it an opportunity to comment on ABAG's proposed regional housing need allocation methodology. If you have any questions, please do not hesitate to contact either myself at 510-596-4355 or the City's Housing Element Project Manager, Deborah Diamond, at 510-596-4303.

Sincerely,



Nora Davis
Mayor, City of Emeryville

Cc: Emeryville City Council
Emeryville Planning Commission
Emeryville Housing Committee
Patrick D. O'Keeffe, Interim City Manager
Charles Bryant, Planning Director
Deborah Diamond, Housing Element Project Manager



January 18, 2007

Paul Fassinger, Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604

Dear Mr. Fassinger:

The ABAG Executive Board will consider recommendations from the Housing Methodology Committee (HMC) and ABAG staff regarding methodologies for the Regional Housing Need Allocation (RHNA). The recommendations include methodologies for allocating the number of housing units among Bay Area jurisdictions and also for the income percentages for the units.

The City of Livermore has reviewed the recommended methodologies and agrees with the recommended methodology for allocating the number of housing units. However, the City has serious concerns regarding the methodology for the income allocation.

The HMC forwarded a revised recommendation to the Executive Board regarding income allocation methodology following its meeting on January 4, 2007. The revised recommendation differs significantly from the previous recommendation forwarded to the Executive Board in November 2006. The revised recommendation is for a 175 percent adjustment toward the regional average. This approach is intended to recognize existing concentrations of lower-income households and attempt to reduce them.

The recommended approach to income allocation would shift larger numbers of lower-income households to the more suburban and rural areas of the Bay Area. While lower-income housing is needed throughout the region, this is an extremely aggressive approach to addressing the redistribution of lower-income housing in a short period of time (2007-2014). Under the recommended approach, the City of Livermore would need to provide almost 50 percent of its housing for very-low-income and low-income households over the next seven years. This is an unrealistic goal for any community. The magnitude of new infrastructure that must be created to serve new residential development in suburban locations versus the ability of urban communities to utilize existing infrastructure compounds this problem. In addition, it is often difficult for suburban communities to develop a significant portion of its residential lands at the

Association of Bay Area Governments
January 18, 2007
Page 2 of 2

higher densities (over 20 units per acre) needed to support lower-income housing as compared to more urban communities where higher densities are more prevalent.

The City recognizes that the provision of an adequate supply of lower-income housing is an important goal for every community in the region. However, the methods for attaining this goal should be reasonable and feasible. Therefore, the City of Livermore would support a more moderate approach to this issue with a 125 percent adjustment toward the regional average.

If you have any questions, please call me at (925) 960-4400.

Sincerely,



Marc Roberts, Director
Community Development Department

cc: Eric Brown, Planning Manager
Susan Frost, Principal Planner
Eric Uranga, Housing and Human Services Manager

CITY OF OAKLAND



250 FRANK H. OGAWA PLAZA, SUITE 3315 • OAKLAND, CA 94612-2034

Community and Economic Development Agency

(510) 238-2229
FAX: (510) 238-6538

January 17, 2007

Mr. Paul Fassinger, Research Director
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94604-2050

Re: 2007 – 2014 Regional Housing Needs Allocation

Dear Mr. Fassinger:

Thank you for the opportunity to provide comments on the draft Regional Housing Needs Methodology, as well as the more recent recommendations of the Housing Methodology Committee and the staff memo dated January 4, 2007.

First we would like to commend you and your staff for coordinating an extremely difficult and sometimes contentious process. The staff and the committee have clearly given substantial thought to how the housing allocation relates to larger regional goals, and we appreciate the effort to promote smart growth principles and foster a better jobs-housing balance as well as a more equitable distribution of households by income level throughout the region.

As outlined below, the City of Oakland cannot support the draft methodology for allocation of overall housing need, which we feel is unrealistic and would have unintended effects that work counter to the stated goals of smart growth. On the other hand, we strongly support the most recent proposal for allocating shares by income (the “175% shift” formula), which we think is fully consistent with the statutory requirement to assign greater shares of very low and low income housing to jurisdictions with concentrations of those populations that are below the regional average, while assigning lower shares to jurisdictions with higher than average concentrations.

The City of Oakland is strongly committed to principles of smart growth and has devoted considerable resources to encourage high density and transit-oriented development throughout the City. We recognize that efforts to promote a more favorable jobs-housing balance will result in higher allocations of housing need to the core cities in the region. However, any allocations of housing need to be tempered by a “reality check” that takes into account recent trends and the capacity of the housing market to actually absorb projected levels.

All of the methodologies considered by the Committee used as their starting point ABAG's Projections 2007 data. These projections already incorporate principals of smart growth and transit-oriented development, particularly for the period from 2010 onward. The Committee chose to incorporate various weights that gave additional emphasis to job growth and transit, in effect over-weighting these factors. As a result, cities with existing concentrations of jobs and transit stations get particularly large allocations under these formulas; allocations that are significantly different from recent patterns of development. We think that these shifts are unlikely to be achieved in the next housing element cycle. Furthermore, these allocations fail to take into account serious infrastructure capacity issues in the core cities.

The City has analyzed the share of regional housing production accounted for by the three core cities (Oakland, San Francisco and San Jose) for the periods 1990 - 2000 (using Census data) and 2000 - 2006 (using Department of Finance data), and compared that data to the scenarios considered by the Housing Methodology Committee. The results are as follows:

Relative Shares of Regional Housing

	Oakland	San Francisco	San Jose	Total
% of Regional Growth in Housing Units (1990 - 2000) ^a	1.5%	9.7%	12.0%	23.1%
% of Regional Growth in Housing Units (2000 - 2006) ^b	3.1%	7.8%	14.8%	25.7%
1999 - 2006 RHNA Allocations	3.4%	8.8%	11.3%	23.5%
2007 - 2014 RHNA Scenarios				
Draft Allocation	7.4%	17.5%	14.4%	39.4%
Alternative 1: Existing TOD	7.8%	18.6%	14.1%	40.5%
Alternative 2: Existing TOD, Less TOD	6.9%	15.3%	15.1%	37.3%
Alternative 3: No TOD	6.0%	12.1%	16.1%	34.2%

a. Source: 1990 and 2000 Census Data.

b. Source: California Department of Finance Data, 2000 - 2006.

As you can see, while the core cities accounted for 23% of housing production between 1990 and 2000, and 26% of housing production between 2000 and 2006, the various scenarios produced for the Housing Methodology Committee would increase that share to anywhere from 34.2% to 40.5%.

We do not believe that a shift of this magnitude is either likely or feasible within the short-term time frame of the next housing element cycle. Regardless of the amount of land that is appropriately zoned by our jurisdictions or our efforts to approve residential projects, the housing market is unlikely to absorb this rapid an increase in housing production. This is particularly problematic for multifamily housing that requires higher density zoning. A likely but unintended consequence of assigning such a high share to the core cities is that the surrounding suburban

Mr. Paul Fassinger
January 17, 2007
Page 3 of 3

jurisdictions will have much lower shares and will zone only the minimum required by the RHNA formula. If this occurs, there will be insufficient sites outside the core areas to absorb market demand, further exacerbating the region's already severe housing crisis. We therefore urge ABAG to adopt a cap on the allocations to the core cities that provides for a reasonable and realistic projection of the share that these cities can actually absorb. Smart growth principles should ensure that moderate increases in density are undertaken throughout the region, particularly in suburban areas that have transit service along major corridors.

We are also concerned that the substantial increases in the allocation for Oakland are beyond the City's current infrastructure capacity. With current production levels of 600 – 800 units per year, Oakland's aging infrastructure is already stretched to the limit. Even the most moderate of the scenarios considered would require building nearly 2,000 units per year. Oakland will be unable to absorb this many units without significant infrastructure improvements. Without assurances that funding for infrastructure will be tied to RHNA allocations, the City cannot support the Committee or staff recommendations for allocation of overall housing need.

With respect to the allocations by income, we strongly support the most recent recommendation to adjust each jurisdiction's share for each income level by 175 percent of the difference between the jurisdiction's concentration and the regional average. Such a formula will not only encourage a more equitable distribution of incomes for new housing, it will also help address longstanding imbalances where the core cities have produced the majority of the region's affordable housing. This is a great improvement over the formula used for the 1999 – 2006 period.

We hope that you will and the ABAG Executive Committee will find these comments helpful.

Sincerely yours,



CLAUDIA CAPPIO
Director of Development

THE CITY OF



PLEASANTON

January 17, 2007

David Cortese, President of the Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: 2007 – 2014 Regional Housing Needs Allocation Process

Dear Mr. Cortese:

At our meeting of January 16, 2007, the Pleasanton City Council reviewed the *Draft Regional Housing Needs Allocation* (Draft Methodology) and the Housing Methodology Committee's recommendation of January 4, 2007 pertaining to regional income allocations. This letter summarizes the Council's response to the above information.

As you are aware, I was a member of the ABAG Housing Methodology Committee (HMC) and support the work of ABAG staff and the HMC members. However, the City Council requests the Executive Board incorporate a number of changes to the *Draft Methodology* as noted below.

First, while the City Council sees the logic and requirement for incorporating factors related to the jobs/housing balance, in many situations, it is more appropriate to allocate employment and employment growth on a sub-regional basis rather than on a city-by-city basis as outlined in the *Draft Methodology*. Utilizing this approach would accurately reflect the fact that, while employment may occur in a specific city which has traditionally been a job center, the responsibility for meeting the jobs/housing balance falls not just with the "home city", but with surrounding communities that benefit and, in fact, rely on this job growth for their economic and social well-being. Incorporating this change in the RHNA allocation is not only fair, but most accurately reflects a true jobs/housing balance goal of assuring that housing is in close proximity to jobs.

Secondly, while the City Council understands and supports smart growth concepts, including transit-oriented development, we remain concerned about new housing adjacent to transportation corridors that regularly experience gridlock. Located at the intersection of the 580/680 freeways, Pleasanton experiences the problems related to gridlock on these freeways, which are the gateway to the Central Valley and trucking commerce in the region. This situation affects not only Pleasanton and its neighbors Dublin and Livermore, but also impacts the entire region's economic base. While developing solutions is a time-consuming and costly process, the City continues to work closely with its neighbors

MAYOR AND CITY COUNCIL

123 Main Street

P. O. Box 520, Pleasanton, CA 94566-0802

(925) 931-5001
Fax: 931-5482

Dave Cortese
Page Two
January 17, 2007

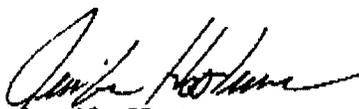
and the region in an attempt to improve this situation. As a result, I previously requested that traffic gridlock be included as an allocation factor. While ABAG staff did not support this concept, we would encourage the Executive Board to consider the alternative allocation methodology presented to the HMC at its meeting of January 4, 2007, that removes transit as a factor. Doing this not only addresses the City's concern regarding gridlock, but also reflects the fact that transit impacts are already included in the analysis for the development of ABAG's *Projections*.

Finally, throughout the HMC process, I supported an income allocation methodology that considered the difficulty of developing affordable housing in high housing cost areas. Notwithstanding this position, I agreed with the *Draft Methodology* that allocated housing based on average regional household incomes. However, the City Council cannot support the amended HMC recommendation of January 4, 2007, that allocates units based on 175% of regional household incomes. While Council recognizes and supports Housing Element Law requiring disbursement of affordable housing throughout the region, the financial inequality inherent in the new recommendation would place an unrealistic and unequal financial burden on the City of Pleasanton relative to supporting affordable housing units. As a result, the City Council recommends the Executive Board adopt the *Draft Methodology* for income allocation.

Pleasanton is concerned that, based on a number of issues including our voter-approved housing cap, the lack of available developable land, housing market forces and the high cost of developing affordable housing, it may be unable to meet the upcoming RHNA targets. As a result, the Council encourages you and the Executive Board to adopt the recommendations as set forth in this letter.

Thank you for your consideration.

Sincerely,



Jennifer Hosterman
Mayor

SRB:lt

c: Pleasanton City Council
✓ Henry Gardner, Executive Director
Nelson Fialho, City Manager
Paul Fassinger, ABAG Research Director

THE CITY OF



PLEASANTON

November 8, 2006

David Cortese, President of the Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

RECEIVED

Re: 2006 - 2014 Regional Housing Needs Allocation Process

Dear Mr. Gardner:

I am writing to request consideration for the inclusion of factors as part of the Regional Housing Needs Allocation (RHNA) housing methodology that will be discussed as part of the November 16, 2006 ABAG Executive Board meeting.

As you are aware, I was a member of the ABAG Housing Methodology Committee (HMC) and support the work of ABAG staff and the HMC members. However, I request the Executive Board incorporate a number of changes that are not part of the methodology endorsed by the HMC.

First, while I see the logic and requirement of incorporating factors related to the jobs/housing balance, in many situations, it is more appropriate to allocate employment and employment growth on a sub-regional basis rather than on a city-by-city basis as supported by the HMC. Utilizing this approach would accurately reflect the fact that, while employment may occur in a specific city which has traditionally been a job center, the responsibility for meeting the jobs housing balance falls not just with the "home city", but with surrounding communities that benefit and, in fact, rely on this job growth for their economic and social well-being. Incorporating this change in the RHNA allocation is not only fair, but most accurately reflects a true jobs housing balance goal of assuring that housing is in close proximity to jobs. I would like to note that, while the City has raised the matter on a number of occasions, it was never incorporated into any analysis by ABAG staff and, as a result, it was never analyzed by the HMC.

Secondly, I support the concept raised by many members of the HMC that any RHNA unit allocation formula should include an adjustment that increases unit allocations for communities that are planning housing growth in excess of the number of units generated with the RHNA allocation formula. As an example, if a community anticipates 1,000 new units during the next RHNA period, its target should be at least 1,000 units, even if the ABAG allocation formula results in 500 units. Incorporating this concept

MAYOR AND CITY COUNCIL

111 Main Street

P. O. Box 520, Pleasanton, CA 94566-0802

925 931-5001
Fax: 925-5451

does not place an inequitable burden on the growth cities and more accurately reflects regional and local housing growth.

As with many cities, Pleasanton is concerned that, based on a number of issues including a voter-approved housing cap, the lack of available developable land, market forces and the high cost of developing affordable housing, it may be unable to meet the upcoming RHNA targets. As a result, incorporating an allocation formula reflecting an accurate jobs/housing balance concept and maximizing the impact of high housing growth areas is best for the region and individual cities.

Thank you for your consideration.

Sincerely,



Jennifer Hosterman
Mayor

SRB:lt

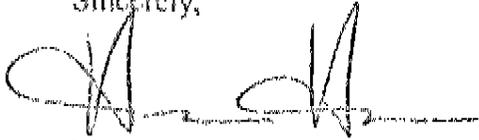
c: Pleasanton City Council
Henry Gardner, Executive Director
Nelson Fialho, City Manager
Paul Fassinger, ABAG Research Director

Draft Regional Housing Needs Assessment Methodology
January 18, 2007
Page 2

In reviewing the allocation data for the entire region, it appears that some communities that have experienced significant growth in the past are not expected to see that type of growth continue. Outlying areas with artificially depressed numbers may not maximize their available vacant land if their RHNA allocation is low. This policy could promote more sprawl in outlying areas. The RHNA allocation methodology should also look at past market practices as a further correction of proposed housing allocation for the region.

Thank you again for the opportunity to comment on the Draft Regional Housing Needs Assessment. Please contact Kathleen Livemore, Senior Planner, at (510) 577-3350, if you have any questions.

Sincerely,



Hanson Hom
Community Development Director

cc: John Jermans, City Manager
Debbie Pollari, Planning Manager
Kathleen Livemore, Senior Planner



34009 ALVARADO-NILES ROAD
UNION CITY, CALIFORNIA 94587
(510) 471-3232

January 17, 2007

Attn. Paul Fassinger, Research Director
Association of Bay Area Governments
P. O. Box 2050
Oakland, CA 94604-2050

Re: ABAG 2007-2014 Draft Regional Housing Needs Allocation Methodology

Dear Mr. Fassinger:

Thank you for the opportunity to comment on the ABAG 2007-2014 Draft Regional Housing Needs Allocation Methodology (*Planning Housing in the San Francisco Bay Area: Draft Regional Housing Needs Allocation Methodology, 4th Revision* (November 17, 2006)).

We have not analyzed what the initial allocation would mean for the City of Union City relative to the region and relative to the household and employment projections in ABAG's *Projections*. Therefore we are not basing our comments on an analysis of the relative equity of the results of the draft allocation. However, we do have some general concerns about the draft allocation methodology itself and the process behind and documentation of it. We anticipate that we will provide further, more specific comments on subsequent drafts of the allocation.

The following summarizes our concerns about the ABAG RHNA methodology as presented in the November 17, 2006 draft:

1. First, we would like to see more transparency in the allocation process. While the draft methodology explains how the relative factors are weighed, there is no documentation of the "raw" numbers (i.e., projected households, existing employment, etc.), so that we could make an analysis regarding the relative equity of the factor weighting.
 - There is also a lack of supporting documentation and analysis provided in the draft. ABAG should include some of the materials located under the "Housing Methodology Committee - Prior Meeting Agendas and Related Materials" section of its website in the appendix of the methodology.
2. The methodology relies on ABAG's *Projections* for its data inputs, including existing households, projected households, existing employment, projected employment, etc. This means that certain assumptions in the RHNA are effectively "off the table" for discussion.

- *Projections* uses a number of assumptions in its growth forecasts - including demographic and economic models/forecasts, and, most importantly, local land use policy and plans. This can be problematic and unfair in some cases.
 - ABAG states in the methodology that household growth is used as a factor rather than existing households in order to plan where “growth is anticipated to occur”. ABAG also states that projected household growth is “most influenced by local land use plans and policies.” Therefore, a jurisdiction's RHNA is presumably heavily influenced by its local land use plans. This can lead to an inequitable distribution of the “fair share” of the regional housing need.
 - For example, if a given jurisdiction has strong growth control policies, this would be taken into account by ABAG in its *Projections*. Subsequently, the jurisdiction would receive a RHNA that reflects the growth projection in the *Projections*. Therefore, jurisdictions that plan to limit growth are not assigned a RHNA that represents a “fair share” of the regional housing need. They would instead be rewarded with a lower RHNA.
 - The letter from the Joint Policy Committee dated January 7, 2007, discusses this “apparent ambiguity and possible conflict between the “goal” as expressed in the projection-derived RHNA allocations and “reality” as defined by what is possible on the ground.” In other words, the RHNA allocations are based on projections that are, in large part, determined by local land use policies that, in turn, may be contrary to overall regional goals and regional equity
 - In summary, there are fundamental biases in the *Projections* that are transmitted to the RHNA process. In many cases these have the effect of continuing regional inequity in the distribution of housing and jobs.
3. ABAG weights existing employment the same as projected employment growth. ABAG states this is intended to address “historic jobs-housing imbalances” and “avert future imbalances”. This issue needs further analysis by ABAG. Using information supplied in the draft allocation document, it is impossible to confirm whether the proposed weighting of these factors would have the desired effect. In this issue, like many other in the allocation, ABAG should demonstrate that a proposition is true and provide supporting evidence, rather than make broad assertions.
 4. The use of the factors addressing projected household and employment growth “near transit” is also problematic. First, it only considers existing and planned “fixed-alignment” public transit such as BART, light rail, etc., but not bus service. Second, as ABAG states, these factors “in effect, give extra weight [to transit] ... because a transit-based policy is already incorporated into ABAG's policy-based *Projections*.” In other words, areas with existing or planned transit stations are assigned more of the regional share of the housing need, even though the household and employment growth around these stations should presumably already be taken into account in local land use plans and hence ABAG's *Projections*. The document does state that Housing Methodology Committee (HMC) was divided over this issue, and some members thought that having transit as a direct factor would “unfairly burden communities with both existing and planned transit.”
 - The proposed methodology, in effect, does “double-count” against jurisdictions that are already planning for regional needs such as transit-supportive development and smart

growth. As stated in the letter from the Joint Policy Committee dated January 7, 2007, this can lead to the effect using the RHNA as a “potentially punitive lever for achieving smart growth.”

- The use of transit as a factor in the draft methodology seems to have the effect of punishing the large urban jurisdictions in the region with a large housing need, while letting the smaller, suburban jurisdictions somewhat off of the hook for their fair share of the regional housing need.
 - Additionally, as many commenters have noted, using planned (as opposed to existing) transit locations as a factor is problematic for a variety of reasons, including the fact that many of these may only begin to develop after the housing element planning period, if at all.
5. Unlike the previous RHNA round, where the methodology provided a distribution that moved each jurisdiction 50% toward the regional income distribution average, the proposed methodology distributes lower-income housing to each jurisdiction in the same proportion as the regional average. This is a step in the right direction, in that it provides areas with a high existing percentage of lower-income households a relatively lower distribution of lower-income housing needs.
- The methodology states that “although considered an equitable approach, it does not consider existing concentration of poverty.” However, this is problematic in the light of State housing law that states: “The distribution shall seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of lower income households.” (Government Code 65584(a)). Furthermore, the idea in the methodology that “volunteer transfer agreements between individual jurisdictions” could resolve some problems in the distribution is unwieldy.
 - As stated in the memo from the Housing Methodology Committee (HMC) to ABAG Staff dated January 4, 2007 (entitled “Alternative Income Allocation Method”):
“By allocating each jurisdiction an equal share based on the regional income distribution, the draft allocation scenario moves each jurisdiction 100 percent toward the regional income distribution. It is focused on promoting an equitable regional distribution for future housing production, but does not consider existing concentrations of poverty in a community or take steps to reduce them.”

We trust that ABAG will address these issues and provide a better documented methodology as it formulates the next draft of the RHNA. Please contact me at <VernonS@ci.union-city.ca.us> or (510) 675-5322 if you have any questions about our comments.

Sincerely,


Vern Smith
Housing Coordinator
Economic and Community Development Department
City of Union City

From: Howard Beckman <hpb@netvista.net>
To: <paulf@abag.ca.gov>
Date: 1/16/2007 8:23 PM
Subject: (spam: 18.9314) Comments on RHNA methodology

Paul Fassinger
Research Director
ABAG

Dear Paul,

Herewith are comments on the Regional Housing Needs Allocation (RHNA) Methodology. I apologize for not submitting this sooner, in advance of the Jan. 18 meeting of the executive board, but it just wasn't possible. I attended several of the Housing Methodology Committee's meetings and followed the evolution of the proposed methodology. Unfortunately, members of the public did not have a meaningful opportunity to ask questions or comment on specific points in the committee's deliberations.

Weighted Factors: Household Growth

This is a significant factor in allocating new housing, yet the concept is not clear. The term "household" is used, rather than "dwelling unit," and I am not sure why. The Census Bureau defines "household" as "all the people who occupy a housing unit as their usual place of residence." Presumably the term "household growth," as used in the proposed RHNA Methodology, is synonymous with "growth in housing units" (or dwelling units).

The flaw in this approach is that population does not grow strictly along lines of new families. Particularly in the East Bay, with the explosive growth in immigrant Mexican population, net population growth is due to increases in household size, not formation of new households. In fact, I recently read (but cannot substantiate) that this is the trend overall for the state.

Thus, do the drafters of the approach in the proposed methodology expressly equate new households with the need for new housing units, or is such an identity merely a consequence (even if huge) of the approach (i.e., a solipsism)? The 4th revision (Nov. 2006) of the Draft RHNA Methodology (Technical Documentation) states (pg. 7): "Household growth in ABAG's Projections is most influenced by local land use plans and policies, including planned and protected agricultural lands, open space and parks, city-centered growth policies, urban growth boundaries, and any physical or geological constraints." As used here, "household growth" clearly means "growth in housing units."

Are "assisted living facilities," "halfway houses," and similar facilities treated as single households for purposes of population projection and allocation of new housing requirements? Some neighborhoods in the East Bay (such as unincorporated Cherryland in Alameda County Eden Township) have a high density of such facilities. If each such facility is treated as a single household for purposes of RHNA, what effect does this have on the relationship between measurements of "household growth" and net population growth?

I think it begs the question to say that increases in household size have a direct bearing on the need for new housing units because larger families (due to increases in the average number of children or increases in multi-generation living) require larger (i.e., new) housing units than exist.

Please consider these comments in the presentation to the executive board Jan. 18.

=====

HOWARD PERRY BECKMAN
Voice/Fax 510.278.7238
California State Bar

California Anti-SLAPP Project (www.casp.net)
Airport Noise Law (www.netvista.net/~hpb/)

=====

THEODORE R. EDLIN
612 THE ALAMEDA
BERKELEY, CA 94707
PHONE (510) 527-2619

November 29, 2006

Mr. Paul Fassinger
ABAG Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: Berkeley Housing Goals

Dear Mr. Fassinger:

I recently read a copy of a letter to you regarding the ABAG housing allocation to Berkeley of approximately 2400 units over the next seven years.

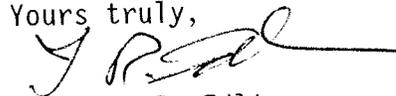
I would be interested in knowing a little more about how your housing algorithm works. In particular I am told that when counting units of new construction you don't count the 1600 new beds and the 117 new apartments built by the University in Berkeley in the past two years. Also you count the students in Berkeley population when determining the housing units allocation for the city.

I am also told that the three to four thousand new jobs that the University intends to add for the new research lab space scheduled for construction are counted in determining the allocation to the city for additional housing units.

I would appreciate your directing me to the person on your staff that could verify the above or tell me what is in the algorithm used for allocating housing units by city.

Thank you for your consideration.

Yours truly,



Theodore R. Edlin

poltrs/abag

December 6, 2006

Association of Bay Area Governments
101 Eight Street
Oakland, CA 94607

Dear ABAG,

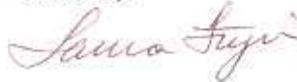
We strongly object to the proposed guidelines that would double the quota for new housing units in Berkeley and the urban core of the East Bay. This is a disproportionate adverse impact on low income, minority, and urban core populations; a significant environmental justice violation.

The East Bay is already one of the most densely populated regions. Doubling the required quota for new housing units would adversely affect the village and town character of the Berkeley and the East Bay. Development pressure would force the main transportation corridors to high-rise and take on the psychologically stressful tunnels of New York and downtown LA.

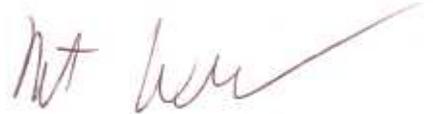
ABAG should NOT penalize urban areas which have proactively promoted Smart Growth principles such as in-filling, promoting public transit, and housing developments near public transit and jobs. Instead, ABAG should be implementing incentives and penalties to move peripheral sprawl communities and their MacMansion development towards Smart Grown principles, promotion of public transit, and higher density compact towns.

New housing unit quotas should be equitably distributed between all jurisdictions NOT placed on already highly urbanized and densely populated cities.

Sincerely,



Laura Fujii
Robert Wilkinson
1304 Albina Ave. #1
Berkeley, CA. 94706



January 16, 2007

To whom this concerns at ABAG,

We appreciate the opportunity to comment on your latest methodology for determining Berkeley's housing fair share for the next 7 years. We would like to help develop a good plan for Berkeley, and would like an extension of the 60-day minimum comment period because there was little publicity on this process and the comment time coincided with Thanksgiving - Christmas - New Years holidays. Our city only began to discuss this at the January 10, 2007 Planning Commission meeting, which occurred the week before your January 17 deadline.

Berkeley is already one of the densest populated cities in California, and the Berkeley flatlands, where young families and seniors find more affordable housing, are even more densely populated.

Families have been leaving San Francisco because of over-development and have been moving to Berkeley's sunny flatlands neighborhoods. Where will these new families and long-timers go if ABAG imposes such large numbers of housing units that it forces the destruction of our already dense but still desirable neighborhoods?

In the last 7-year period, about one third of the new housing in Berkeley was built in our neighborhoods, not on commercial corridors. These units in neighborhoods should be considered as a part of Berkeley's fair share. This type of development has other important benefits:

- * New housing and additions in neighborhoods generally do not have to be subsidized.
- * Remodeling in the flatlands often includes in-law or second units.
- * Berkeley has three BART stations spaced about one mile apart. So Berkeley flatlanders generally live within half-mile walk or roll of BART and do not need a car to get there. Those living in the hills, or cities like Albany, generally drive or bike to a BART, and they do need easy, safe parking or they will not use BART. BART usage would increase if simple security measures would be implemented.

The **Downtown BART** area, most agree, would benefit from a reasonable increase in moderate income housing with inclusionary units. The North and South Berkeley BART stations need other strategies to increase BART ridership and decrease dependence on automobiles:

- * **North Berkeley BART** connects with Santa Fe Right of Way and Ohlone Greenway, important bike routes and paths. But bike parking is not secure and bikes are frequently vandalized and stolen, huge disincentives for biking to BART. Safety in BART parking lots and routes to and from BART should be greatly improved with enhanced lighting and extra security measures. This would encourage walking, biking, as well as driving by Hill-dwellers to BART.
- * In the **South Berkeley BART area**, most residents want a "Mainstreet" model of development to maintain the diversity of the inner city and to keep the existing community living there. Residents have a clear vision of rehabilitation and creative reuse of the remarkable historic structures for affordable apartments, homes, and community-serving businesses.

The crime rate is very high near all Berkeley BART stations. Berkeley is becoming chronically short of police officers, and robberies and violent crime are increasing. The City of Berkeley should improve lighting, maintenance (remove broken glass, trash) and pruning of overgrown vegetation near BART.

The City of Berkeley's big box development on Berkeley's transit corridors has not created Parisian revitalization as promised by elected officials. Instead it is creating a wasteland in much of Downtown and on University Ave., with dirt, litter, crime, and homeless encampments. Areas without the "smart growth" development, such as North Shattuck, Solano, and Fourth Street, thrive. These latter shopping areas have buildings no higher than three stories so shoppers can feel the warmth of sun and clearly enjoy themselves while walking about.

The University of California sprawl is destroying the viability of Berkeley as a city. Fortunately the State Legislative Analyst's report released January 11, 2007, criticizes UC's long-term campus plans for expansion and how they work with the surrounding communities to pay their share of growth impacts.

We would like ABAG to reconsider their own methodology for UCB to encourage smarter growth by the University. For example:

- * Consider the creation of clear growth boundary limits for UC, for example in the environmentally sensitive Strawberry Canyon / Ecological Study Area located east of the campus. This oak woodland could become a critical link in the East Bay Regional Park greenbelt, if saved in time.

- * And consider the ways UC B could modify its plans for three huge new parking lots, one for a new Art Museum to be built in the block across the street from the Downtown BART station! These parking areas will draw thousands of vehicles into Berkeley, increasing congestion and air pollution which ABAG is charged to prevent.

We would like the opportunity to work with ABAG on smarter, sustainable, neighborhood friendly development.

Sincerely,

Neighborhood Network

Julie Dickinson, Carolyn Williams, Patrick Devaney, Martha Nicoloff

Contact us at anicoloff@aol.com 510- 967-4770

>>> <wigcon@earthlink.net> 12/05/2006 7:40 PM >>>

Below is the result of your feedback form. It was submitted by
(wigcon@earthlink.net) on Tuesday, December 5, 2006 at 19:40:10

email: wigcon@earthlink.net

Name: Constance Wiggins

ABAG_Comments: 3000 new housing units is a ridiculous number for a city the size of Berkeley. Already large buildings are going up all over Bekreley, blocking exisiting views, causing unbearable density along the so-called corridors. Low-income people tend to live along the major streets because people who can pay more live in the neighborhoods. Building more huge boxes impacts most significantly on those who have the least power to protest the encroachment on their lives.

SUBMIT: SEND COMMENTS AND RETURN TO HOME PAGE

CONTRA COSTA COUNTY



Mayor
Donald P. Freitas

January 10, 2007

Mayor Pro Tem
James D. Davis

Mr. Paul Fassinger
Research Director
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94604-2050

Council Members
Brian Kalinowski
Reginald L. Moore
Arne Simonsen

Re: 2007 – 2014 Regional Housing Needs Methodology

Dear Mr. Fassinger,

Thank you for the opportunity to comment on the proposed Regional Housing Needs Allocation (RHNA) methodology.

While the City of Antioch supports the methodology recommended by the Housing Methodology Committee, the City does not support including planned transit stations in the "Transit" weighted factors. These two factors should include existing transit only. As you are aware, funding for transit improvements included in MTC's Regional Transportation Plan is not guaranteed. Factoring planned transit improvements into the RHNA methodology would burden jurisdictions with units and increased densities without the guarantee that the planned transit station will ever be built. This would create increased roadway congestion as the people living in units intended to support transit stations would have no choice but to drive to their destination or another transit station. In addition, even if a transit station had guaranteed funding it likely would not be completed during this next RHNA cycle. The City of Antioch encourages ABAG staff the Executive Board to remove planned transit stations as a factor in the methodology.

Antioch does support the revised income allocation method recommended by the Housing Methodology Committee on January 4, 2007 which will adjust each jurisdiction's share of homes in each income category toward the regional average. The City of Antioch feels that this will result in an equitable distribution of units in the various income categories and will ensure that all jurisdictions are adequately planning for the provision of affordable housing.

Again, thank you for the opportunity to comment. Should you have any questions please contact Tina Wehrmeister, Deputy Director of Community Development at 925.779.7038 or cwehrmeister@ci.antioch.ca.us.

Sincerely,

A large, stylized handwritten signature in black ink, which appears to read "Donald P. Freitas".

DONALD P. FREITAS
Mayor

DPF:tw

P.O. Box 5007
Antioch, CA 94531-5007
(925) 779-7010
FAX (925) 779-7003

CITY OF CLAYTON

Founded 1857... Incorporated 1964

COMMUNITY DEVELOPMENT (925) 672-7549
ENGINEERING (925) 672-7500

6000 HERITAGE TRAIL • CLAYTON, CALIFORNIA 94517-1250
TELEPHONE (925) 678-7300 FAX (925) 672-4977

CITY COUNCIL
WILLIAM S. WALCOTT, Mayor
GREGORY L. MANNING, 1st Vice Mayor
DALE S. THORPE
DARRYL T. SULLIVAN
FRANK MONTANO

January 3, 2007

Henry Gardner
Executive Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Subject: Comments on Draft Regional Housing Needs Allocation Methodology

Dear Mr. Gardner:

We have reviewed the Draft Regional Housing Needs Allocation (RHNA) Methodology for the 2007-2014 period and want to express appreciation for the work by the Housing Methodology Committee, including Clayton City Councilmember Julie Pierce.

Overall the Draft RHNA Methodology is a good tool to allocate the Bay Area's total housing need to individual jurisdictions. We support the following weighted factors used in the Draft RHNA Methodology.

- Household Growth - 40%. This factor properly directs housing to local jurisdictions based on local land use plans, urban growth boundaries, and physical constraints.
- Existing Employment - 20%. This factor properly directs housing to existing job centers and can encourage infill and efficient development patterns in communities with existing job centers. This factor also begins to address existing jobs-housing imbalances.
- Employment Growth - 20%. This factor properly directs housing to communities with local capacity for job growth in accordance with local land use plans.

We support the two remaining factors of Household Growth and Employment Growth Near Transit, which collectively comprise 20% of the allocation. These factors recognize the large investment citizens in the Bay Area have made in fixed-alignment transit, would direct housing to locations with transit, and would promote infill development. However, we are concerned that the rapidly escalating construction costs for planned transit lines and stations may mean some planned transit facilities are not constructed. For example, construction costs for the planned e-Bart fixed-rail transit in eastern Contra Costa County have increased from under \$400 million to \$1.3 billion in the past two years with no commensurate increase in funding. As a result, these two factors should be modified as listed below. The proposed modifications recognize that construction contracts for the transit facilities need to be signed and the funding authority needs to have an assured source of funding.

Letter: Henry Gardner
January 3, 2007 - Page 2

- Household Growth Near Existing Transit and Transit under Construction. – 10%.
- Employment Growth Near Existing Transit and Transit under Construction. – 10%.

Thank you for the opportunity to comment on the Draft RHNA Methodology. We also want to compliment the ABAG staff for preparing the various scenarios and working with the Housing Methodology Committee to come up with strategies that mirror the regional blueprint for growth.

Sincerely,



William R. Walcutt
Mayor

CITY OF CONCORD
1950 Parkside Drive
Concord, California 94519-2578
FAX: (925) 798-0636

OFFICE OF THE CITY MANAGER
Telephone: (925) 671-3150



CITY COUNCIL
Mark A. Peterson, Mayor
William D. Shinn, Vice Mayor
Helen M. Allen
Michael A. Chavez
Laura M. Hoffmeister

Mary Rae Lehman, City Clerk
Thomas J. Wentling, City Treasurer

Lydia E. Du Borg, City Manager

January 18, 2007

VIA FAX: (510) 464-7970
(Hard copy via regular mail)

Mr. Paul Fassinger
ABAG Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

RE: Comments on the Regional Housing Needs Allocation (RHNA) Methodology and Projections 2007 Forecast

Dear Mr. Fassinger:

The City of Concord has reviewed and is providing comments on the Draft Regional Housing Need Allocation (RHNA) methodology for the 2007 – 2014 planning period. The City's comments are inclusive of the January 4, 2007 Housing and Methodology Committee (HMC) meeting that was held to review several alternatives to the Draft RHNA methodology proposed by ABAG staff. Additionally, the City is forwarding comments on *Projections 2007* that provide a follow up to the City's testimony provided at the November 18, 2006 ABAG Executive Board meeting.

RHNA Methodology

The City of Concord recommends that the ABAG Executive Board adopt the proposed Draft RHNA methodology for the 2007-2014 planning period. The proposed Draft RHNA methodology would assign local housing responsibility based on 40% on household growth, 20% on existing employment, 20% on employment growth, 10% on job growth near transit, and 10% on housing growth near transit. The RHNA methodology includes a factor for both existing and proposed transit. On January 4, a majority of the HMC recommended moving forward with the Draft RHNA methodology as proposed. It is our understanding that ABAG staff is proposing an alternative scenario to the Draft RHNA Methodology that would place less emphasis on transit. The City finds that reducing the transit factor contradicts ABAG's policy direction to promote "smart growth" as established in the "Focusing Our Vision" project. Therefore, the City would request that this factor as proposed remain in the methodology.

Income Allocation of Housing Units

The City supports the revised income allocation method recommended by the HMC on January 4, 2007. This allocation methodology provides a 175 percent adjustment toward the regional average which would result in an equitable distribution of units in the various income categories. It should be noted, that Concord has historically provided a high number of low income to moderate income housing units for the Central Contra Costa region. Therefore, the proposed allocation methodology moves in the direction to account for high concentrations of low income units and corrects this imbalance on a region wide basis.

Projections 2007

As you may recall, that Concord City Councilmember Bill Shinn provided public testimony at the November 18 ABAG Executive Board meeting on Draft *Projections 2007* forecast. Councilmember Shinn indicated that land use assumptions used for the 'subregional study area' to define proposed household growth numbers for Concord's SOI were inconsistent with the existing land uses in the area. The proposed number of households within the City's SOI is significantly high. There are approximately 1,240 households being projected for 2010 and 1,320 households for 2015 for a total of 2560 households during 2007-2015 forecast.

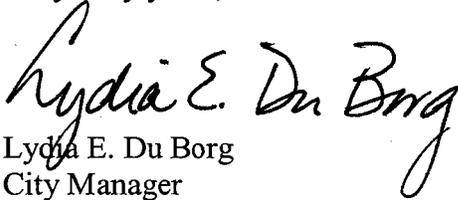
The City has prepared map (Attachment A) that shows five subareas located within the City's SOI. The existing uses located in the City's SOI include rural residential conservation, low density residential, medium density residential, heavy industrial, industrial business park, parks, public/quasi public, and wetlands/resource conservation. There are approximately 62 acres out of a total 6,249 acres in Concord's SOI area that are actually zoned for residential uses and only 4.2 acres are currently vacant. This limited land inventory would not support the potential development of 2,560 households.

The City understands that the RHNA methodology as proposed would require that each local jurisdiction with the land-use permitting authority in a SOI be responsible for planning for housing need. Therefore, Concord would be not responsible for planning for housing need in these areas because it does not have any land use control or planning authority for its SOI. However, the intent of our comments listed above is to provide background material that should be incorporated in the next round of ABAG *Projections*.

Thank you for your consideration of the City's comments on the RHNA Methodology and *Projections 2007*. The City strongly supports and recommends that the Executive Board adopt both recommendations from the January 4, 2007 HMC meeting. The City recognizes that the Executive Board's adoption of the RHNA methodology is one of the first steps critical to initiating the 2007-2014 RHNA process. Therefore, it is important for ABAG to

continue engaging cities and counties throughout the RHNA process. If you have any immediate questions regarding these comments please contact Principal Planner Phillip Woods at (925) 671-3284.

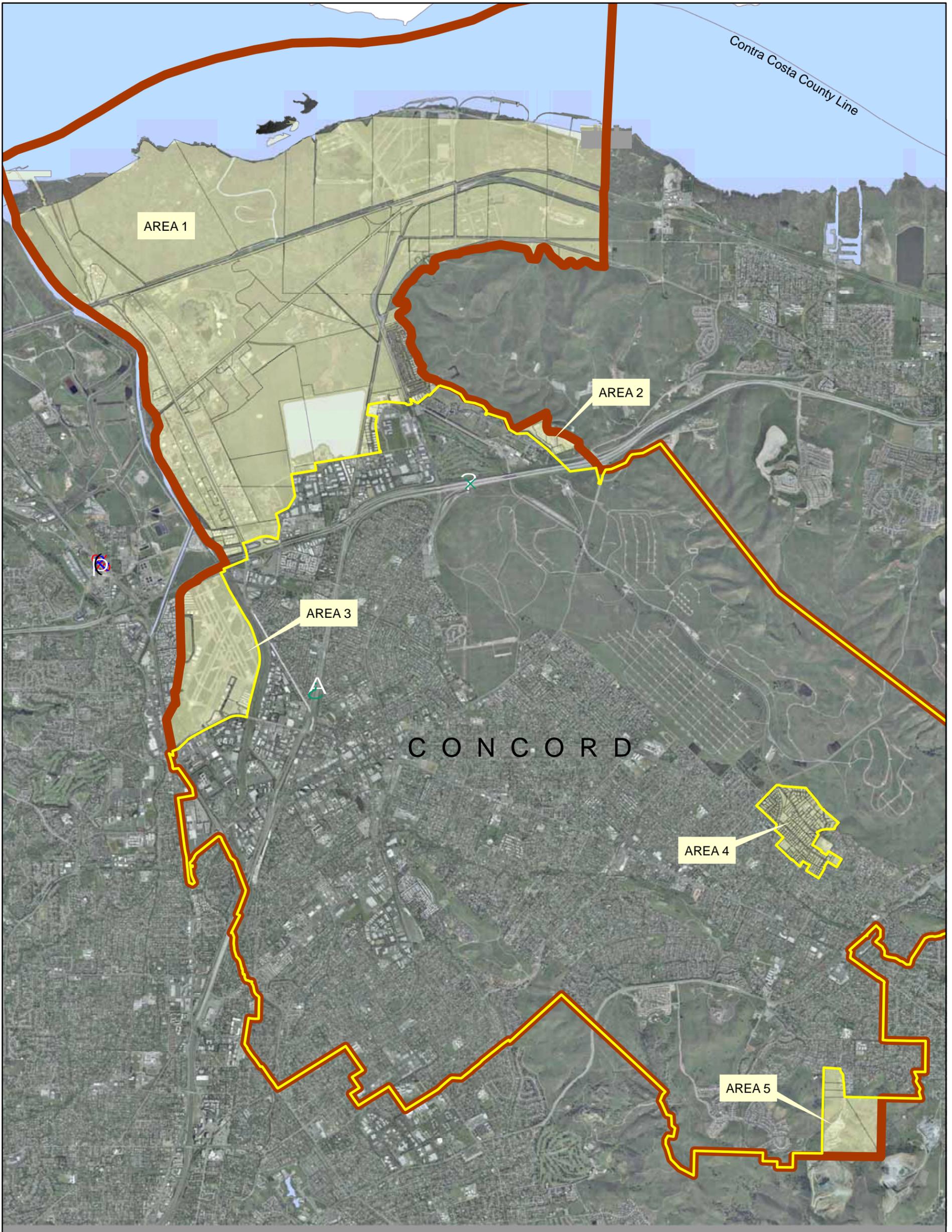
Very truly yours,



Lydia E. Du Borg
City Manager
City of Concord

cc: Concord City Council
Concord Planning Commission
Craig Labadie, City Attorney
Jim Forsberg, Director of Planning and Economic Development
Deborah Raines, Planning Manager
Phillip Woods, Principal Planner

ATTACHMENT: Attachment A: Map of Concord's SOI showing the existing General Plan land uses and acreage



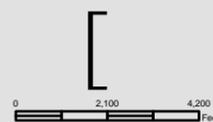
Disclaimer.
 Although every reasonable effort has been made to assure the accuracy of this data, the City of Concord makes no warranty, representation or guaranty as to the content, sequence, accuracy, timeliness or completeness of any of the data provided herein and explicitly disclaims any representations and warranties, including, without limitation, the implied warranties of merchantability and fitness for a particular purpose. The City of Concord assumes no liability for any errors, omissions, or inaccuracies in the information provided regardless of how caused and assumes no liability for any decisions made or actions taken or not taken by the user of the data in reliance upon any information or data furnished hereunder. Because the GIS data provided is not warranted to be up-to-date, the user should check with the City staff for updated information.

General Plan and Acres Summary

DESIGNATION	ACRES
HI - Heavy Industrial	750
IBP - Industrial Business Park	155
LDR - Low Density Residential	60
MDR - Medium Density Residential	2
NWS - Naval Weapons Station	2530
P - Parks	2
PQP - Public/Quasi-Public	275
RRC - Rural Residential Conservation	309
U - Unincorporated	208
WRC - Wetlands/Resource Conservation	1958
TOTAL ACERAGE	6249
TOTAL VACANT RESIDENTIAL	4.2

Legend

- Selected Parcels Inside SOI, Outside Concord City Limit
- Sphere of Influence
- Concord City Limit



City of Concord City Limit and Sphere of Influence

Information Technology
 GIS Unit
 Printed 12/17/06





CITY COUNCIL

Carol Federighi, Mayor
Mike Anderson, Vice Mayor
Brandt Andersson, Council Member
Carl Anduri, Council Member
Don Tatzin, Council Member

January 11, 2007

David Cortese
President, ABAG Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Dear Mr. Cortese:

On November 15, 2006, Mayor Samson sent you a letter with our comments on the draft methodology for the distribution of the State's regional housing needs allocations (RHNA). In the letter, we suggested that topography, congestion and economic impacts be added as factors in determining where future growth should take place. We stated that the incorporation of these key factors would make the allocations process more realistic and achievable. To our disappointment, the Executive Board did not discuss our comments at its meeting, did not incorporate these factors and provided no explanation as to why they were not included.

In addition to the comments in the previous letter, please consider the following:

Housing Unit Allocation

In its example calculation, ABAG estimate allocates 358 housing units to Lafayette for the reporting period 2007-2014 – an 85% increase over the current allocation. To achieve this allocation, at least fifty new housing units would have to be produced each year; a pace of growth that is unrealistic and unachievable given Lafayette's construction history, its infrastructure constraints and the limited amount of land available for construction.

Income Distribution

The draft methodology approved by the ABAG Executive Board included a uniform income distribution for all jurisdictions. Lafayette supported this concept since it was fair and equitable. However, at its January 4th meeting, the Housing Methodology Committee changed its position and is now recommending that certain jurisdictions, including Lafayette, be allocated significantly higher numbers of very low and low income housing units. Again, this is an unrealistic goal given the high cost of land in Lafayette and it will not produce the desired results. If ABAG's goal is to get the housing units built, we recommend that the Board reject the Housing Methodology Committee's recommendation and instead approve the uniform income distribution.

In the November 15th letter, we also requested the opportunity to review the existing and forecasted household and employment numbers around the Lafayette BART station that were used by ABAG to develop Lafayette's regional housing allocation. Despite repeated requests, to date we have not been provided with that information. Unless and until we are provided with the information requested, we will not be able to comment on the draft methodology. We ask the Board to direct its staff to be more receptive to the requests of member jurisdictions and further request that the public comment period be extended to allow us time to analyze the information.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Carol Federighi". The signature is written in a cursive, flowing style.

Carol Federighi
Mayor



CITY COUNCIL

Ivor Samson, Mayor
Carol Federighi, Vice Mayor
Mike Anderson, Council Member
Carl Anduri, Council Member
Don Tatzin, Council Member

November 15, 2006

David Cortese
President, ABAG Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Dear Mr. Cortese:

The Lafayette City Council appreciates ABAG's efforts to develop a methodology for the distribution of the State's regional housing needs allocations (RHNA) for the period 2007-2014. We understand that for the upcoming RHNA round, the Housing Methodology Committee (HMC) has adopted "smart growth" principles to determine where growth should be directed. It has assumed that growth shall occur in urban centers rather than in rural or peripheral areas and also determined that such growth shall occur primarily in areas serviced by public transit facilities.

Lafayette recognizes the value of smart growth concepts and in fact, the Lafayette General Plan incorporates many of these principles in determining the location of future growth. However, we believe that the strict application of these principles absent consideration of the following key factors will produce results that are unrealistic and unachievable:

Topography: Cities like Lafayette are heavily constrained by natural topography which impacts our ability to both accommodate additional growth and expand our infrastructure. The hilly terrain prohibits the widening of arterial roads such as Moraga Road, Reliez Station Road and St. Mary's Road to accommodate the traffic that will be generated by the additional growth. The steep topography to the north of the BART station restricts the City's ability to permit higher densities north of the freeway and the transit station. ABAG must recognize that cities with severe topographical constraints cannot accommodate the same level of growth as cities that are relatively flat.

Congestion: Lafayette questions the logic behind allocating additional housing units to urban jurisdictions that are already experiencing high levels of traffic congestion. For example, the roads in downtown Lafayette presently accommodate most of the traffic from southern Lafayette and Moraga. Our key arterials serve as thoroughfares for the traffic from other jurisdictions to access the freeway. Our entire downtown and all east west traffic are of necessity served by only one roadway which also cannot be widened due to the built out nature of the City. Some of the key intersections in the downtown are functioning at unacceptable levels of service.

If Lafayette is required to accommodate more growth than that envisioned in the City's General Plan, there will be gridlock in the downtown and intersections operating at failed levels of service. These conditions will adversely impact Lafayette's economic vitality and degrade the quality of life of its residents. Emergency vehicle access to the City's neighborhoods will also be severely compromised. ABAG must consider the infrastructural limitations of a jurisdiction when planning where and how growth shall occur.

Economic impacts: There is a fatal flaw in ABAG's idea of allocating more housing units to jurisdictions with public transit facilities. If this methodology is applied where land around the transit facilities has become very expensive and valuable, it will be extremely difficult to achieve the real goal of providing affordable units. ABAG must consider the economic impacts of increasing housing allocations to infill urban communities.

In the October 26th report prepared for the Board, ABAG staff provides an explanation of the draft methodology and cites household growth and employment growth near transit facilities as two of the five weighted factors that will be used in the allocations process. The report states that the allocations in the growth scenarios are based on a jurisdiction's forecasted employment and household growth near existing or planned transit stations. Since Lafayette was never asked to provide employment and household growth estimates near its BART station, we question the source and accuracy of these forecasts. If ABAG has developed such data as part of its Projections 2007 preparation, we request that this information be provided to us for review and comment.

We request that the ABAG Board direct the Housing Methodology Committee to revise its allocation methodology and incorporate the factors listed above. Like many others in the Bay Area, Lafayette is a mature, built-out community constrained by hilly terrain with relatively little land to accommodate additional development. Failure to recognize these real-world conditions will result in an allocations process that is impractical and meaningless.

Thank you.

Sincerely,



Ivor Samson
Mayor

Cc: Lafayette City Council



CITY OF OAKLEY
3231 Main Street
Oakley, CA 94561
925 625 7000 tel
925 625 9194 fax
www.ci.oakley.ca.us

MAYOR
Brad Nix

VICE MAYOR
Kevin Romick

COUNCIL MEMBERS
Pat Anderson
Bruce Connelley
Carol Rios

November 16, 2006

RECEIVED

NOV 16 2006

EXECUTIVE DIRECTOR'S
OFFICE

Mr. Scott Haggerty, Chair
ABAG Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, California 94604-2050

Dear Chairperson Haggerty and Members of the ABAG Executive Board

Thank you for the opportunity to provide the Executive Board with input on the Regional Housing Needs Assessment (RHNA) methodology for the 2007-2014 cycle. This methodology will have a significant impact on cities and counties throughout the 9 county ABAG region. Each entity's share of the ABAG regional allocation of housing units from the State becomes the starting point for development of the next round of state mandated local housing elements. It is also the number upon which the allocation of moderate, low and very low income units will be based.

The recommended methodology developed under the direction of the ABAG Housing Methodology Committee that is before you this evening includes the following weighting:

- Household Growth 40%
- Existing Employment 20%
- Employment Growth 20%
- Household Growth Near Transit 10%
- Employment Growth Near Transit 10%

This methodology does reflect, in part, ABAG's adopted smart growth policies. While the City of Oakley agrees with the majority of this proposed

Mr. Scott Haggerty, Chair
Association of Bay Area Governments
November 16, 2006

methodology, our community believes that only existing and fully funded transit stations should be reflected in the recommended formula. Planned transit station along the eBART corridor in eastern Contra Costa County and the tBART corridor in the Tri Valley are a very long way off with most of the required funding currently unidentified. The City of Oakley strongly recommends that planned station be eliminated from the formula. At the very least, this portion of the formula should give full weight to only existing and funded transit stations and only fractional value (25% or less) to planned but unfunded stations.

With regard to the allocation of housing units to income categories, the City of Oakley concurs with the recommendation from ABAG's Housing Methodology Committee. The allocation of housing units to income categories needs to be consistent across the ABAG region. In the past, communities that had traditionally been more affordable had to produce more affordable units. The use of the recommended regional allocation formula is the most equitable.

The City of Oakley realizes that the selection of an the housing allocation methodology is just the beginning of the 2007-2014 RHNA process and that we still do not know how many housing units will be allocated to the ABAG region by the State of California. It is essential that ABAG continues to involve the cities and counties in this process. The City of Oakley appreciates the opportunity to provide comments tonight and to be involved in the process as it move forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Nix". The signature is fluid and cursive, with the first name "Brad" and last name "Nix" clearly distinguishable.

Brad Nix
Mayor

From: RHNA -
To: Paul Fassinger
Date: 1/12/2007 12:02:05 PM
Subject: Question from City of Pittsburg re Exec Brd mtg Fwd: RE: TO BE RELEASED - RHNA Methodology2007-2014

>>> "Melissa Ayres" <MAyres@ci.pittsburg.ca.us> 01/11/2007 5:07 PM >>>

Do I understand your e-mail to state that you will be requesting the board to adopt the draft RHNA methodology sent out to the public for a 60-day comment period on the last day of the comment period, without any additional time for ABAG staff to review and analyze all the comments and just maybe decide to alter its recommendation? Sounds like you have already made up your mind and therefore don't value public input. I only say this because as someone who also works for the public sector, I believe the public and the ABAG board deserve to read and consider all the public comments submitted during the public period, but also deserve to hear ABAG staff's thoughtful analysis and recommendations about any proposed changes to the draft methodology before the board is asked to adopt a methodology we will all have to live with.

-----Original Message-----

From: RHNA - [mailto:RHNA@abag.ca.gov]
Sent: Thursday, January 11, 2007 3:49 PM
To: RHNA -
Subject: TO BE RELEASED - Regional Housing Needs Allocation Methodology2007-2014

To: HMC Members and Interested Parties

The final RHNA Methodology (Methodology) is expected to be adopted and released at the ABAG Executive Board meeting on January 18, 2007, which is also the close of the 60-day comment period. The staff memorandum to the Executive Board regarding the final version of the Methodology and the Resolution authorizing release of the Methodology are posted on the Regional Housing Needs web site.

<http://www.abag.ca.gov/planning/housingneeds/docs2.html>

Executive Board Meeting Information:

Date: January 18, 2007

Time: 7:00 p.m.

Location: ABAG MetroCenter auditorium - 101 8th Street, Oakland

CC: Christy Riviere; Gillian Adams; Kenneth Moy



CITY OF SAN RAMON

2222 CAMINO RAMON
SAN RAMON, CALIFORNIA 94583
PHONE: (925) 973-2500
WEB SITE: www.sanramon.ca.gov

January 17, 2007

Mr. Paul Fassinger, Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

**SUBJECT: Comments on the Association of Bay Area Governments (ABAG) 2007-2014
Draft Regional Housing Needs Allocation (RHNA) Methodology**

Dear Mr. Fassinger:

Thank you for the opportunity to review and comment on the draft RHNA methodology. Although the City did not participate on the Housing Methodology Committee (HMC), city staff has been in attendance at numerous HMC meetings and generally supports the draft allocation methodology. We respectfully recommend that the ABAG Executive Board adopt the allocation methodology as originally presented at their November 16, 2006 meeting and submit the following comments.

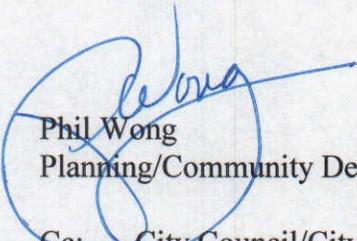
The City of San Ramon supports the HMC's attempt to bring a greater jobs to housing balance in the region and strongly encourages locating housing in areas where public transit infrastructure exists. Throughout the entire region and in Contra Costa County specifically, we have seen a tremendous increase in vehicle miles traveled and traffic on our roadways over the last decade. We believe this increase in traffic stems in large part from past regional planning efforts that did not address the need for more affordable units built closer to transit and jobs. We support the HMC's recognition of the importance of putting housing where transit is located and feel it reflects the Focusing Our Vision principles of increasing density in already developed areas and focusing growth in existing cities and town centers and along transit corridors. However, we feel ABAG staff's recommendation to the Executive Board in their January 4, 2007 memorandum to reduce the weighting of the transit factor dilutes the important connection between housing and transit. It is paramount in this next and future RHNA cycles, we make a stronger link of placing housing closer to public transit, jobs, and services.

In this fourth RHNA cycle, the HMC and ABAG staff recommends that each local jurisdiction plan for income-based housing units in the same ratio as the regional average income distribution. In ABAG staff's January 4, 2007 memorandum to the Executive Board, ABAG staff suggests using an adjustment factor to bring certain jurisdictions even closer toward the regional income distribution.

While the City of San Ramon agrees this is an equitable approach which spreads the burden of producing affordable units throughout the region, we question the feasibility of producing such a tremendous amount of affordable units in one RHNA cycle. For example, based on ABAG staff's recommendation, San Ramon should become the tenth largest contributor of very low housing units to the region in this next cycle—an 85% increase from our allocation in the 3rd cycle. Due to the lack of available vacant land within the City of San Ramon, market forces and without a commensurate funding allocation to subsidize the construction of a higher share of affordable units, such units simply will not get built. In the long term, if affordable units are not constructed, the region only falls further behind in available affordable housing. Instead, we suggest the allocation of affordable units be based on the regional income average as well as factors such as the availability of public transportation, jobs, and services for lower income levels. By pairing the location of housing to transit and services, we see less traffic on our roadways, fewer commute hours, and viable construction opportunities for affordable units.

In summary, the City of San Ramon encourages the Board to take into consideration the recommendations of the HMC and to adopt the draft allocation methodology as originally presented. ABAG staff and the HMC have done an outstanding job taking into consideration all the varying factors of the region. If you have any questions regarding the information in this letter, please contact Debbie Chamberlain, Planning Manager at (925) 973-2566 or via e-mail: dchamberlain@sanramon.ca.gov.

Sincerely,



Phil Wong
Planning/Community Development Director

Cc: City Council/City Manager
Economic Development Director
Debbie Chamberlain, Planning Manager
Cindy Yee, Associate Planner

January 16, 2007

Paul Fassinger, Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: Draft Methodology for Regional Housing Needs Allocation

Dear Mr. Fassinger:

I have reviewed the draft methodology proposed for the upcoming Regional Housing Needs Allocation and I am submitting the following comments on behalf of the City of Walnut Creek.

The City recognizes the need for a region-wide policy shift away from a pattern of sprawling low-density development, and towards an infill growth model that focuses new development around transit nodes located within existing urbanized areas. In fact, the City has directed its own growth in this fashion for much of the past twenty years, and has reaffirmed its smart growth policies with the adoption in 2006 of *General Plan 2025*, which encourages the preservation of open space, the preservation of existing neighborhoods, and brings residential uses and mixed-use development into our core commercial area. While the City supports a regional policy of urban infill development, I still have some concerns regarding the specific application of this policy as it applies to the City of Walnut Creek.

The proposed methodology appears to penalize cities, such as Walnut Creek, that have long since implemented smart growth policies near transit stations. Walnut Creek has already planned for and built high-density development near our BART station, and can't reasonably expect 6-story buildings to be torn down to build 10-story buildings, as the proposed methodology seems to endorse. Therefore I ask that the proposed methodology be changed to only include opportunity sites that are identified by each city's General Plan when determining the projected growth near transit that is then used to calculate a city's housing allocation.

Walnut Creek is also concerned with the method used in determining what areas are included in the calculation of housing and job growth near transit. Specifically, the proposed methodology uses a simple ½ mile radius as the criteria for determining what areas are to be considered "transit oriented." However, the City of Walnut Creek has a somewhat unique situation wherein there is an adjacent freeway that acts as a permanent barrier placing a large portion of land within the ½ mile radius well outside of a ½ mile walking distance to the station. Therefore, I ask that the methodology be changed to only include property that is located within a ½ mile walking distance

from the station fare gates when determining the projected housing and job growth near transit that is then used to calculate a city's housing allocation.

With regard to cities' spheres of influence, I would like to reaffirm Walnut Creek's strong support for the proposed policy of assigning 100 percent of the housing allocation for a city's sphere of influence to the jurisdiction that holds land-use authority over the area (which in the case of Walnut Creek's sphere of influence would be Contra Costa County).

I would also like to reaffirm Walnut Creek's support for the recommended income allocation that assigns the same regional average income ratio to each jurisdiction. Walnut Creek does not support the Housing Methodology Committee's recently revised recommendation for a 175 percent adjustment factor.

Regarding below-market rate housing, the City's allocation for affordable housing is unreasonable and unrealistic without additional state or federal funding for new below-market housing development. Walnut Creek has worked very hard to provide new affordable housing for its residents, but has been unsuccessful in meeting its goals for the previous RHNA cycle. Below-market rate housing cannot be built without significant public investment, particularly given the limited availability of land and its high cost within the City of Walnut Creek. Clearly there is a need for housing that is affordable to a range of income levels; however, ABAG and HCD cannot reasonably expect cities to require that almost 40 percent of all new housing development be affordable to people with low or very-low incomes, without also providing funding that matches this demand.

Lastly, and perhaps most importantly, the regional housing allocation handed down by the state's Department of Housing and Community Development (HCD) is far too high given the limitations imposed on development by the lack of available infrastructure, the high cost of land, traffic congestion, and other similar impacts, particularly in a built-out community like Walnut Creek. The regional allocation must be moderated to be realistic. ABAG Projections, which take into account local land-use plans as well as the regional and statewide infrastructure needs, is a more realistic model and I urge ABAG to continue its efforts to convince the State to assign more realistic numbers to the Bay Area.

Thank you for the opportunity to provide comment on the proposed methodology, and I ask that these comments please be forwarded on to the ABAG Governing Board for their consideration prior to the January 18th meeting.

Sincerely,



Valerie Barone
Community Development Director

Cc: Mayor & City Council
Gary F. Pokorny, City Manager
Sandra Meyer, Planning Manager
Andrew M. Smith, Senior Planner

9 January 2007

Attn Paul Fassinger
Research Director, ABAG
P.O. Box 2050
Oakland, CA 94604-2050

Comments on the draft Regional Housing Needs Allocation Methodology:

1. I see that ABAG is now recommending that 100% of the housing needs allocation for any area remain with the agency that has land-use jurisdiction for that area. Congratulations. A much-needed change from the last cycle.
2. But I note a very large increase in the proposed housing needs allocation for Walnut Creek for 2006-2014 (compared to 1999-2006/7), especially when compared on the same basis. The proposed new number for Walnut Creek is 2206 units (without SOI), which is a 63% increase above the 1352 (without SOI) of the previous cycle. And for context, compare this 63% **increase** for Walnut Creek to a 26% **decrease** for the total Contra Costa County and no change in the total for the region. What gives? Walnut Creek is essentially built-out, traffic is very congested, and the majority of its residents want reductions in growth rate (including housing) and traffic congestion, as shown in a scientific survey conducted in December 2003. **I strongly oppose any increase in the allocation for Walnut Creek.** Because of the above factors, the rest of Contra Costa County is in a better position to add housing than is Walnut Creek. If job growth location and affordable housing availability are major issues (which they are), then the state and ABAG should focus more on getting the incremental job growth to locate where the housing is more affordable rather than buck market forces by forcing housing and subsidized (affordable) housing in built-out, congested areas such as Walnut Creek.

Although you may be looking primarily for comments on methodology at this time, methodology does determine the numbers. I'm reacting to the allocation numbers resulting from the proposed methodology, but I'll leave to the experts how best to adjust methodology to achieve more reasonable numbers.

3. **I think the whole program is misdirected, bad policy.** The state should focus more on controlling population growth, and especially illegal immigration, rather than encouraging both by forcing housing growth and subsidizing housing costs at taxpayers' expense. And, as mentioned above, the state and ABAG should focus on locating incremental job growth closer to worker availability and availability of lower-cost housing. Supporters of the program and relatively high growth often refer to "sustainable growth". But it is **not sustainable**; there are limits to space and resources.

Don Huggins
506 Le Jean Way
Walnut Creek, CA 94597



Phone: (925) 934-5472
E-mail: dghuggins@astound.net

MARIN COUNTY



CITY of BELVEDERE

450 San Rafael Ave. • Belvedere, CA 94920-2336

Tel: 415/435-3838 • Fax: 415/435-0430

January 16, 2007

Executive Board
Association of Bay Area Governments (ABAG)
Care of Henry Gardner, Executive Director
101 Eighth Street
Oakland, CA 94607-4756

Re: Draft Regional Housing Needs Assessment (RHNA) Methodology

Dear ABAG Executive Board;

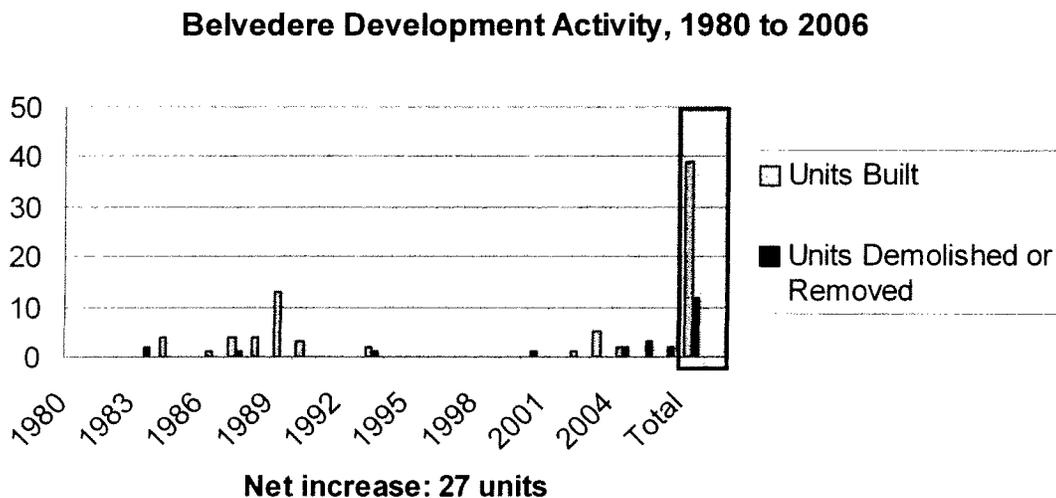
On January 9, 2007, the Belvedere City Council reviewed the draft Regional Housing Needs Assessment (RHNA) allocation methodology. The City Council unanimously decided to request revisions to the methodology and its reliance upon ABAG's *Projections 2007* report and to request that you continue the item, as follows.

The City's primary concern is that the analysis used in *Projections 2007* was not documented or provided to Belvedere, although it was requested by our staff and promised by ABAG staff. This information is crucial because *Projections 2007* is the primary document used by ABAG to determine a city's share of the region's housing, jobs, and population growth. Release of the analysis used by ABAG staff is crucial because the forecasts in *Projections 2007* significantly exceed that of Belvedere's General Plan, updated in 2005. Belvedere requests to know the redevelopment or other factors to which ABAG staff attributed these increases. The increases beyond Belvedere's General Plan are described in the table below:

	Belvedere General Plan (2005)	Belvedere General Plan (2020)	Increase	ABAG Projections 2007 (2005)	ABAG Projections 2007 (2035)	Increase	Increase Exceeds General Plan
Households/ Housing	990	990	0	960	1,000	+40	+ 40
Jobs	350	360	+ 10	1,130	1,170	+ 40	+ 30 (+ 810 new jobs)

The existing and potential jobs forecasts are of special concern to Belvedere because both the Marin Countywide Plan and our General Plan anticipate no increases to Belvedere's commercial floor area (75,000 square feet) to the year 2030. Furthermore, the General Plan establishes existing employment levels as having 780 fewer jobs than ABAG's forecast, and it plans for 810 fewer new jobs. Belvedere is concerned that business licenses could have been considered by ABAG in projecting existing and potential employment. In Belvedere, 80% of City business licenses (377 licenses) issued in 2006 were to temporary, construction-related businesses, such as contractors, arborists, delivery services, and roofers. These businesses must obtain licenses in every City in which they work, which may result in duplication of employment figures. In addition, *Projections 2007* does not account for the growing number of residents (approximately 200) who work in their homes, thereby reducing the need to provide additional housing for these workers.

The *Projections 2007* forecasts, and the RHNA allocation based on them, show significant increases in housing units that are not consistent with past development trends in Belvedere. Review of construction activity between 1980 and 2006 shows that small increases in the number of homes in Belvedere were offset by reductions in the total number of homes as properties were merged and housing units were demolished. Unfortunately, these demolitions were not reported to the California Department of Finance. The City will request that the Department of Finance Demographics Unit revise its estimates to include losses in housing units. The table below demonstrates that a net increase of 27 units, many of them second units, have been built in Belvedere since 1980.



The City of Belvedere developed 27 additional units over the last 26 years. The expected RHNA allocation under the proposed methodology would require Belvedere to build 25 to

33 units in 5 years. This is an unreasonable requirement for a City of Belvedere's small size (2,136 people) and our environmental constraints, described below.

The RHNA allocation methodology is deficient in that it does not address environmental constraints, such as proximity to shoreline, liquefaction zones, narrow roadways, traffic congestion, steep topography and landslide hazards. Belvedere's General Plan evaluated potential growth in consideration of these hazards and limitations. *Projections 2007* and the RHNA allocation should be consistent with a City's policies and, where the forecasts exceed the City's General Plan, the reasons for the increase must be provided in detail to allow the City to comment on the potential impacts. For example, Belvedere is geographically remote and separated from the only major highway by a rural route, which provides a single lane of west-bound and a single-lane of east-bound traffic in many places. Belvedere's General Plan documented 8 to 10 vehicle trips per housing unit and that the existing roadways could accommodate only a small amount of new development. The traffic and transportation impact of new housing beyond General Plan forecasts, as proposed in the RHNA methodology, have not been evaluated.

The proposed RHNA methodology is also deficient because the terms and formula are not clear. ABAG's description of the formula states that *Projection 2007* will be used by ABAG as a basis for the proposed RHNA allocation formula. However, the proposed formula is based on expected growth from 2007 to 2014, and *Projections 2007* forecasts growth from 2005 to 2015. The method by which ABAG will calibrate their projections to this RHNA cycle must be clarified. In addition, the formula proposes to include potential growth within a ½ mile of a public transit station. ABAG has not released whether local bus stops and private ferries are included in the term "public transit stations." The Belvedere/Tiburon ferry service, provided by the Blue and Gold Fleet Company, does not receive any public subsidies. Belvedere has no control over fares, schedules or continued service. In addition, Golden Gate Bus Service runs only a single local bus service (#19) on an hourly basis from Marin City to Tiburon with limited stops in Belvedere. Similarly, commuter bus service (#8 and #9) is very limited. Buses are not able to travel most of Belvedere's roads.

The proposed RHNA allocation methodology is unfair to small cities with limited available land and significant environmental constraints. Belvedere objects to the proposed RHNA allocation methodology because of its reliance on *Projections 2007*, the failure of ABAG staff to release basic analysis used in *Projections 2007*, deficiencies in the RHNA formula related to terms, timing, and consideration of environmental constraints, and the unreasonable requirement that this City build new housing at a rate not seen in over 25 years.

We note as well that, pursuant to California Government Code section 65584.04(d)(2)(B), the methodology used in calculating the housing allocation must include consideration of "the availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and

increased residential densities." As noted above and as documented in Belvedere's General Plan, the City has limited available land and is in fact at or near buildout of its available territory. It is unclear whether this important factor was considered as part of ABAG's calculation, especially given the fact that, as noted immediately below, ABAG staff seem intent on not sharing the manner in which it arrived at Belvedere's housing allocation.

Belvedere City staff members have requested the analysis used by ABAG to evaluate the redevelopment potential beyond our City's General Plan and this information has not been provided. This information is needed to respond within the limited 30-day public comment timeframe. If necessary, City staff will formally request this information pursuant to the California Public Records Act, Government Code section 6250-6270. Belvedere recommends that the ABAG Executive Board extend the public comment period to allow Belvedere, and all cities in the region, the opportunity to comment on this important analysis.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Telischak", with a long horizontal flourish extending to the right.

John C. Telischak
Mayor

cc: Belvedere City Council
Belvedere Planning Commission
Cathy E. Creswell, Deputy Director, California Department of Housing and
Community Development
George Rodericks, City Manager
Robert Epstein, City Attorney
Pierce Macdonald, Planning Manager
Todd Smith, Deputy City Attorney
file / corresp.

Administration 415 927-5110
Customer Service
Fire 415 927-5007
Public Works 415 927-5017
Recreation 415 927-6746
Library 415 927-5005



Planning 415 927-5038
Building Permits
Twin Cities Police 415 927-5150
Fax 415 927-5022
Web www.ci.larkspur.ca.us

CITY OF LARKSPUR

January 5, 2007

Paul Fassinger
Research Director
ABAG
P.O. Box 2050
Oakland, CA 94604-2050

Re: Draft Regional Housing Needs Allocation Methodology 2007-2014

Dear Mr. Fassinger:

This letter is in response to the request for comments on the Draft Regional Housing Needs Allocation Methodology 2007-2014. The City of Larkspur recognizes that ABAG works with a large number of cities and that it is impossible for the Executive Board and staff to be familiar with each jurisdiction, but it is important for you to recognize the issues facing the City of Larkspur and the implication that the formula and the resulting allocation will have on the City. The following is a summary of the issues facing Larkspur.

1. Over the years, Larkspur has strived to provide affordable housing and has required inclusionary housing since the mid to late 1980s. Our current inclusionary requirement is 15% for projects between 5 and 14 units and 20% for projects with 15 or more units.
2. The City has a very good working relationship with EAH, a non-profit housing organization, which previously built Edgewater Place, an affordable multi-family complex, and is pursuing development of Drake's Way, another affordable multi-family complex.
3. Unlike most Marin cities, multiple family housing units are the most common type of housing in Larkspur. Of the total housing stock, 56% are multi-family. The remaining housing is comprised of 34% single-family, 6% condominiums and townhomes, and 4% mobilehomes.
4. Of Larkspur's four square miles, 40% is devoted to existing residential, 6% to commercial, 1% to industrial, and the remaining developed land is in public use such as schools and fire stations (6%), City parks (3%), and utilities, roads and railroad right-of-way (13%), 6% is under water. Of the remaining land, 19% is public open space and 9 percent is vacant.
5. During the last RHNA process the City did not contest its allocation and adopted a Housing Element that was approved by the State Department of Housing and Community Development. To meet its allocation, however, the City had to include all of its remaining vacant land except those that are over 25% slope, environmentally sensitive, or are small-scattered single-family lots. In addition, the City amended its regulations relative to trip generation along Sir Francis Drake Boulevard to allow for the construction

- of affordable housing at its two major shopping centers (Bon Air Center and Larkspur Landing Circle). Though, to date, none has been proposed. Infill housing in the City's Historic Downtown and North Magnolia commercial strip was also included in the Element along with second units.
6. There are only two remaining places where housing could be projected within the City. One would be on top of the ferry parking at the terminal, which is adjacent to a fueling terminal, built on bay mud, and is already deficient in parking for the ferry. Though this may sound like a good mixed use opportunity, the construction costs would likely make affordable housing infeasible and the ferry serves only those commuting to San Francisco, it does not serve as public transportation for people who work elsewhere or for daily shopping needs. Further, East Sir Francis Drake Boulevard often operates at a level of service F with no room for improvement. Also, though this is the location proposed for the terminus of the SMART train, the system is designed as a one-way commuter train and also would not serve the residents of the area in any meaningful way. The second location is the City's small industrial area, which comprises approximately 1% of the City and provides the only location for certain commercial and industrial operations, such as auto repair and a cement mixing plant.

Therefore, it is important for the ABAG Executive Board and staff to realize that Larkspur's situation is not one of NIMBYism, but of a real shortage of available land and redevelopment opportunities. Larkspur has the following specific comments and concerns regarding the draft methodology.

1. The first concern is that the Draft RHNA Methodology is based on ABAG's *Projections 2007*. Although jurisdictions were allowed to comment on the Draft *Projections*, it was difficult to impossible to comment given that it is unclear how the projections are specifically derived and the ABAG staff has been unable to clearly explain their process of developing the numbers. Members of the ABAG Executive Board raised this same concern at their November 16, 2006; they were informed, however, that the *Projections* needed to be approved that night in order that the housing methodology could proceed forward. So, even though the Executive Board is uncomfortable with the *Projections* and there may be inherent problems with the document, the numbers are being used as a major factor in the RHNA. Another concern with the *Projections* is that ABAG has factored in regional policies from the Livability Footprint Project, a project that was never presented to local jurisdictions and never adopted by them. Further, it is important to keep in mind that the *Projections* are updated every two years, which allows for adjustments as may be needed, but the RHNA is not. Once based on *Projections 2007*, the housing allocations remain in place for the full Housing Element period even though the projections could be revised, up or down, two or three times during that period.
2. The City also has a concern with the double weighting that is given to transit stations, whether existing or not, proposed and financed or not. As stated in the November 17, 2006 ABAG staff report to the ABAG Executive Board, regional policies relating to increased housing growth near transit stations has been incorporated in *Projections* since 2002. In addition, the Draft RHNA Methodology adds extra weighting to both household

growth and employment growth near fixed-alignment public transit, both existing and planned. The methodology, however, lacks any recognition of existing development and existing conditions around fixed-alignment public transit.

For example, although MTC's TOD Policy Implementation & Evaluation prepared by Community Design and Architecture in June of 2006 showed that, after the buildout of all approved projects, there is a potential for only 11 more single-family housing units within ½ mile of the Larkspur Ferry, the projections and methodology still factor in the ferry terminal and potential train station and result in an allocation of over 600 units to the City of Larkspur. This area around the Larkspur Ferry is already developed with mixed-use including high-density residential at 24 dwelling units per acre and the last two remaining vacant parcels are already approved for high-density residential development. As noted earlier, for additional housing to be located in this area it would have to be built at the shopping center, which was included in the City's last Housing Element, or over the Ferry parking lot, which does not seem practical given the soils, fueling station, and current parking and traffic conditions.

Also, Larkspur, before TOD became a popular acronym, built very high density in its Bon Air district close to both services and bus transit at over 24 dwelling units per acre, with one senior housing development at 46.8 dwelling units per acre. These two areas of Larkspur have some of the highest residential densities in Marin County.

Hence, both the *projections* and the RHNA methodology penalize jurisdictions that planned for transit-oriented development years ago and built-out their transit areas and mixed-use areas long before TOD became the latest buzzword. Neither take into account existing development and remaining available land. Though the *Projections* appear to begin with taking into account available vacant land and potential redevelopment, these factors are lost as other factors are built into the equation, such as possible future regional transit oriented policies.

3. Another issue with the methodology weighting public transit stations is that it gives the same weighting whether it is a train station or a ferry terminal. It ignores the fact that ferry terminals by their very nature are substantially surrounded by water as compared to a train station that is surrounding on all sides by land. It also assumes transit stations provide the residents with a convenient travel mode that does not require driving. Though the Larkspur Ferry is convenient for commuting to San Francisco, it is not practicable for other every day travel needs or for commutes elsewhere.
4. At the ABAG Executive Board meeting, the Board voted to change the draft methodology for Marin County by allocating 75% of the allocation for the unincorporated spheres of influence to the cities, although the Housing Methodology Committee had recommended that 100% be attributed to the County. Though the City of Larkspur feels strongly that the County should take responsibility for their full share of their allocation as Larkspur's unincorporated spheres of influence are developed in an urban manner and are not likely to annex to the City as they have their own services, the

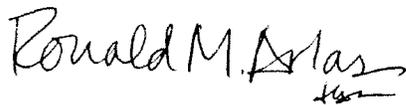
City values its working relationship with the County of Marin, and the Council has voted to recommend that there be a 50%/50% split in the allocation between the City and the County relative to the unincorporated spheres of influence.

In summary, during the previous housing planning period, the City of Larkspur was allocated 303 housing units. Through much study, the City was just able to show how those units could be provided for within the City and its Housing Element was approved by the State Department of Housing and Community Development. The City, however, cannot force developers to develop those units and not all 303 units have been built or are currently proposed. Now, the City is expected to plan for more than 600 additional housing units, when it has no available vacant land remaining following the build out of the previous 303 units. Therefore, the entire 2007-2014 allocation must depend on redevelopment of areas that are not prime for changes in land use and cannot be supported by the infrastructure. Hence, the City could face litigation and penalties for not providing those units.

The City of Larkspur recommends that: (1) the methodology be revised to remove the weighting for transit stations, as proposed by the City and County of San Francisco, in their substitute motion during the Executive Board meeting, or include only those *rail* stations built within the last five to ten years; (2) that the methodology include a factor relating to percentage of available vacant lands and lands that can be redeveloped within the planning period as determined by the local jurisdictions; and (3) the split between the County and Marin for the unincorporated spheres of influence be 50%/50%.

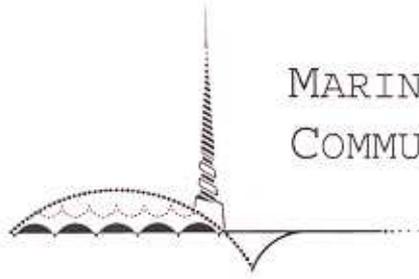
The City of Larkspur also requests that we be provided with all of the supporting data and formulas for calculating the City's projections and its resulting RHNA. For future projections, the City recommends that the projection process be transparent to everyone that will be affected by it, so that intelligent dialogue can occur relative to how the numbers are derived.

Sincerely,



Ronald M. Arlas
Mayor

C: Members of the Larkspur City Council
Members of the Marin County Board of Supervisors
Jean Bonander, City Manager
Nancy Kaufman, Planning Director



MARIN COUNTY
COMMUNITY DEVELOPMENT AGENCY

ALEX HINDS, DIRECTOR

January 5, 2006

Paul Fassinger
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604

Dear Mr. Fassinger:

At the November 16, 2006 ABAG Executive Board meeting a motion was passed to amend the draft Regional Housing Needs Allocation (RHNA) methodology to create a third distribution category for units generated by cities spheres of influence (SOIs) in Marin County. That third category allows a shared distribution of SOI units, with 75% allocated to the cities and 25% allocated to the county. Since that meeting, staff and elected officials of the cities, towns and County of Marin have been working to develop a consensus on the appropriate and equitable distribution of Regional Housing Need Allocation units pertaining to cities spheres of influence (SOIs).

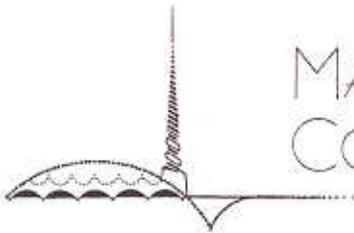
On December 19, 2006 the Marin County Board of Supervisors agreed unanimously to support a 50%/50% distribution between Marin cities and county units generated in the spheres of influence. Previously, the Board of Supervisors had recommended a 75%/25% split weighted toward the cities and towns. The rationale put forth was that city-oriented growth is most consistent with smart growth principles as well as County policies which discourage housing from pushing into rural areas. This distribution was supported by the ABAG Executive Board at the November 16, 2006 meeting.

However, reasonable arguments were also made for a 50%/50% distribution - and in the interest of continued collaboration with neighboring cities and towns, the Marin County Board of Supervisors unanimously supported this approach. Please feel free to contact our affordable housing planner Stacey Laumann or me if you have any questions.

Sincerely,

Alex Hinds, Agency Director

copy: Marin County Board of Supervisors



MARIN COUNTY
COMMUNITY DEVELOPMENT AGENCY
ALEX HINDS, DIRECTOR

November 16, 2006

ABAG Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604

Subject: 'Draft Regional Housing Needs Allocation Methodology', dated October 26, 2006

Dear ABAG Executive Board:

This letter is in response to the preliminary decision by ABAG staff to reverse the 75% housing allocation responsibilities of the 11 Marin's Cities and Towns within their Spheres of Influence (SOI's) – and instead assign sole responsibility to the County of Marin. The decision to attribute 100% of the SOI units to Marin County was in response to comments from Marin City/Town representatives on the part of those jurisdictions.

Please note that this approach is opposed by the Marin County Board of Supervisors, who unanimously voted for continuing the existing shared (75%:25%) responsibility. Similarly, Marin's Local Agency Formation Commission (LAFCO) Board also voted in favor of continued shared responsibility.

The reasons to retain the current shared responsibilities are many. Although large residential subdivisions have occurred in years past, since the mid-1970's the Marin Countywide Plan has promoted "city-centered" development, rather than sprawl. Furthermore, Marin's LAFCO as well as the County of Marin have a long standing dual annexation policy giving cities first priority to process development and request annexation for projects within their respective SOI's. Complementing this "city-centered" approach, densities under County plans are generally lower than City densities to discourage the creation of additional islands of unincorporated development - and to instead encourage infill, contiguous annexation, and "smart growth".

As you know, spheres of influence represent the probable boundaries of towns and cities as determined by their respective general plans, demand for and ability to provide services. Cities have the legal authority to plan for unincorporated spheres of influence in their general plans - and we strongly believe that they have at least a shared responsibility to provide for housing development in these locations.

In closing, be assured that the County of Marin recognizes our responsibilities for providing affordable housing in unincorporated areas, and we have an excellent track record at meeting our ABAG established housing allocation goals. We take that responsibility very seriously and have adopted and implemented over 80% of the programs within our state certified housing element. On behalf of the Marin County Board of Supervisors', I respectfully request that you restore the previously established 75% City:25% County housing allocation methodology within the spheres of influence of Marin's Cities and Towns.

Thank you.

Sincerely,

Alex Hinds
Community Development Agency Director

November 15, 2006

David Cortese, President
Association of Bay Area Governments
101 8th Street
Oakland, CA 94607

RE: RHNA Methodology and LAFCO-Adopted Spheres of Influence

Dear Mr. Cortese:

The Marin Local Agency Formation Commission urges the Executive Board of the Association of Bay Area Governments to ensure that recently adopted changes to city spheres of influence in this county are recognized in *Projections 2007* and that ABAG's methodology for the Regional Housing Needs Allocation (RHNA) process provides for shared city/county responsibility for planning housing opportunities within city spheres of influence.

As required by the Cortese-Knox-Hertzberg Act, Marin LAFCO has been engaged in a thorough review of city spheres of influence. As you know, a sphere of influence is "... a plan for the probable boundary and service area..." of a city. Since city spheres of influence were first adopted, there have been a number of changes to the law, to LAFCO's policies and to circumstances on the ground. The sum of those changes has resulted in LAFCO actions that have significantly reduced the spheres of influence of the cities of Novato, San Rafael, Tiburon, Mill Valley and Sausalito. The Commission directed me to ensure that *Projections 2007* utilizes the updated spheres of influence adopted by Marin LAFCO. I have asked our mapping technicians in Marin County Community Development Department to re-transmit to your staff electronic mapping files showing those changes.

The application of the same updated definitions, criteria and process for review of spheres of influence is now being applied to the cities in the Ross Valley area. Marin LAFCO expects to take action on the spheres of influence for Fairfax, San Anselmo, Ross, Corte Madera and Larkspur in the first quarter of 2008. I understand that *Projections 2007* can recognize the amended spheres if submitted to ABAG prior to June 2007.

Chairperson: Jeffrey Blanchfield
Members: Susan Adams, Einar Asbo, Barbara Heller, Charles McGlashan, Dennis J. Rodoni, Jeffrey Slavitz
Alternates: Christopher Burdick, Carla Condon, Steve Kinsey, George C. Quesada
Executive Officer: Peter V. Banning

Marin Local Agency Formation Commission

165 N. Redwood Drive, Ste. 160 • San Rafael, California 94903
Telephone (415) 446-4409 • Facsimile (415) 446-4410 • Website <http://lafco.marin.org>

Marin LAFCO is also informed that, at the behest of Marin's city planning directors, the Housing Methodology Committee and ABAG staff have drafted a RHNA methodology for Marin County that allocates 100% of projected housing units in unincorporated areas within city spheres of influence to the RHNA allocation of the county. This represents a significant and unproductive departure from the previous practice of sharing the allocation 75% to the city and 25% to the county. Marin LAFCO does not agree with the new allocation method.

At LAFCO's meeting November 9th, city and county community development directors each cited arguments as to why the other should assume responsibility for RHNA allocations in city spheres of influence. The Commission concluded that the cities should continue to collaborate with the County on planning issues in these areas and therefore the responsibility to plan housing opportunities in these areas should continue to be shared rather than shifted exclusively to the County.

Marin LAFCO requests that ABAG consider continuation of a shared allocation between cities and the county for sphere of influence areas in the RHNA process. Areas remaining in city spheres of influence (with the possible exception of Larkspur-Kentfield) are still in the county's jurisdiction, but are so closely associated with the city in terms of boundaries, access and services that an inter-jurisdictional approach to planning and development leading to eventual annexation is preferable to allowing the RHNA process to create inter-jurisdictional conflict.

On behalf of Marin LAFCO, I thank you for your consideration.

Respectfully submitted,



Peter V. Banning
Executive Officer

cc: Henry Gardner, Executive Director
Paul Fassinger, Research Director
Fred Castro, Clerk of the Board
Members, Marin LAFCO
Marin County CDA
City community development directors

BELVEDERE · CORTE MADERA · FAIRFAX
SAN ANSELMO · SAN RAFAEL



LARKSPUR · MILL VALLEY · NOVATO
ROSS · SAUSALITO · TIBURON

January 8, 2007

Paul Fassinger, Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

RE: Regional Housing Needs Allocation – Marin County

Dear Mr. Fassinger:

On behalf of the Marin County Council of Mayors and Councilmembers (MCCMC), I want to comment on the methodology used to calculate Marin County's Regional Housing Allocation within unincorporated Spheres of Influence.

At the meeting of November 29, 2006, the full body of MCCMC voted to have its Legislative Committee review and comment on the draft RHNA methodology recently adopted by ABAG's Executive Board.

The Legislative Committee met on December 11, 2006 with representatives of the County of Marin to discuss a compromise to the current position of a 25/75 share of housing units within unincorporated spheres of influence. At our meeting of January 8, 2007, the Legislative Committee, with support from the County, recommends that the County of Marin and its adjacent Cities and Towns share on a 50/50 basis the allocation of units within the unincorporated spheres of influence. We believe that this is an equitable arrangement among jurisdictions, and one that closer approximates the overall objective of encouraging the majority of housing growth within incorporated cities and towns.

Thank you for your consideration of these matters.

A handwritten signature in cursive script, appearing to read 'Alice Fredericks', is written in blue ink.

Alice Fredericks
President, MCCMC
Town Council, Town of Tiburon

CC: MCCMC Membership
Supervisor Susan Adams



Marin County Planning Directors

January 9, 2007

Paul Fassinger, Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: RHNA Methodology

Dear Paul:

The planning directors for the cities and towns of Marin County request that the SMART rail stations be removed from consideration as future transit stations within the proposed RHNA computations. On November 7, 2006 the voters of Marin failed to adopt a sales tax measure that would have funded the construction and operation of the SMART train. This was the third failed public vote on this matter. For the foreseeable future we do not believe it would be prudent to assume the likely presence of these proposed stations in near-term housing decisions.

Sincerely,

Bob Brown
San Rafael

Nancy Kaufman
Larkspur

Dave Wallace
Novato

Bob Pendoley
Corte Madera

Gary Broad
Ross

Alex Hinds
County of Marin

Paul Kerr/oyan
Sausalito

Rory Walsh
Mill Valley

Ann Walsh
Fairfax



VIA FACSIMILE AND US MAIL

January 17, 2007

Mr. Paul Fassinger
Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604

Re: Draft Projections 2007 Methodology

Dear Mr. Fassinger:

Thank you for the opportunity to review and comment on ABAG's *Draft Projections 2007* methodology. As directed by the City Council, and as previously discussed in our October 24, 2006 comment letter, the City of Mill Valley believes that the *Draft Projections 2007* should be revised based on historical growth trends and growth policies for the City. Of most concern is the jobs forecast, which has increased substantially. The *Draft Projections 2007* adds an additional 1,250 jobs for the year 2030 from the previous *Projections 2005* document. This projected job growth is not feasible, nor does it meet the City's job/housing balance goals.

There are several aspects that limit the City of Mill Valley's ability to grow, including the large amount of protected open space, flooding and environmental issues, aging community/demographics, and building heights and zoning restrictions. Most of the City's developable land has been utilized, and the City is now in the process of identifying opportunities for redeveloping and in-filling at higher densities in the central corridor of the City, which is the City's largest opportunity for accommodating new residents and business.

Future Jobs

The *Draft Projections 2007* states that the City's total jobs will increase by 1,060 within the next 30 years (approximately 35 jobs a year). This projection appears unrealistic because due to several factors, including:

1. **Limited Space.** There is no vacant land in the City's non-residential areas. The only growth that will occur in Mill Valley is through the redevelopment of existing non-residential space. Such redevelopment areas will contain small retail or business opportunities.
2. **Focus on Mixed Use Redevelopment.** Where possible, new development in commercial areas will consist of mixed-use residential/commercial buildings. This will increase jobs/housing balance but will also reduce the number of businesses and jobs housed in each building. In addition, ABAG methodology should also factor in zoning and building height restrictions for such new development.
3. **Population Trends.** Based on U.S. Census data, only 63% of Mill Valley's population falls within the 18-64-age bracket. More specifically, over 15% of Mill Valley's population is 65 years and older. This should be taken into consideration in the jobs projections.
4. **Work At-Home.** It is our understanding that at-home jobs are not identified. Such jobs should be classified so that housing needs are not artificially inflated. Currently there are over 315 approved and permitted home occupation licenses within the City, in addition to a large population that telecommutes. These jobs should *not* be factored into the housing numbers.

Sincerely,



Danielle L. Staude
Senior Planner

Attachment(s)

cc: Anne Montgomery, City Manager
Rory Anne Walsh, Director of Planning and Building

NAPA COUNTY

CITY OF AMERICAN CANYON

Administration

Gateway to the Napa Valley



January 16, 2007

Mr. Paul Fassinger
Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

SUBJECT: Comments on the draft Regional Housing Needs Allocation methodology

Dear Mr. Fassinger:

Thank you for the opportunity to review and comment on the draft Regional Housing Needs Allocation methodology which began public review on November 16, 2006. Staff from the City of American Canyon has been attending the Housing Methodology Committee (HMC) meetings and reviewing the recommendations. Planning staff brought the HMC's alternative and recommended methodologies to Council prior to the Executive Board's November 16 meeting to make the Council aware of the work and conclusions of the HMC. On November 2, 2006, the Council unanimously voted to endorse the HMC's recommended methodology (now called "Draft Allocation" in your latest report) that would be voted on November 16.

City of American Canyon staff and I have reviewed the proposed alternatives to the recommended methodology that were presented to the HMC at its January 4 meeting. We do not wish to endorse Alternatives 1 or 3 of the proposed alternatives, as they do not adequately reflect or take into account the factors that were previously reviewed and discussed. The City feels strongly that the original factors considered, and their associated percentages, are the most appropriate to use and retain in the methodology used to allocate housing units throughout the Bay Area. These support Smart Growth principles, balance jobs and housing, and emphasize transit as the key in reducing the burden of smaller communities and more rural counties to maintain their livability.

Alternative 2 is almost identical to the recommended methodology, except that it uses only existing transit for this housing cycle. Given that the housing cycle is fairly short (5-7 years) whereas planning for transit is a more long-term issue, the City would find it acceptable to use this alternative to the draft Allocation methodology.

Again, thanks for the opportunity to comment.

Sincerely,

Leon Garcia, Mayor

Copies: Councilmembers
Rich Ramirez, City Manager
Sandra Cleisz, Interim Planning Director

CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515
707.942.2800



January 17, 2007

David Cortese, President
ABAG Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Subject: Endorsement of the 2007-2014 RHNA Draft Methodology

Dear Mr. Cortese and Executive Board Members:

The City of Calistoga would like to thank you for the opportunity to review the 2007-2014 Regional Housing Needs Allocation Draft Methodology as originally recommended by the Housing Methodology Committee and dated November 2006. On January 17, 2007, our City Council reviewed the document, and in conjunction with a recommendation from our Planning Commission, unanimously voted to endorse the draft methodology. Enclosed for your review and consideration is a copy of Resolution No. 2007-008.

As proposed, the City is pleased that the Housing Methodology Committee has taken into account for the first time local constraints to development such as water, land supply and agricultural preservation to balance what had always been a demand-driven approach to regional planning, particularly in the area of residential development. Furthermore, we appreciate that greater policy emphasis was given on regional infill within existing urban centers, and near transit stations and along transit corridors.

Once again, thank you for the opportunity to participate in this process and for taking the time to consider our endorsement. If you have any questions regarding this matter, please do not hesitate to contact me at (707) 942-2827.

Sincerely,

A handwritten signature in cursive script that reads "Charlene Gallina".

Charlene Gallina
Planning & Building Director

Enclosure

cc: James C. McCann, City Manager

RESOLUTION NO. 2007-008

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, ENDORSING THE DRAFT METHODOLOGY FOR ASSOCIATION OF THE BAY AREA GOVERNMENTS' (ABAG) 2007-2014 REGIONAL HOUSING NEEDS ALLOCATION

WHEREAS, State law sets out a process for determining each local jurisdiction's fair share of regional housing needs, called the Regional Housing Needs Determination (RHND); and

WHEREAS, the State in 2004 passed legislation in the form of Assembly Bill (AB) 2158, which required Councils of Government such as the Association of Bay Area Governments (ABAG) to develop a new methodology for allocation of housing needs throughout the 9-County Bay Area region; and

WHEREAS, ABAG moved forward to create of a "Housing Methodology Committee" (HMC), intended to develop a detailed methodology in keeping with the requirements of AB 2158, appointing three (3) representatives from each County (including cities) to serve on it; and

WHEREAS, the Housing Methodology Committee, after completion of a methodology, forwarded their recommendations to ABAG's Executive Committee for commencement of a 60-day public comment period; and

WHEREAS, the primary factors included in the draft methodology are housing growth, jobs growth, existing jobs, and transit-oriented development, with the latter factor shifting a sizable amount of the region-wide allocation to the larger cities in the region; and

WHEREAS, on November 16, 2006, the Executive Committee by a close vote adopted the draft allocation methodology and commenced the 60-day public comment period; and

WHEREAS, the Planning Commission reviewed the Draft Methodology at their regularly scheduled meeting held on December 6, 2006 and unanimously voted to recommend endorsement to the City Council.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Calistoga hereby endorses the draft methodology proposed by the Association of Bay Area Governments (ABAG) for the development of the 2007-2014 Regional Housing Needs Allocation.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this 16th day of January 2007, by the following vote:

AYES: Councilmember Slusser, Vice Mayor Dunsford, Councilmembers Garcia, Kraus, and Mayor Alexander

NOES: None

ABSTAIN/ABSENT: None

ATTEST:


SUSAN SNEDDON, City Clerk


JACK GINGLES, Mayor



COUNTY of NAPA

NANCY WATT
County Executive Officer

BRITT FERGUSON
Assistant County Executive Officer

January 17, 2007

VIA FACSIMILE AND MAIL
(510) 464-7970

Mr. Paul Fassinger
ABAG Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, California 94604-2050

Re: Napa County's Comments on the Draft Methodology and on ABAG Staff's Memorandum Dated January 4, 2007 (Issued January 10, 2007) Recommending Revisions to the Draft Methodology and Income Allocation

Dear Mr. Fassinger:

The County of Napa opposes the newly recommended (revised) RHNA methodology and requests that the ABAG Executive Board adopt the original draft methodology as proposed by the Housing Methodology Committee and ABAG staff in the fall of 2006, and recommended for circulation by the Executive Board on November 16, 2006.

The County objects to the revised methodology because a reduced transit weighting minimizes key factors related to preservation of agricultural land and county policies to direct growth toward urban areas.

Additionally, the revised draft neglects several statutory requirements in its methodology, resulting in an adverse impact to Napa County due to its agricultural and infrastructure circumstances.

This letter discusses the reasons for the County's position and requests that the Executive Board explicitly include the statutory factors -- as described below-- in whatever methodology is adopted by the Board. Alternatively, we propose that the methodology include a cap of 10% of the county-wide allocation to the unincorporated area, as minimum acknowledgment of the statutory factors. Our reasons for these requests are discussed below.

COUNTY EXECUTIVE OFFICE

1195 Third Street • Suite 310 • Napa, CA 94559 • (707) 253-4421
www.co.napa.ca.us FAX (707) 253-4176

I. Napa County Supports the Draft Methodology as Previously Proposed by the HMC and ABAG Staff in October/November 2006

As you know, the Housing Methodology Committee (HMC) was established in May 2006 to assist ABAG staff in developing a recommended methodology for allocating the regional need for adoption by the ABAG Executive Board. During the numerous meetings of the HMC between May 2006 and October 2006, there was extensive discussion over what factors should be included in the methodology. After much debate and consideration of the various factors, a proposed methodology was approved by the HMC in October 2006 for recommendation to the ABAG Executive Board. The HMC's and ABAG staff's recommended methodology, which was endorsed by the Executive Board in November 2006 was:

- Household Growth 40%
- Existing Employment 20%
- Employment Growth 20%
- Household Growth near Transit 10%
- Employment Growth near Transit 10%

Additionally, the HMC recommended that each local jurisdiction should plan for income-based housing in the same ratio as the regional average income distribution. This was called the "equal share" approach because the method applies the same income distribution to each jurisdiction based on the regional average income distribution.

In its memorandum to the Executive Board dated October 26, 2006 and revised November 17, 2006 (hereafter "ABAG November 17 memo"), ABAG staff outlined the HMC's and staff's rationale for recommending the above referenced methodology and income allocation.

ABAG staff and HMC recommended including transit as a direct factor partly because impacts of the policy assumptions in *Projections* will not begin to take effect until 2010. ABAG staff noted that directing growth to areas with public transit in the allocation methodology would ensure that the regional policy of favoring growth along major transportation corridors and at transit stations influences development patterns during the 2007-2014 RHNA period. (See ABAG November 17 memo and its attachment.) Moreover, as recognized by ABAG staff, use of these transit factors

"...would address the state RHNA objectives and regional goals of encouraging the use of public transit and the efficient use of transportation infrastructure. Directing housing need to areas near transit would promote infill development, as existing transit stations are primarily in existing urbanized areas in the region." (See ABAG November 17 memo.)

Yet, on January 10, 2007, only eight days before the comment period on the draft methodology was scheduled to close, this recommendation changed. The revised recommendation to the Executive Board reduces each of the transit factors by 5% and increases the remaining factors as follows:

- Household Growth 45%
- Existing Employment 22.5%
- Employment Growth 22.5%
- Household Growth near Transit 5%
- Employment Growth near Transit 5%

Staff's last minute revisions to the Executive Board's endorsed methodology does not follow a fair process. While it would be appropriate for the Executive Board to consider all comments at the close of the comment period before adopting a final methodology, it is unfair for staff to change its position without sufficient notice and without providing all jurisdictions an opportunity to comment on the original draft methodology.

Moreover, this change in position is not the result of a principled approach. The strengths and shortcomings of the draft methodology and equal share approach were discussed extensively by the HMC before adoption in the fall of 2006. The same careful consideration should be given to any changes in the methodology.

I. A. Transit Near Household Growth and Transit Near Employment Growth Should be Weighted at 10% Each as Originally Proposed

Napa County reluctantly agreed to support the methodology adopted by the HMC in October 2006. The County had expressed concerns during the HMC deliberation process that whatever methodology ABAG ultimately adopted needed to take into consideration key factors concerning protection of agricultural lands, availability of water and sewer services, and policies to direct growth into cities. With reservation, however, the County supported the proposed methodology because the transit factors were included and weighted at 10% each (10% for household growth near transit and 10% for employment growth near transit). We supported this draft methodology because some argument could be made that the inclusion of the transit factors (totaling 20%) indirectly accounted for policies to protect agriculture and to direct growth towards urban areas.

We cannot support the revised methodology proposal without that transit weighting because to do so further minimizes statutory factors which should have been directly included in the methodology in the first place. These factors include: state, federal, and local laws and policies protecting agricultural land; agreements and policies directing growth toward urban areas; lack of water and sewer capacity; and availability of suitable land for urban development.

II. The Methodology Should Include as Direct Factors Key Statutory Requirements as Required by Government Code Section 65584.04(d)

ABAG is required to develop a proposed methodology for distributing the existing and projected regional housing needs to agencies within ABAG pursuant to Government Code¹ section 65584.04. The Legislature requires ABAG to develop this methodology to be consistent with the factors outlined in Section 65584.04(d). The statutory factors include:

1. Lack of capacity for sewer and water
2. A County's policies to preserve prime agricultural land
3. Land suitability for urban development
4. Lands preserved or protected by state and federal laws or programs from urban development
5. Agreements between a county and cities in a county to direct growth toward incorporated areas of the county
6. Existing and projected jobs and housing relationship
7. Distribution of household growth
8. Market demand for housing
9. High housing cost burdens
10. Housing needs of farm workers
11. Loss of affordable units contained in assisted housing

The County has consistently urged ABAG staff and the HMC to include factors 1 through 5 above in the methodology. We have felt throughout this process that the draft methodology ignores preservation of agricultural lands and open space and policies to direct growth towards urban areas as factors. The draft methodology is not balanced in this regard and promotes more development at the expense of a precious, limited resource: agricultural lands and the watersheds that are necessary to sustain them.

The Legislature intended that ABAG consider each jurisdiction's unique circumstances in developing the methodology. Yet, key factors that are important to Napa County, its cities and its residents are ignored or minimized. For example, six of the eleven statutory factors (e.g. policies to preserve agriculture, lands protected by state and federal laws, policies and agreements with cities to direct growth in urban areas, land suitability, and lack of water and sewer capacity) are not included in the methodology as direct factors. While ABAG staff have expressed the opinion that certain statutory factors do not need to be explicitly used in the proposed RHNA methodology because staff assumes those factors have been adequately considered by their incorporation into the *Projections*, we have difficulty appreciating this without specific corroboration of how they were so considered. We raised this question in our

¹ All statutory references are to the Government Code unless noted otherwise.

letter to ABAG dated October 20, 2006 and requested an explanation. However, we have not received a definitive explanation on how, or if, Napa County's policies and unique circumstances were considered in developing the methodology.

Specific comments regarding some of the statutory factors and their application to Napa County have been previously discussed with ABAG staff, both verbally and in writing.

We renew our request that ABAG include in the methodology the following as direct factors: lack of capacity for sewer and water; Napa County's policies to preserve prime agricultural land; state and local policies and programs to protect farmland and open space; state, local, and regional policies and agreements between the County and its cities to direct growth toward incorporated areas; availability of suitable land for urban development in the unincorporated area.

Below is a reiteration of our case.

II. A. Napa County is not a Provider of Sewer or Water Service and Must Rely on Other Agencies for these Services; Providers of Water and Sewer Services in the Unincorporated Area Rarely Agree to Extend Services in the Unincorporated Area

Government Code section 65584.04(d)(2)(A) requires each council of governments to consider "lack of capacity for sewer or water service... or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period." Napa County's inability to provide or obtain water and sewer services should therefore be a direct factor in developing the methodology, as it impacts the County's ability to accommodate housing in the unincorporated area.

Napa County is not a provider of water or sewer services and is dependent upon special districts and incorporated jurisdictions to support proposed development. The unincorporated area lacks actual water supplies and sewer services sufficient to support any form of high density residential development. No water supply delivery system or sewage infrastructure exists in the undeveloped parts of the county to support high density residential development. The unincorporated area of Napa County is primarily dependent on local septic systems, with the exception of a handful of properties served by the Napa Sanitation District (NSD) (NSD primarily serves the City of Napa).

Because Napa County itself does not operate water or sewer facilities, the County must rely on the cooperation of adjacent cities or special districts to extend such services into the unincorporated area if any development is to occur there. Our local municipalities have

historically provided water only under very strict conditions. Almost all of them have local policies that are a major deterrent to development outside their boundaries. For example, while the primary residential development opportunities in the unincorporated area appear to be adjacent to the City of Napa, the City's regulations and policies require a four-fifths vote of the City Council before water can be provided to the unincorporated area. Realistically, this policy creates a hurdle over which the County has no control, and thus acts as a barrier to the development of lands adjacent to the City's borders.

Additionally, groundwater supply is problematic in much of the otherwise developable areas surrounding the City of Napa, primarily on the east and northeast. The US Geological Survey has designated the aquifer in the Lower Milliken-Sarco-Tulocay Creeks area as groundwater deficient. Due to this finding, the County is precluded from approving discretionary permits that would result in increased groundwater use in that area. In other areas of the unincorporated County, a recent study of water supplies by West Yost ("the 2050 Study") concluded that groundwater resources will be insufficient to support the current pace of agricultural and rural residential growth into the future.

II.B. Policies to Preserve Agricultural Lands Should be Included as a Direct Factor in the Methodology

This is not only the primary factor for Napa County, but it is specifically identified in the objectives referenced in Government Code section 65584(d)(2). Agriculture is the foundation and key to the economic survival of the County. The County has a long-standing policy to preserve agricultural lands. The County's general plan policies, the 1990 voter-enacted initiative known as Measure J, LAFCO policies and housing agreements with the City of American Canyon and City of Napa all recognize this important community-wide policy and effort to preserve agricultural lands and direct growth to urban centers. Government Code section 65584.04(d) delineates the various aspects of preservation that must be considered. They are outlined and discussed below, as they pertain to Napa County:

Napa County has very little land in the unincorporated area that is suitable for high density residential development. This is due partly to the fact that a large portion of lands in the unincorporated area is in agricultural preservation.

Napa County has adopted a General Plan which categorizes all land as either "Urban" or "Open Space." Lands categorized as Open Space are subcategorized as either Agricultural Resource ("AR") or Agriculture, Watershed and Open Space ("AWOS"). The Napa County General Plan has established a minimum parcel size of 40 acres for land included within the AR subcategory. The Napa County General Plan has established a minimum parcel size of 160 acres for land included within the AWOS subcategory. (However, substandard parcels that were in existence prior to establishment of those designations are still allowed.)

In 1990 the voters of Napa County passed the Agricultural Lands Preservation Initiative ("Measure J"). Measure J was designed to protect agricultural land in keeping with State goals and policies. Measure J changed the approval method for the conversion of lands designated AR or AWOS to urban uses — almost without exception, any such changes must first be approved by the voters. Additionally, changes to the minimum parcel size relating to AR or AWOS lands cannot occur unless approved by the voters. Napa County's General Plan includes over 90% of the County in the AR and AWOS land use categories.

The Napa County General Plan calls for concentrating urban uses in the cities and in existing urban areas. Recognizing the need for housing that could not be accommodated in our local municipalities, the County had designated a sizeable portion of land for residential development in the areas that is now the City of American Canyon. With the incorporation of the City of American Canyon in 1992, the unincorporated area lost the only large area that was planned for subdivision-type housing. Most of the remaining land in the unincorporated area is designated for agriculture. Since 1998, additional acres that were reserved for residential development in the unincorporated area have been annexed to the cities of American Canyon and Napa.

Napa County representatives at HMC specifically requested inclusion of an agriculture factor in the methodology, but ABAG staff responded that they could not include a "negative" factor. Napa County believes that a mathematical formula can be written which includes all the factors.

II.C. Lands Preserved or Protected from Urban Development under Federal or State Programs (Section 65584.04(d)(2)(C)) Should Also Be Considered

Lands in the unincorporated area owned by the federal government are a constraint to most types of development. Approximately 63,000 acres, or 12% of the county as a whole, are owned by the federal government. An additional 42,000 acres are owned by the State. Additionally, approximately 68,000 acres of land in the unincorporated area are subject to Williamson Act contracts. These lands cannot be developed for urban uses. Another 14,000 acres are protected via open space/conservation easements.

II.D. City Centered Growth Policies and the County's Agreement with its Cities to Direct Growth Toward the Incorporated Areas Should be Directly Included in the Methodology. (Section 65584.04(d)(5))

In their October 11, 2006 memorandum to the HMC, ABAG staff developed several possible allocation scenarios for that committee's consideration. One scenario that was suggested (but not adopted) included city-centered growth policies as a factor. City-centered growth policies are complementary to the policy of preserving agricultural land; these two factors are listed as separate factors in Government Code section 65584.04(d) for consideration in the formulation of the RHNA methodology.

Napa County requests that the factor of city-centered growth policies be given due consideration in the methodology and allocation process as required by Government Code section 65584.04(d).

Because there is a shortage of land within the unincorporated area suitable for high density residential development (and because of the long standing community-wide policy to direct urban growth to urban areas), the County entered into housing agreements with the City of American Canyon and the City of Napa in the fall of 2003. These agreements were initiated in 2001 as a result of HCD's recommendation that the County utilize the provisions of the Government Code that authorized such transfers. Assemblywoman Patricia Wiggins convened a meeting with elected representatives from the five cities and Napa County in November 2001 for the express purpose of addressing the County's housing issues. After a two year process, the county and the two cities entered into the housing agreements. These housing agreements support the community-wide goals of preserving Napa County's agricultural lands while guiding urban development into urban areas where sufficient community facilities and essential public services and infrastructure exist.

This approach reconciles several previously conflicting goals of local as well as regional and statewide interest. For example, the "smart growth" approach to development, which has been the basic approach to Napa County land use decisions for decades, will be retained and enhanced. This is critical for several reasons, including the preservation of the multi-billion dollar agricultural industry that is the lifeblood of Napa County and an important economic engine of the State. Additionally, new affordable housing will be developed in appropriate locations where infrastructure and other urban services already exist and at densities that will conserve land and water. The transfer agreements were based on a detailed land use evaluation of the two cities, which established that each city has the capacity to accommodate the increased housing allocation.

Under these historic agreements, the cities each agreed to accept a portion (but not all) of the County's regional housing needs allocation for the current housing element cycle. In exchange for these reallocations, each city received several "items of value" from the County, including a higher share of property taxes, support for proposed annexations, and financial contributions to affordable housing, recreational, and other projects that provide urban services to residents and visitors alike, such as a downtown parking garage in the City of Napa. One significant provision of the agreements was the acknowledgement by all parties that the agreements should not change the baseline for future RHNA allocations.

State law mandates that the unique circumstances of each jurisdiction be considered when making the regional housing needs determination. The existence of these historic housing agreements should be accounted for in the RHNA calculation for the next housing cycle.

II.E. State and LAFCO Policies Directing Growth Toward Urban Areas Should be Balanced Against Policies Promoting Development in Unincorporated Areas.

There are a number of policies and State statutes preserving prime agricultural lands (for example, the California Land Conservation Act of 1965 contained in Government Code sections 51200-51297.4). These policies at times appear to conflict with State housing law, despite the fact that the latter also acknowledges the need to preserve agricultural lands. ABAG should consider State policies in the formulation of the RHNA methodology.

LAFCO also recognizes and reinforces the County's General Plan policies to preserve prime agricultural lands and to direct growth toward urban areas. In particular, LAFCO policies discourage the expansion of urban areas into agricultural and open space lands and encourage development within existing urban areas. LAFCO policies also favor infill development over development in undeveloped areas. LAFCO policies discourage the development of unincorporated county lands adjacent to cities and discourage the extension of urban facilities and services into agricultural and open space lands.

Consideration should be given to LAFCO policies that seek to preserve open space and agricultural lands while directing development of urban uses to urban areas. LAFCO policies fall within the broader statutory category of State and local policies to preserve agriculture and, as such, they should be given due consideration.

II.F. Land Suitability- There are Physical and ALUC Constraints to Development in the Unincorporated Area.

Many parts of the County are not suitable for development due to physical and geographical constraints that make development nearly impossible. In many parts of the County, development is constrained by steep slopes and rugged terrain. Comprised of more than 513,000 acres, Napa County topography encompasses a full range of geologic features. The valley floor is a narrow, relatively flat corridor that spans the length of the county, ranging in width from 1 to 3 miles at various points. Consisting largely of prime agricultural land, the majority of the property is occupied by established vineyard and wineries. The remaining portions of the County are comprised of mountainous, rugged terrain accessed only by long, remote, winding roads. The cost of high-density development on the steep slopes of the valley is prohibitive due to both the lack of infrastructure availability and unique construction costs.

In some areas of the County, land that might otherwise be physically suitable for development is not available for residential development due to the nature of adjoining land uses. This is particularly true for the County's Airport Industrial Area. While water supplies might be available in the vicinity if the City of American Canyon was able to provide service (though we have recently been advised they no longer wish to do so), there are compatibility considerations

(i.e., noise and safety issues) that preclude significant high-density residential development in the airport area.

Specifically, over 2,700 acres of industrially-zoned land in the Airport Industrial Area are included within zones A through D of the Airport Land Use Compatibility Plan. This Plan is administered by the Airport Land Use Commission ("ALUC"), an independent State-mandated agency, governed by the State Public Utilities Code. The ALUC is charged with creating a plan to address the compatibility of development in the vicinity of the airport. Under the current ALUC plan, residences are considered incompatible uses in Zones A-D of the airport area.

Finally, some areas of the unincorporated area are included in an "urban reserve" General Plan classification, which for all practical purposes means that such land is not available to the unincorporated area for development because it is within a city's sphere of influence and/or a city-adopted urban limit line. The continued or future urbanization of such lands is contingent upon annexation to the city.

II.G. Jobs-Housing Balance: Projections 2007 Attributes Too Much Growth to Unincorporated Napa County.

As discussed in our letter dated October 20, 2006 concerning *Projections 2007*, without meaningful background information as to how the jobs and housing numbers were reached for Napa County, it is very difficult to comment on the suggestion contained in the Draft Projections that Napa County's jobs/housing imbalance will increase over the next 25-30 years. In the decade 1990 to 2000, the annual growth rate of jobs (4.3%) exceeded the annual growth rate of households (-0.1%) in unincorporated Napa County. This would suggest a trend in the other direction.

Regarding the jobs-housing factor in the RHNA methodology, we suggest that the comparison between jobs and *employed residents* be considered as a useful measurement, since it would avoid penalizing communities like Napa where demographers anticipate an increasingly aging population. As retirees do not place the same stresses on transportation infrastructure (i.e., retirees can avoid peak commute periods), it would seem logical to compare employed residents rather than total households to each jurisdiction's total number of jobs.

According to US Census data, unincorporated Napa County had 14,068 employed residents and 17,080 total jobs in the year 2000, for a ratio of 1.21 jobs per employed residents. Our estimated numbers for 2004 are 19,350 employed residents and 19,440 jobs, for a ratio of about 1.0.

Finally, it is important to note that the Legislature's guiding principles regarding the formulation of the RHNA methodology only mandate the latter "promot[e] an improved intraregional relationship between jobs and housing." There is no requirement for a perfect jobs-housing balance anywhere, and certainly not within each individual municipality or county (Government Code section 65584(d)(3)).

II.H. Other Statutory Factors as They Relate to Napa County

II.H.1 High housing cost burdens

It is unclear to us how this factor will be incorporated into the methodology. Napa County's housing costs are not out of scale when compared to housing costs in the wider Bay Area Region. Handouts provided at the October 12, 2006 Housing Methodology Committee meeting demonstrate that housing costs in Napa County are lower than housing costs in most other jurisdictions in the Bay Area.

It should be noted that Napa County is doing its share to relieve housing cost burdens through monetary contributions of housing trust fund dollars. Napa County has facilitated the development of affordable housing in many ways, such as financial contributions to and operation of a homeless shelter, operation of the County-wide farmworker housing system, and the development and utilization of a Housing Trust fund (over \$15 million collected in 10 years) to support affordable housing projects in both incorporated and unincorporated parts of the County. These efforts have resulted in the development of several hundred low and very-low income housing units over the past decade.

II.H.2. The housing needs of farmworkers

The housing needs of farmworkers is another factor identified in Section 65544.04(d) for consideration in developing the methodology. The housing needs of Napa County farmworkers are being met through various County policies and programs. Napa County operates four public farmworker camps housing a total of more than two hundred workers during the harvest and pruning seasons. Additionally, individual grapegrowers and wineries have established private farm worker camps.

In 2002, the voters approved a Board of Supervisors-initiated measure (Measure L) that amended the General Plan to allow additional farmworker housing on lands designated AR and AWOS. (The aforementioned Measure J required voter approval of this land use change.) Measure L allows lands that are two acres or larger in size to be created in the AR and AWOS designations for the purpose of operating farm labor camps that are owned or leased by a governmental agency.

Additionally, the County has amended its Housing Element to enable the development of multiple units of housing on agricultural parcels, specifically earmarked for farmworkers and their families. Under current zoning, there are nearly 10,000 parcels and a total of over 400,000 acres of agriculturally zoned land, all of which would be eligible to provide farmworker housing.

To generate additional resources to help address the migrant farmworker housing issue within the County, Napa County obtained special State legislation in 2001 that authorized the County to annually collect a special assessment of up to \$10 per planted acre of agricultural land to fund acquisition, development, maintenance and operation of farm labor camps.

III. A Fundamental Concept Inherent in the Legislature's Directive to Consider the Specific Statutory Factors Set Forth in Section 65584.04(d) is the Recognition that Counties are Different than Municipalities and Should be Treated As Such in the Methodology.

We request ABAG to incorporate in its methodology the fact that counties are different from cities and should therefore be treated differently in terms of the RHNA methodology. ABAG certainly has the discretion and flexibility to do so, and the statutory factors listed in Government Code section 65584.04(d) support this fundamental distinction. For example, state and local policies to preserve agriculture, the availability (or lack of) water and sewer services, agreements with cities to direct growth toward cities, and regional policies to encourage urban centered growth, are all based upon the fundamental concept that cities and counties are different. However, except as regards the sphere of influence issue, the current RHNA methodology proposal is essentially a "one size fits all" approach that does not acknowledge these jurisdictional differences. If these key distinctions and differences are not considered, then counties such as Napa will become more like cities, and our region's limited resources of prime agricultural lands will be forever lost.

Under the reduced transit alternative, the unincorporated area of Napa County receives 17.76% of the countywide allocation. This is the largest allocation to an unincorporated area within the entire Bay Area. Napa County has one of the strongest agricultural preservation and urban centered growth policies in the entire region. This is the opposite of what would be expected. Clearly, the methodology does not protect any of these important local and state policies but instead allocates excessively high housing numbers to unincorporated areas. As the following chart demonstrates, unincorporated Napa County in particular and other Smart Growth counties (such as Marin and Contra Costa) in general, receive excessively high allocations. The following chart demonstrates this inequity under the reduced transit alternative:

County	Countywide Allocation	Unincorporated Area Allocation	Percentage of Countywide Allocation
Alameda	48,983	2,361	4.82%
Contra Costa	29,020	3,689	12.71%
Marin	5,248	761	14.50%
Napa	3,964	704	17.76%
Santa Clara	61,474	169	.27%
Solano	13,871	105	.76%
Sonoma	14,547	1485	10.21%

Accordingly, in recognition of the above principles, the methodology should place include a cap of 10% of the county-wide allocation to the unincorporated area as minimum acknowledgment of the statutory factors and support for city-centered, service-centered growth.

IV. ABAG Should Explain How the Statutory Factors Were Considered in Developing the Methodology and How Napa County's Conditions Have Been Used to Develop the Methodology.

Government Code sections 65584.04(c) and (e) require that a council of governments explain in writing how each of the factors described in section 65584.04(d) were incorporated into the methodology and how local government conditions gathered have been used to develop the proposed methodology. We previously asked for but never received specific documentation listing the statutory factors considered and how they were incorporated into the Projections 2007 process. We therefore renew our previous request and also request specific documentation listing how the specific statutory factors were considered in developing the methodology, as applicable to Napa County. Where and how in the process were the housing agreements between the County of Napa and the Cities of Napa and American Canyon considered? How were they weighted? Was Measure J considered in the methodology and if so, how? Was the fact that Napa County does not control or provide water or sewer services considered?

Also, we understand that a number of the factors may not be used because ABAG staff claims it is unable to develop a common data set for each jurisdiction. However, the data should be available, and we contend that it simply has not been sought. For example, ABAG sent a survey to member jurisdictions in September 2006 asking for information about how the statutory factors apply to their communities. If there were agreements between a county and its cities to direct growth to urban areas, or if there were general plan policies to preserve agricultural lands and open space, surely those facts would have been shared by the jurisdictions. Napa County should not be penalized for having policies and agreements recognized by the Legislature as valid factors for consideration. Rather, the County's allocation should be reduced accordingly.

As another example, the unincorporated Napa County has very small land areas that are served by municipal services. The calculation of the percentage of land area with municipal services (i.e., not the percent within service districts, but the percent that actually has pipes in the ground) should be possible for all Bay Area jurisdictions and should be considered. It should not be argued that there is a lack of comparable data for these factors.

V. The Equal Share Income Allocation Should be Adopted Rather than the Percentage Allocation

The revised recommendation now proposes a methodology that adjusts income allocation to move jurisdictions from their current income distribution to 175% adjustment toward the regional average distribution. This is a stark departure from the "equal share" allocation which was wholeheartedly recommended by staff in the Fall of 2006.

Under the equal share allocation, each local jurisdiction would plan for income-based housing in the same ratio as the regional average income distribution. The HMC and ABAG staff recognized that although the equal share approach was equitable, it did not consider existing concentrations of poverty. Nonetheless, the equal share approach was recommended over allocations based on high housing cost burdens. As explained by ABAG staff, by assigning every community an equal share of the regional need for affordable units, the methodology promoted the idea that every jurisdiction should do its "fair share" to provide housing. (See ABAG November 17 memo.)

The revised income allocation ignores these principles. It seeks to make income allocations based on a community's current income distribution (percentage allocation formula). As a result, communities with low concentrations of housing in the low and very low income categories would receive a higher share of housing units in the low and very low income categories. This proposed revision is simply unfair and would impact Napa County more than any other jurisdiction in the Bay Area. The need for affordable housing is a regional problem that each local jurisdiction should have an equal share in addressing.

VI. Conclusion

For the foregoing reasons, Napa County requests that the Executive Board adopt the draft RHNA methodology as proposed in the fall of 2006. That methodology is based on the following:

- Household Growth 40%
- Existing Employment 20%
- Employment Growth 20%
- Household Growth near Transit 10%
- Employment Growth near Transit 10%

Mr. Paul Fassinger
January 17, 2007
Page 15

If the above methodology is not adopted, then a methodology which includes the statutory factors discussed above should be adopted. Alternatively, the methodology should include a cap of 10% of the county-wide allocation to the unincorporated area as minimum acknowledgment of the goal of using all the statutory factors.

Sincerely,



Nancy Watt
County Executive Officer

NW:SD:pg

cc: Diane Dillon, Supervisor, District 3
Hillary Gitelman, Director of Conservation, Development & Planning
Howard Silva, Community Partnership Manager
Silva Darbinian, Deputy County Counsel



NANCY WATT
County Executive Officer

COUNTY *of* NAPA

January 4, 2007

VIA FACSIMILE AND MAIL
(510) 464-7970

Paul Fassinger
ABAG Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, California 94604-2050

Dear Mr. Fassinger:

Thank you for providing us with the opportunity to review and comment on the draft Regional Housing Needs Allocation methodology, which was authorized for release by the ABAG Executive Board on November 16, 2006.

Napa County supports the proposed draft allocation method, which assigns local housing responsibility based 40% on household growth, 20% on existing employment, 20% on employment growth, 10% on job growth near transit, and 10% on housing growth near transit.

As you know, the Legislature requires ABAG to develop a housing allocation methodology consistent with the factors outlined in Government Code section 65584.04(d).¹ Among the factors to be considered are a jurisdiction's job-housing relationship, constraints due to sewer and water, land suitability and policies to protect agriculture. The draft methodology appears to consider these statutory factors, although indirectly. If adopted, the draft methodology would likely result in a fair allocation of the regional housing needs to Napa County because it would take into account some of Napa County's unique circumstances and policies, including agreements between Napa County and its cities to direct growth toward incorporated areas of the county. For a thorough discussion of the various statutory factors as they apply to Napa County, please see the October 20, 2006 letter from Napa County Planning Director Hillary Gitelman to Ken Kirkey, ABAG Principal Planner, attached to this letter and incorporated here by reference.

While some jurisdictions have expressed concerns with the use of existing and planned transit as factors in the methodology, these factors should be maintained. Inclusion of the existing and planned transit factors in the methodology supports Smart Growth principles regionally. It encourages housing in urban areas while at the same time recognizing long standing state and

¹ All statutory references are to the Government Code unless noted otherwise.

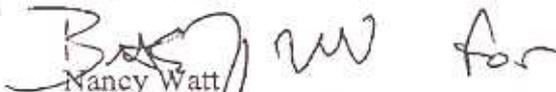
local policies to protect agricultural lands. The transit factors in particular indirectly recognize that growth should be directed to urban areas.

If the transit factors were eliminated altogether (or modified from the proposed methodology), the methodology will have failed to consider statutory factors concerning preservation of agricultural lands and agreements between jurisdictions to direct growth to incorporated areas. We therefore do not support any of the alternative methodologies discussed in ABAG's January 4, 2007 Memorandum to the HMC. If any of the alternatives are adopted, the methodology would be completely unbalanced. Yet, section 65584.04(d) requires that the following factors be considered in developing the methodology: protection of agricultural lands, availability of suitable land for development, lack of capacity for water and sewer services, and agreements between a county and its cities to direct growth towards urban areas. None of these factors are directly addressed in the proposed methodology. The County supports the proposed methodology because at least some of these factors were arguably indirectly considered by inclusion of the existing and planned transit factors.

Section 65584.04(e) provides that each council of governments "shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of section 65584." If the proposed methodology is not adopted, we would request an explanation of how a different methodology incorporates the statutory factors outlined in section 65584.04(d), including preservation of agricultural lands and agreements for city-centered growth. If these factors are excluded from the methodology, then counties such as Napa will become more like cities and our limited resources (prime agricultural land) will be lost forever.

We therefore urge you to either adopt the proposed methodology without change (i.e. 40% on household growth, 20% on existing employment, 20% on employment growth, 10% on job growth near transit, and 10% on housing growth near transit) or develop a completely different methodology that takes into account statutory factors to preserve agricultural lands, agreements to direct growth to incorporated cities, suitability of land for housing development, and availability of infrastructure (water, sewer, transportation).

Very truly yours,


Nancy Watt
County Executive Officer

SAN FRANCISCO

**MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO**



GAVIN NEWSOM
MAYOR

MATTHEW O. FRANKLIN
DIRECTOR

January 17, 2007

Association of Bay Area Government
P.O. Box 2050
Oakland, CA 94604

Dear Executive Board Members and Staff:

The City and County of San Francisco welcome the opportunity to comment on the proposed RHNA allocation methodology. As we noted in our previous letter to staff, we have serious misgivings about the impact of the formula on housing opportunity in the region, particularly as it relates to Smart Growth and affordable housing.

As you know, San Francisco's share of the regional housing needs allocation is proposed to go from 9% of the regional total (20,000 units out of 230,000) to 18% of the total (40,468 out of 230,000). The three largest cities in the region (San Jose, San Francisco, and Oakland) would go from having 54,219 units or 23% of the regional need to 90,787 homes or 39% of the regional total.

As a participant in the Housing Methodology Committee, San Francisco joined with Oakland (and Berkeley) in supporting allocation methodology based on a 50/50 split between jobs and housing (Option #3). We support the notion that transit-accessible housing and jobs should be a factor in the process, but believe that ABAG's policy-based projection already sufficiently weights transit access in its forecast for job and housing creation.

As an alternative, we would propose that any formula that uses TOD factors include a cap for those factors to enable decision makers and the public to embrace the regional vision over time rather than in one sudden jump. The formula could allow the use of TOD factors but not allow their use to cause a jurisdiction's share of the RHNA to grow by more than 40% over the previous cycle. In other words, if the housing and jobs forecasts already result in a 30% jump, the TOD factor can only cause the RHNA share to rise a total of 10% more.

We continue to believe that the methodology needs to provide a more realistic means to address the region's twin goals of smart growth and fair share housing distribution. Below are the main reasons for our view:

1) **Fails to provide a fair share distribution of affordable housing:** first and foremost, the RHNA and housing element processes are about affordable housing. By any objective measure, San Francisco, Oakland and San Jose produce the lion's share of affordable housing in the region. An allocation methodology that adds to their responsibilities while perversely taking the pressure to produce affordable housing off of more affluent suburban communities is simply not defensible.

2) **The proposed allocation is unrealistic:** this shift is not politically sustainable and is likely to produce the opposite result from what is intended. There is a very basic political need to ensure that decision makers and the general public can absorb these fundamental shifts in the way we grow. Around the country, policy shifts towards a Smart Growth framework do not begin with drastic reconfigurations of responsibility, but rather start gradually in order to help the public consensus grow.

Ultimately the RHNA is intended to ensure that communities zone enough land for housing. The proposed formulas would assign 39% of the region's housing need to the three largest cities in the region – Oakland, San Francisco and San Jose. **Historically these three major cities have zoned more than the required amount for housing but only account for 26% of the total housing growth between 2000 and 2006 (an increase over the 23% achieved between 1990 and 2000).** Increasing the number of sites required in these cities is unlikely to produce a shift in the location of regional housing production in the absence of other policy changes.

3) **Fails to provide framework for Smart Growth:** The ostensible reason for the reallocation of responsibility is growth management or Smart Growth yet neither the RHNA process nor ABAG has the authority or tools to ensure that localities in the outlying counties reduce sprawl development.

- a) These communities have historically entitled significantly more than their share of low-density market-rate housing.
- b) Thus, the reallocation formula reduces requirements for higher-density zoning in many communities, while placing no limits on their ability to zone for and entitle ranchettes and low-density "executive housing."
- c) The unintended result will be an exacerbation of sprawl, traffic congestion and air quality problems as development is forced to "leap-frog" over existing suburban areas with insufficient sites, leading to precisely the outcome that the draft RHNA purports to prevent.

4) **Fails to connect resources to responsibility:** In every other region of the country that has attempted to promote regional growth management, communities that are expected to take more housing get greater resources. The draft RHNA's significant redistribution of responsibility is not accompanied by nor conditioned on a redistribution of regional resources (eg. transportation funding). Put simply, ABAG's leadership needs to secure more consensus that resources will be redirected towards high-growth areas.

Thank you for the opportunity to comment on this proposal. We are committed to working with ABAG to address these shortcomings.

Sincerely,

Matthew O. Franklin
Director, Mayor's Office of Housing

Dean Macris
Director of Planning

SAN MATEO COUNTY

Planning Services

Community Development Services

1017 Middlefield Road

P.O. Box 391

Redwood City, CA 94064



Telephone: (650) 780-7234

Facsimile: (650) 780-0128

TDD: (650) 780-0129

Email: planning@redwoodcity.org

Website: www.redwoodcity.org

December 19, 2006

Paul Fassinger and
Housing Methodology Committee
ABAG
P.O. Box 2050
Oakland, CA 94604-2050

Subject: Redwood City's Response to Draft RHNA Methodology (should the San Mateo County Sub-Regional Housing process prove unsuccessful and ABAG assigns a default RHNA to Redwood City) and Student Population Survey

Dear Mr. Fassinger and Housing Methodology Committee members,

The purpose of this letter is to provide input on the Draft RHNA Methodology and the Student Population Survey.

Draft RHNA Methodology

The enclosed Draft RHNA Methodology excerpt (1st attachment) indicates that the while the Housing Methodology Committee (HMC) considered a number of factors (such as water constraints) for the recommended draft RHNA methodology, they did not explicitly incorporate the factor(s) into the draft methodology.

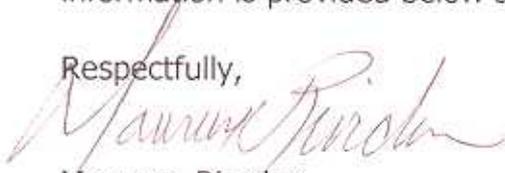
Whether Redwood City's water supply availability does or does not meet the statutory requirement for comparability and availability, it is nevertheless a very real growth constraint. The City's water supply is not an infrastructure capacity issue (that would be within the City's control to alter); rather, it is a constraint that only Mother Nature and the San Francisco Public Utility Commission (SFPUC) have control over. Refer to attached letter (2nd attachment) to ABAG dated October 18, 2006 for additional detail.

As outlined in the attached letter, Redwood City assumes that the SFPUC will not increase its future water allocation. Consequently, we must plan responsibly for future growth consistent with the goals and policies set forth in the Redwood City Urban Water Management Plan (UWMP). As previously described, this translates into a maximum growth build out of 4,496 housing units and 69,980 jobs by 2030. Refer to www.redwoodcity.org for adopted UWMP.

Student Population Survey - Refer to the 3rd attachment for Redwood City's student population survey input.

Thank you for taking the time to consider the content of this letter. My contact information is provided below should you have any questions.

Respectfully,



Maureen Riordan
Senior Planner
Planning Services

Voice: (650) 780-7236
Fax: (650) 780-0128
Email: mriordan@redwoodcity.org
Web: www.redwoodcity.org
Mail: City Hall
1017 Middlefield Road
P.O. Box 391
Redwood City, CA 94064

Cc: Ed Everett, City Manager
Mayor Pierce and City Council Members
Manny Rosas, Public Works Services, Water Division
Jill Ekas, Planning Manager
Tom Passanisi, Principal Planner, Long Range Planning
Pat Webb, Housing Manager
Stan Yamamoto, City Attorney
Duane Bay, City/County Association of Governments (CCAG)

The Governor signed AB 2572 into law on September 29, 2006. The legislation adds a statutory factor: housing needs generated by the presence of a private university or a campus of the California State University or the University of California.

The HMC concluded that student populations need not be added as an explicit factor in the allocation methodology. The reason is that the existence of universities and resulting student populations are included in ABAG's household population estimates. Therefore, ABAG will circulate its explanation of the effects of this factor and a survey form for this factor during the review period of the draft methodology. Responses will be due in time for ABAG staff to evaluate them and to make any necessary changes to the methodology.

The 42 survey responses varied widely. Many commented on the HMC deliberations, supporting or opposing specific measures under consideration, and offering alternative methodological approaches. Others commented on the existing and near-term market conditions for housing in their jurisdictions.

The comments that focused on how specific factors should be explicitly considered in the methodology can be summarized as follows:

Summary Survey Responses

1. Jobs/Housing Relationship	
(a) use employed residents to measure jobs/housing balance	3
(b) take into account home based businesses/employment	1
(c) use commute shed to assess jobs/housing balance	2
2. Constraints due to Sewer/Water/Land Capacity	
(a) respondents identified specific sewer/water constraints	2
3. Public Transit/Transportation Infrastructure	
(a) respondents confirmed they were planning for TOD	5
4. Market Demand for Housing	0
5. City-Centered Development	
(a) described local city-centered policies	6
(b) described specific policies, agreements, etc., on development in spheres of influence (SOI)	7
(c) stated there were no written agreements on SOIs	1
6. Loss of Assisted Housing Units	
(a) identified at risk units at varying degrees of specificity	10
(b) do not use as a factor	1
7. High Housing Cost Burden	
(a) use CHAS data	1
8. Housing Needs of Farmworkers	
(a) identified local efforts for farmworker housing	4
9. Others	
(a) use congestion levels	1
(b) reward past performance in meeting RHNA goals	1
(c) RHNA allocation should at least equal planned growth	1

Several of the possible allocation factors proposed in the surveys were considered by the HMC, but not explicitly incorporated in the draft methodology. These factors include those related to:

- Jobs-housing balance: 1(a) – (c)
- Sewer/water constraints: 2
- City-centered development: 5(a) – (c)
- Loss of assisted housing units: 6
- High housing cost burdens: 7
- Housing needs of farm workers: 8
- Traffic congestion: 9(a)
- Rewards for past RHNA performance: 9(b)

The HMC has included the following suggested RHNA factors as explicit components of the draft methodology but may not have used them in precisely the way suggested by the respondents:

- Public transit/transportation infrastructure: 3

The HMC did not consider 9(c).

In each instance where a respondent described specific localized data in support of its response to a survey question, e.g., 2, 6(a) and 8(a), the respondent did not identify sources for comparable data for other jurisdictions. Therefore, staff could not conclude that the proffered factor met the statutory requirement for comparability and availability. Consequently, the proposed factor was not used.

IV. Housing Methodology Committee

As the region's Council of Governments, ABAG is responsible for allocating the state-determined regional housing need to all jurisdictions in the Bay Area. The HMC was established in May 2006 to assist staff in developing a recommended methodology for allocating the regional need for adoption by the ABAG Executive Board. The HMC was comprised of local elected officials, city and county staff, and stakeholder representatives from each county in the region. It includes members from each county so that it adequately represents the entire region.

The members of the Housing Methodology Committee were:

Barbara Kondylis, Supervisor, District 1 (Solano), ABAG Executive Board
 Scott Haggerty, Supervisor, District 1 (Alameda), ABAG Executive Board
 Jeffery Levine, Housing Department, City of Oakland, Alameda
 Jennifer Hosterman, Mayor, City of Pleasanton, Alameda
 Dan Marks, Director of Planning & Development, City of Berkeley, Alameda
 Julie Pierce, Council Member, City of Clayton, Contra Costa
 Phillip Woods, Principal Planner, City of Concord, Contra Costa
 Gwen Regalia, Council Member, City of Walnut Creek, Contra Costa
 Linda Jackson, Principal Planner, City of San Rafael, Marin
 Paul Kermoyan, Community Development Dir., City of Sausalito, Marin

Planning Services
Community Development Services
1017 Middlefield Road
P.O. Box 391
Redwood City, CA 94064



Telephone: (650) 780-7234
Facsimile: (650) 780-0128
TDD: (650) 780-0129
Email: planning@redwoodcity.org
Website: www.redwoodcity.org

October 18, 2006

Paul Fassinger
ABAG
P.O. Box 2050
Oakland, CA 94604-2050

Subject: Redwood City's Response to Association of Bay Area Government's (ABAG) *Draft 2007 Projections* and ABAG Default Regional Housing Need Allocation (RHNA) assignment for Redwood City

Dear Mr. Fassinger,

The purpose of this letter is to outline a few factors that Redwood City would like you to consider with respect to ABAG's recently released *Draft 2007 Projections* and in regard to ABAG's default RHNA assignment for Redwood City should the San Mateo County Sub-Regional Housing Process prove unsuccessful. In short, the *Draft 2007 Projections* are much higher than the City's own growth projections, which are based on water supply availability, as defined in the Redwood City Urban Water Management Plan (UWMP) and as summarized below.

Redwood City Growth Projections & Urban Water Management Plan

Redwood City is updating its General Plan and anticipates its adoption by summer of 2007. The General Plan's time horizon is to year 2020. The Draft General Plan is online at www.redwoodcity.org. Refer to attached General Plan Map.

As part of the General Plan update, Redwood City has also completed a *Draft Downtown Precise Plan* that will be adopted in early 2007. The *Downtown Precise Plan* build-out time-horizon is 30 plus years because the properties within the *Plan* are fully developed and will, thus, require redevelopment. The *Plan* proposes a (theoretical) maximum development intensity of 3,700 high-density housing units with a more realistic build out of 2,500 units. All of these dwelling unit sites are within walking distance to the City's Caltrain Station. The *Precise Plan* is, therefore, consistent with the expressed policy direction of Housing Methodology Committee Members and ABAG staff regarding the desire to locate multi-family, high density housing near downtown transit. Refer to enclosed CD or online copy of the *Draft Downtown Precise Plan* at www.redwoodcity.org.

Most of the remaining sites located outside of the City's downtown district that can be redeveloped with multi-family housing are along the City's two transit corridors, El

Camino Real and Woodside Road. These transit corridors were rezoned for high density, multi-family residential development in 1993¹. The *Downtown Precise Plan* housing sites and other infill sites outside of the downtown district are anticipated to result in a total build out of 4,496 units.

For at least the past six years, Redwood City has been exceeding its water allocation from the San Francisco Public Utility Commission's (SFPUC) regional water system. Consequently, in 2001, the City Council made a commitment to: 1) erase contractual water supply assurance overdraft by 2010; 2) contribute to the upgrade of the regional water system to secure the region's drinking water supply in the future; and 3) develop a water recycling system.

Redwood City's *Urban Water Management Plan (UWMP)* outlines the City's policy direction for securing and protecting the City's water supply through year 2030. Over the past few years, the City has implemented one of the most aggressive water conservation programs in the region and is constructing a recycling water project. Based on the water supply and demand projections contained in the UWMP, Redwood City anticipates that it will have an adequate water supply to serve projected growth and development using a combination of existing SFPUC supply, new recycled water supply and water conservation programs. Refer to attached UWMP Executive Summary or the complete UWMP online at www.redwoodcity.org.

Redwood City's UWMP growth projections assume a total build out of 4,496 housing units (13.7% change from year 2000) and a total employment base of 69,980 jobs (20.7% change from year 2000) by year 2030.² Refer to attached: 1) UWMP Chapter 2, Table 2-2 (Housing Units, Population and Employment) and Table 2-3 (Assumptions for Growth in Multi-Family Housing); 2) UWMP Water Service Area Map; and 3) Downtown Precise Plan-Water Supply Memorandum from Peter Ingram to Tom Passanisi, dated May 3, 2006.

By comparison, ABAG's *Draft 2007 Projections* for Redwood City shows the City's household growth (for the sub-regional study area) increasing by 2,500 households between years 2005 and 2015 (10-year time horizon), 7,930 households by 2030, and an overall growth of 9,060 households by year 2035. It also shows an employment growth change from 55,220 to 63,650 jobs between years 2005 and 2015 to 74,740 jobs by year 2030, with total jobs at 77,190 by year 2035. Refer to summary table below and attached Redwood City Draft 2007 Projections Sub-regional Study Area chart.

¹ Multi-family housing units built, in construction or under review on El Camino Real & Woodside Road since 1993 include: Franklin Project (206 units on 4.5 acres); Montgomery Villa (58 units on 0.66 acres) and Woodside Villa (43 units on 0.66 acres) = 264 total units built/under construction and 43 total units under planning review.

² The City's Water Service Area includes development outside of Redwood City's city limits (2,352 Single family home accounts x 2.74 persons per household + 93 multi-family units x 2.6 persons per household). Future year projections were based on multiplying new dwelling units identified by the Community Development Department by persons per household. Redwood City's employment projections were based on ABAG 2005 Projections.

The *Draft 2007 Projections* also shows Redwood City's household growth (for the jurisdictional boundary area) increasing by 1,900 households between years 2005 and 2015 (10-year time horizon), 6,850 households by 2030, and an overall growth of 7,980 households by year 2035. It also shows employment growth changing from 55,220 jobs in year 2005 to 58,120 jobs by year 2015, 68,170 jobs by 2030, and a total job growth of 70,620 by year 2035. Refer to table below and attached Redwood City Draft 2007 Projections- Jurisdictional Boundary chart.

HOUSEHOLD GROWTH

Year	2005	2015	2030	2035
RC's UWMP Projections:	136	2,009	4,496	NA
<i>Draft 2007 Projections (w/o SOI):</i>	160	1,900	6,850	7,980
<i>Draft 2007 Projections (with SOI):</i>	253	2,500	7,930	9,060

EMPLOYMENT GROWTH

Year	2005	2015	2030	2035
RC's UWMP Projections:	50,020	57,850	69,980	NA
<i>Draft 2007 Projections (w/o SOI):</i>	50,020	58,120	68,170	70,620
<i>Draft 2007 Projections (with SOI):</i>	55,220	63,650	74,740	77,190

RC's UWMP= Redwood City's Urban Water Management Plan Growth Projections
w/o SOI = without Redwood City's Sphere of Influence household or employment growth

Redwood City assumes that the SFPUC will not increase its future water allocation. Consequently, we must plan responsibly for future growth consistent with the goals and policies set forth in the UWMP. As previously described, this translates into a maximum growth build out of 4,496 housing units and 69,980 jobs.

Redwood City's Sphere of Influence

Redwood City concurs with Walnut Creek's July 27, 2007 letter to ABAG regarding expressed concerns over giving a City the County's RHNA assignment when the City has no land use control over property within its sphere of influence. Refer to attached letter from Walnut Creek to ABAG.

Redwood City does not have a written agreement with San Mateo County to direct growth towards incorporated areas of the County or that requires the incorporation of unincorporated properties once these properties are developed. Properties within Redwood City's sphere of influence are not open space or agricultural lands. Consequently, development within the City's sphere of influence does not contribute to urban sprawl; rather, most of these properties are within existing low-density, hillside and/or suburban-style residential neighborhoods such as the Emerald Hills and Friendly Acres Neighborhoods.

Redwood City was assigned an additional RHNA of 194 units for property located within San Mateo County's jurisdiction. For reasons outlined above and in Walnut

Creek's July 27, 2007 letter to ABAG, we respectfully request that none of the San Mateo County fair share housing allocation numbers be assigned to Redwood City. Refer to Household Chart above.

In addition, because Redwood City has no land use control over commercial or industrial properties located within its' sphere of influence (i.e. ability to rezone these properties for residential purposes), we believe that future job growth in these areas should not be factored into Redwood City's jobs/ housing ratio calculation. Refer to Employment Growth chart above.

Thank you for taking the time to consider the contents of this letter. I am happy to clarify any question you may have and will give you a call in the next few days to arrange a conference call with Jill Ekas, Planning Manager, Maureen Riordan, Senior Planner, and myself. If you prefer to contact us directly, I can be reached at (650) 780-7379 or you can contact Maureen at (650) 780-7236.

Sincerely,



Peter Ingram
Community Development Director

Enclosures

1. General Plan Map, Redwood City
2. CD of Redwood City Draft Downtown Precise Plan
3. Executive Summary, Redwood City Urban Water Management Plan (UWMP)
4. Chapter 2, Table 2-2 (Housing Units, Population and Employment) and Table 2-3 (Assumptions for Growth in Multi-Family Housing), UWMP.
5. Water Service Area Map, UWMP.
6. Downtown Precise Plan-Water Supply Memorandum from Peter Ingram to Tom Passanisi, May 3, 2006.
7. Summary Charts of Redwood City's Draft 2007 Projections.
8. Letter from Walnut Creek to ABAG, July 27, 2007

Cc: Ed Everett, City Manager
Mayor Pierce and City Council Members
Manny Rosas, Public Works Services, Water Division
Jill Ekas, Planning Manager
Tom Passanisi, Principal Planner, Long Range Planning
Pat Webb, Housing Manager
Maureen Riordan, Senior Planner
Stan Yamamoto, City Attorney
Duane Bay, City/County Association of Governments (CCAG)

Please review the draft allocation method in detail and submit any comments within the comment period. To ensure your comments are incorporated into staff recommendations to the Executive Board on the final method, you may wish to have your comments to us by early January.

Survey on Local Student Populations

On September 29, 2006 AB2572 went into effect. This legislation requires the consideration of student populations in the regional housing needs allocation methodology, i.e. in jurisdictions with a private university or a campus of the California State University or the University of California.

In using household population statistics in the methodology, we believe that the appropriate student populations are included in the draft methodology. Household population estimates are inclusive of the entire household population and would therefore account for all people living in homes - whether they are students or not is of no consequence.

Only the "group quarters" population - those living in college dormitories - are not included in household population counts. Group quarters population is taken into account in the "total population" estimates. Therefore, the allocation methodology does not propose a specific factor to represent the impact of student populations.

Jurisdictions with student populations may believe that student populations should be accounted for directly in the allocation methodology, rather than through the household population factor. Therefore, if your city has a student population base, and especially if you believe there is an alternative way to address this population, please respond to the survey questions listed below.

Responses should be returned within the comment period on the draft allocation methodology - before January 18, 2007. Responses may be included in your comments regarding the draft methodology. All survey responses and draft allocation comments can be sent to Paul Fassinger at paulf@abag.ca.gov. Thank you for your attention and timely response.

----- tear here -----

Jurisdiction:

Redwood City

Survey Taker:

MAUREEN BIORRANO, SENIOR PLANNER

Student Populations Survey

1) Is a private university or a campus of the California State University or the University of California located in your jurisdiction? *UC Extension*

Yes No I don't know.

2) If yes, how many students do you estimate live in regular housing, i.e. not college dormitories in your community?

_____ Local student population estimate

No local estimate available. *No dormitories*

3) How do you think student populations should be accounted for in the regional housing needs allocation methodology? (Please use separate sheet for a detailed response, if necessary.)

Using Household Population Other (Please describe on separate sheet or on back)

From: Brian Kirking
To: Cheryl Adsit; Kenneth Moy; Paul Fassinger
Date: 1/18/2007 10:23 AM
Subject: Fwd: ABAG Feedback

>>> <cmohr@hlcsmc.org> 01/18/2007 10:15 AM >>>
Below is the result of your feedback form. It was submitted by
(cmohr@hlcsmc.org) on Thursday, January 18, 2007 at 10:15:45

email: cmohr@hlcsmc.org

Name: Chris Mohr

ABAG_Comments: January 18, 2007

ABAG Executive Board
ABAG
PO Box 2050
Oakland CA 94604
Via Website Comment

I'm writing on behalf of the Housing Leadership Council of San Mateo County to comment on the draft RHNA methodology recommended by the Housing Methodology Committee and ABAG staff.

First, the draft housing by income allocation recommended by ABAG staff represents a significant improvement over the past RHNA process. We support efforts to assign a larger share of affordable housing to jurisdictions with little existing housing for very low and low-income people.

Second, the final methodology should incorporate truly "smart" principles for growth and allocating a fair share of housing goals across the region. We appreciate ABAG's efforts to incorporate these principles in the various methodologies, and urge you to weigh carefully the various factors to achieve balance and equity across the region.

Third, we would like to express appreciation to ABAG staff for their support of the subregional process that San Mateo County and its 20 cities are collaborating on. As housing advocates, the Housing Leadership Council expects that this process will result in better overall performance in our county.

Sincerely yours,

Christopher Mohr
Executive Director
Housing Leadership Council of San Mateo County
139 Mitchell Avenue, Suite 108
South San Francisco CA 94080
cmohr@hlcsmc.org
(650) 872-4444

SUBMIT: SEND COMMENTS AND RETURN TO HOME PAGE

SANTA CLARA COUNTY



Office of the Mayor
10300 Torre Avenue
Cupertino, CA 95014
(408) 777-3212

January 16, 2007

ABAG Executive Committee
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Subject: RHNA Committee allocation formula

Dear ABAG Executive Committee Members;

The Cupertino City Council supports the allocation formula developed by the Regional Housing Needs Allocation (RHNA) Committee as stated in our letter of November 6, 2006. However, we are concerned about the latest proposal to increase the low and very-low income allocations to 175% of the Bay Area regional average income distribution. We support the allocation formula because it assigns a fair share of housing based on where growth is projected to occur in accordance with each city's General Plan and encourages housing in areas that are creating jobs and/or have transit. This "Smart Growth" component discourages suburban sprawl, reduces congestion and increases transit ridership.

We oppose increasing the income allocations to 175% of the Bay Area regional average income distribution because it is simply impractical. The cost to provide a low and very low income housing unit in the high land cost areas is significantly greater than more affordable communities and the resources to write down the cost of housing does not exist in the smaller suburban communities. We do not have the large redevelopment agency housing set aside budgets or Community Development Block Grant allocations of larger cities. Instead of encouraging affordable housing this requirement will reduce the number of affordable units that will be built and jeopardize the objectives of increasing the supply and affordability of housing.

Thank you for the opportunity to participate and comment on the process.

Sincerely,

Kris Wang
Mayor



Office of the Mayor
10300 Torre Avenue
Cupertino, CA 95014
(408) 777-3212

✓
MS
Paul
Ken K.

November 6, 2006

ABAG Executive Committee
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Subject: Support for the RHNA Committee allocation formula

Dear ABAG Executive Committee Members:

The Cupertino City Council is pleased to support the allocation formula developed by the Regional Housing Needs Allocation (RHNA) Committee. The RHNA Committee spent the past six months going over the options and discussing reasonable methodologies to allocate housing units.

The formula allocates a fair share of housing based on where growth has occurred in the past and where growth is projected to occur in accordance with Projections 2007 and the factors in the State statute. The formula for the first time, allocates a portion of the housing based on smart growth principles by encouraging growth near transit stations. The Bay Area needs to direct growth along the transit corridors and discourage suburban sprawl if we are going to limit congestion. The formula gives communities planning on growth to choose smart growth by balancing job generation with housing units.

Thank you for the opportunity to participate and comment on the process.

Sincerely,

Richard Lowenthal
Mayor

RECEIVED

From: RHNA -
To: Paul Fassinger
Date: 1/12/2007 11:59:17 AM
Subject: Numbers question from Los Altos Fwd: Regional Housing Needs Allocation Methodology

>>> "James Walgren" <James.Walgren@ci.los-altos.ca.us> 01/11/2007 4:34 PM >>>
Thank you for the update.

I had not been following the RHNA methodology process that closely this time around since I had participated in the last update and thought the end result was fine. I didn't think I had any concerns with the methodology this time either, but I'm surprised by how the allocations turned out. For Santa Clara County it looks like the large to medium sized cities ended up with fewer units allocated - in some cases like Cupertino they were significantly reduced from their 99-06 allocation of 2,720 to 1,112.

The smaller cities also seem to have reductions - Saratoga went down from 538 to 277 and Campbell went from 777 to 740. I don't understand then how such a similar city like Los Altos can go from 261 to 302.

Can you or the appropriate person please get back to me and help me understand how these numbers resulted before the January 18 ABAG meeting?

Thank you.

James Walgren, AICP
Community Development Director
(650) 947-2635

CC: Christy Riviere



TOWN OF LOS GATOS

CIVIC CENTER
 110 E. MAIN STREET
 P.O. Box 949
 LOS GATOS, CA 95031

January 17, 2007

ABAG Executive Committee
 Association of Bay Area Governments
 P.O. Box 2050
 Oakland, CA 94604-2050

Subject: RHNA Committee allocation formula

Dear ABAG Executive Committee Members;

The Town of Los Gatos has reviewed the allocation formula developed by the Housing Methodology Committee (HMC) and ABAG's staff recommendation to the Executive Board. The Town supports the methodology developed by the HMC but has significant concerns about the latest proposal to increase the low and very-low income allocations to 175% of the Bay Area regional average income distribution. The formula recommended by the HMC takes into account growth in accordance with each city's General Plan and is more practical and better balanced than the formula recommended by staff. The "Smart Growth" component discourages suburban sprawl, reduces congestion and supports the investments Bay Area communities have incurred to increase transit ridership.

We oppose increasing the income allocations to 175% of the Bay Area regional average. It is simply impractical and unrealistic to target 45% of future housing units for very low and low income households. The ability to construct low and very low income housing in Los Gatos is constrained by the high land costs and limited resources to write down the cost of housing. We do not have the large redevelopment agency housing set aside budgets or Community Development Block Grant allocations of larger cities. Given the constraints discuss above, assigning unobtainable goals may make it unachievable for many communities to adopt a housing element that can be approved by HCD. Instead of encouraging affordable housing, this requirement could be counterproductive to the production of affordable housing and jeopardize the objectives of increasing the supply and affordability of housing.

Thank you for the opportunity to participate and comment on the process.

Sincerely,

 Bud Lortz, AICP
 Community Development Director

Post-it* Fax Note	7671	Date	1/17/07	# of pages	1
To	Paul Fassinger	From	Bud Lortz		
Co./Dept.	ABAG	Co.	TLG		
Phone #		Phone #	408/354-6876		
Fax #	510/464-7970	Fax #			





STEVE TATE
Mayor

17555 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: 408-779-7271
FAX: 408-779-3117
www.morganhill.ca.gov

January 2, 2007

Paul Fassinger
Research Director
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

Subject: Draft Regional Housing Needs Allocation Methodology

Dear Mr. Fassinger:

Thank you for the opportunity to review the Draft Regional Housing Needs Allocation Methodology. Our City Council reviewed the document at its meeting of December 20th. Overall, the Council is supportive of the Methodology and the proposed allocation to the City. We believe the emphasis ABAG has placed on developing housing near employment and transit centers will help to reduce traffic congestion, improve air quality and enhance a number of other regional environmental and social goals.

As you may know, Morgan Hill has very aggressive and successful affordable housing programs. For the 1999 through 2006 Housing Element cycle, the City exceeded its overall ABAG housing allocation and forty percent of those units were affordable. With continuation and improvement of those programs, we expect to be able to exceed the proposed overall allocation and affordable sub-component for the next Housing Element cycle, as well. That being said, we recommend ABAG carefully consider the proposed uniform approach to the assignment of affordable housing throughout the region. A somewhat higher percentage of affordable units to more urban areas may be appropriate. Higher residential densities that are possible in the more urban areas of the region and the access to efficient transit opportunities may better allow for production of affordable housing and may allow for a closer locational match to employment opportunities.

Thank you for your consideration of our comments.

Sincerely,

Steve Tate
Mayor

C: Morgan Hill City Council Members
Ed Tewes, City Manager



CITY OF MOUNTAIN VIEW

Office of the Mayor and City Council • 500 Castro Street • Post Office Box 7540 • Mountain View, California 94039-7540
650-903-6305 • FAX 650-903-6039

January 17, 2007

ABAG Executive Board
C/o Paul Fassinger, Research Director
P.O. Box 2050
Oakland, CA 94604-2050

RE: 2007-2014 Draft Regional Housing Needs Allocation Methodology

Dear ABAG Executive Board:

The City of Mountain View is pleased to submit the following comments regarding the draft RHNA methodologies as part of the public comment period:

- As we noted in a previous letter to ABAG dated November 3, 2006, we believe that the proposed methodology places too much emphasis on a city-by-city basis, and that any housing allocation formula should be considered with a larger subregional area ("commute shed") in mind. We previously forwarded this recommendation to the HMC for consideration, noting that our recommended "commute shed" approach is a more realistic way to adequately address the region's jobs/housing imbalance. Although the HMC initially considered studying the "commute shed" approach outlined above, ABAG staff noted that they could not adequately analyze such an approach due to a lack of available data and timing issues. We recognize these limitations but suggest that this approach be considered in depth during the next RHNA cycle.
- We support the HMC's recommended allocation methodology, which includes the weighting of transit factors at 10%, instead of the ABAG staff recommendation of a reduced transit factor of 5%. We feel that a greater weighting of this factor is critical to improving our overall quality of life in the region by focusing growth around existing and planned transit stations. This "smart growth" approach provides a number of benefits to the region, including limiting traffic congestion; reducing carbon emissions from vehicles; providing new housing growth around areas with considerable public infrastructure investment; and helping increase ridership on public transportation.

Thank you for the opportunity to comment on the revised draft HMC allocation methodologies, and we look forward to the next steps in this process.

Sincerely,

Laura Macias
Mayor

Cc: CM; CDD; PM; Santa Clara County HMC representatives

City of Palo Alto

Department of Planning and
Community Environment

January 17, 2007

ABAG Executive Board
c/o Henry Gardner, Secretary - Treasurer
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Dear Mr. Gardner:

Thank you for providing us with the opportunity to review and comment on the draft Regional Housing Needs Allocation methodology, which was authorized for release by the ABAG Executive Board on November 16, 2006. The City of Palo Alto supports the main concepts behind the draft allocation method such as smart growth, infill development, protection of open space and rural areas, restricting urban sprawl, and transit oriented development, but would like to comment on circumstances specific to Palo Alto we believe should be taken into consideration both in the *Projections 2007* figures and in the allocation methodology.

Comments on *Projections 2007*

City staff has discussed with your staff on several occasions constraints on housing production within Palo Alto. As we have stated on our email correspondence and Survey of RHNA Data sent to ABAG, we believe that the population projections for the City of Palo Alto are not achievable. *Projections 2007* assumes a growth rate of 26.6 % resulting in a population increase of 20,100 by 2035 in our sphere of influence. The City of Palo Alto's population has only grown by approximately 4.7% over the last 30 years resulting in a net population increase of approximately 2,600 people from 1970 to 2000 according to historical Census data.

Even though Palo Alto has very limited land available for new development, during the last RHNA period the City made significant efforts to identify lands that could convert to housing and to encourage that conversion. Between 1998 and 2010, the City anticipates adding 2,700 units to its housing stock; 2,550 units have been approved to date. In the future it will be even more difficult to identify appropriate housing sites since the City is almost fully developed and has almost no vacant land available for new development and limited underutilized property for redevelopment. Palo Alto is approximately 26 square miles but approximately 40 percent of this area is in parks and preserves. Another 15 percent consists of open space uses. About 25 percent of the remaining land area consists of developed and established single-family neighborhoods or approximately 16,000 detached single-family homes. As the City's boundaries are fixed on all sides by neighboring cities, no "new" lands are available.

250 Hamilton Avenue
P.O. Box 10250
Palo Alto, CA 94303
650.329.2441
650.329.2154

Mr. Henry Gardner
Association of Bay Area Governments
Page 2 of 3

Comments on Allocation Methodology

The City opposes the inclusion of an additional TOD factor in the allocation methodology to the extent that it would disproportionately assign housing to cities like Palo Alto that have shown a commitment to TOD. Palo Alto recently adopted the California Avenue Pedestrian and Transit Oriented Development Combining District, which is intended to allow higher density residential dwellings within a walkable distance of the California Avenue Caltrain Station. This district will allow multifamily residential development of up to 40 dwelling units per acre. Over half of all residential approvals and construction (approximately 1400 dwelling units) within the last 5 years are within a mile of either the University Avenue or California Avenue train station. A majority of the remaining residential entitlements or construction is along El Camino Real, which is served by major bus routes.

We understand that the draft *Projections 2007* already takes into account likely development along transit lines through its underlying assumptions and to impose an additional TOD factor would be considered "double counting". The methodology also does not distinguish between newly constructed transit stations and older transit stations where the surrounding areas are well developed with established commercial and residential uses. Palo Alto's University Avenue Caltrain Station is adjacent to a fully developed area whereas an area such as the Baypoint BART Station has acres of parking lot and vacant land surrounding the BART station yet both of these areas are evaluated under the proposed methodology equally.

The other area that the methodology does not adequately address is the jobs/housing ratio. Although the term "jobs/housing balance" implies a relationship between jobs and housing units within a community, the key relationship is between jobs and the number of employed residents within a community. The City of Palo Alto would like ABAG to take into consideration the jobs/employed residents ratio as opposed to the jobs/households ratio as a better measure of the relationship between jobs and housing within a jurisdiction. For example, the City of Palo Alto has a 2.77-jobs/employed residents ratio compared to a 3.45 jobs/household ratio.

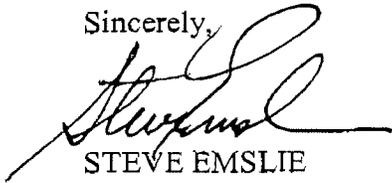
The City of Palo Alto continues to be committed to the provision of affordable housing and has adopted numerous policies supporting this commitment. Palo Alto's Housing Element was revised in 2002 to encourage affordable housing and the provision of higher density housing. As mentioned above, the City's zoning ordinance was revised this year to include a transit oriented zoning district to maximize housing development along transit corridors. The City has worked hard to implement these policies by funding non-profit housing developers to acquire sites and develop affordable housing.

Mr. Henry Gardner
Association of Bay Area Governments
Page 3 of 3

Please consider factors such as adequate open space provision, lack of land availability and suitable sites, and our shared goal of creating a balanced community in developing a realistic RHNA. If ABAG adopts achievable goals, this will enable all cities, including Palo Alto, to focus on the provision of adequate housing for a diverse population.

The City of Palo Alto appreciates your consideration of our requests.

Sincerely,



STEVE EMSLIE
Director of Planning and Community Development

cc: Paul Fassinger, ABAG Research Director



Les White
CITY MANAGER

Sent Via Fax

January 17, 2007

President David Cortese & Executive Board
ABAG
P.O. Box 2050
Oakland, CA 94604-2050

ATTN:
PAUL FASSINGER
From:
LAUREL

Dear President Cortese and Executive Board:

On January 9, 2007, the San Jose Mayor and City Council discussed their comments on the proposed Regional Housing Needs Allocation Methodology and requested that I transmit these comments directly to you.

First, the Mayor and City Council acknowledge and appreciate the efforts of ABAG staff in preparing various methodology scenarios for consideration by the Housing Methodology Committee (HMC) and, ultimately, the ABAG Executive Board. The scenarios helped to identify the sensitivity of including and weighting different factors.

Under any of the proposed scenarios, San Jose would receive a significantly higher allocation for the forthcoming planning period than the last period. It is important to note, however, that San Jose continues to have a "jobs/housing" imbalance with more employed residents than jobs. The City is implementing its economic development strategy while continuing to create housing opportunities and assist in the construction of affordable homes.

The City accepts its responsibility for providing its fair share of housing, and while the HMC recommendation does not go far enough to alleviate existing job/housing imbalances, San Jose generally supports the HMC's original recommendation because on a regional basis, housing would be focused to infill locations and away from outlying portions of the Bay Area. The planned and existing transit reinforces appropriate locations for housing development. (The HMC's original recommendation included 40% Household Growth, 20% Employment Growth, 20% Existing Employment, 10% Household Growth Near Transit, and 10% Employment Growth Near Transit).

Should the ABAG Executive Board be inclined to entertain a different alternative, then San Jose would recommend the "reduced transit alternative" which considers only 5% housing growth and 5% employment growth at existing transit stations (ABAG staff recommendation). While San Jose's allocation would likely increase, so would the housing requirements of job-rich cities in

ABAG Executive Board
RHNA Comments
January 17, 2007
Page 2

Santa Clara County. From a subregional basis, it is appropriate for other cities in the subregion to plan for more housing to make up for past shortfalls.

In terms of the income allocation, San Jose supports the more aggressive "175%" approach. In this way, communities would be encouraged to do more than they have in the past to provide for low and very low income housing.

The San Jose Mayor and City Council emphasized in their discussion that the ABAG Executive Board should adopt incentives and work with the Metropolitan Transportation Commission to fund transportation infrastructure consistent with the recommended methodology. In this way, communities assuming a higher proportion of housing allocation should receive funding for the planned transit projects to "reward" the acceptance of a higher allocation.

Similarly, incentives and funding for deeper affordability levels should be pursued and distributed to achieve the more aggressive distribution of housing for low and very low income households.

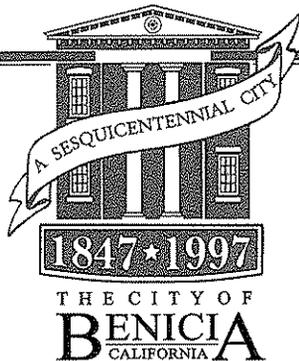
We appreciate the opportunity to participate in this important process. If you have questions about the contents of this letter prior to the January 18th Board meeting, please call Laurel Prevetti, Deputy Director of Planning, at 408/535-7901.

Sincerely,

A handwritten signature in black ink, appearing to read 'Les White', with a long horizontal line extending to the right.

Les White

SOLANO COUNTY



Office of the Mayor
STEVE MESSINA

January 16, 2007

Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Dear Board Members:

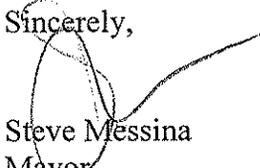
Thank you and staff for the continuing opportunity to review and comment on the forthcoming Regional Housing Needs Allocation. ABAG staff has done an excellent job of formulating a sound methodology for establishing allocations for the next Housing Element cycle.

The City of Benicia supports the original proposal by the Housing Methodology Committee. That methodology furthers the principles of focusing growth in developed areas and protecting vulnerable and valuable open space and agricultural land from sprawl development.

The City cannot support the latest proposed revised allocation methodology, which deemphasizes the positive attributes of transit. The revised methodology would require undue growth in areas with limited transit, resulting in greater reliance on automobiles. The City also cannot support the latest proposed income-category allocation revision: the 175 percent adjustment factor would result in unrealistic housing targets for our City and many others.

We hope the Board will carefully consider our support of the original methodology and the compelling reasons why we and many other communities believe it embodies the correct allocation and income methodologies.

Sincerely,



Steve Messina
Mayor

MAYOR MARY ANN COURVILLE
VICE MAYOR MICHAEL C. SMITH
COUNCILMEMBER STEVE ALEXANDER



COUNCILMEMBER JACK BATCHELOR, JR.
COUNCILMEMBER MICHAEL G. GOMEZ
CITY TREASURER DAVID DINGMAN

January 18, 2007

President and Members of the Executive Board
Association of Bay Area Governments
PO Box 2050
Oakland CA 94604-2050

Dear Board Members:

The City of Dixon wishes to thank you and your staff for the opportunity to review and comment on the proposed changes to the Regional Housing Needs Allocation for the upcoming update of our Housing Element. ABAG staff has worked closely with each of its member cities and Housing Methodology Committee (HMC) in formulating a sound methodology for establishing allocations.

The City of Dixon supports the draft methodology proposed by the HMC, which includes weighting for both existing and planned transit sites. We believe the HMC has done a thorough job in evaluating the implications of this methodology and has concluded that of the three scenarios this one best conveys the policies in our General Plan and Downtown Dixon Revitalization Plan.

The methodology recommended by ABAG staff places more residential growth in outlying edge cities like Dixon and Vacaville where there currently is little existing regional transit. We cannot support the proposed revision to the methodology, which downplays the benefits of transit oriented development. The net effect of this methodology would be to increase the number of units allocated to Solano County by 1,309 units with 75 units being assigned to Dixon. We also cannot support the 175 percent adjustment factor because it will create even more unrealistic housing targets for cities like ours to achieve.

City of Dixon

600 East A Street • Dixon, California • 95620-3697
(707) 678-7000 • FAX (707) 678-0960 • TTY (707) 678-1489

We hope the Board will carefully consider our support of the original methodology and continue to work to achieve an equitable solution. Thank you for the opportunity to comment on this very important issue.

Sincerely,

Mary Ann Courville

Mary Ann Courville, Mayor

cc: Paul Fassinger, ABAG Research Director
City Council
Warren Salmons, City Manager
David Dowswell, Community Development Director
Mark Heckey, Economic Development Director



Mayor Harry T. Price

Home of
Travis Air Force Base

January 16, 2007

COUNCIL

Mayor
Harry T. Price
707.428.7395

Vice-Mayor
Jack Batson
707.429.6298

Councilmembers
707.429.6298

Marilyn Farley

Frank Kardos

John Mraz

City Manager
Kevin O'Rourke
707.428.7400

City Attorney
Greg Stapanicich
707.428.7419

City Clerk
Arlene Cortright
707.428.7384

City Treasurer
Oscar G. Reyes, Jr.
707.428.7496

DEPARTMENTS

Community Services
707.428.7465

Finance
707.428.7496

Fire
707.428.7375

Human Resources
707.428.7394

Planning &
Development
707.428.7461

Police
707.428.7551

Public Works
707.428.7485

President and Members of the Executive Board
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94604 -2050

Dear Board Members:

Thank you for the opportunity to review and comment on the proposed changes to the RHNA allocation and income methodologies. Following are comments from the City of Fairfield.

Fairfield supports the proposed draft methodology as originally proposed by the Housing Methodology Committee (HMC). This methodology includes weighting for both existing and planned transit. The HMC carefully examined, discussed and debated the pros and cons of this methodology and concluded that of all the scenarios, this one best forwards the concepts and principles behind the Smart Growth strategy, which is the direction the group agreed the region should be move toward. It encourages housing in urban areas, particularly those with existing and planned transit.

Fairfield supports the revised income allocation methodology recommended by the HMC and your staff. The increased adjustment factor (175%), while aggressive, does support the concept embedded in Housing Element law that stipulates all communities must provide housing for the four different income groups.

Thank you for the opportunity to provide input into this very important process.

Sincerely,

HARRY T. PRICE
Mayor

c: Paul Fassinger, ABAG Research Director
Fairfield City Council
Kevin O'Rourke, City Manager
Solano County Planning Directors Group
Matt Walsh, Principal Planner, Solano County
Eve Somjen, Assistant Planning Director, City of Fairfield
Chuck Dimmick, HMC member and Councilmember, City of Vacaville
Brenda Gillarde, Consultant to Solano County



Rio Vista City Hall • One Main Street • Rio Vista, CA 94571
707-374-2205 • 707-374-5063 fax • <http://www.rio-vista-ca.com/>
Community Development
Building & Safety, Planning, & Redevelopment

January 18, 2007

VIA ELECTRONIC AND REGULAR MAIL

President and Members of the Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Dear Board Members:

The City of Rio Vista appreciates the opportunity to review and comment on the proposed methodologies associated with the Regional Housing Needs Allocation (RHNA). Furthermore, the City commends the Housing Methodology Committee (HMC) for its commitment and hard work throughout RHNA process. The City offers the following comments.

Allocation Methodology-The City does not support the revised methodology currently being considered by ABAG. Rio Vista supports and recommends adoption of the methodology originally proposed by the HMC. This methodology includes weighting for both existing and planned transit improvements thereby encouraging housing in urban areas with access to transit facilities. The HMC concluded, after carefully evaluating the pros and cons of this methodology, that it best reflects the principles of Smart Growth and the Livability Footprint-the direction for growth in the Bay Area that the ABAG Board historically has supported. Recognizing planned transit through the RHNA methodology facilitates its development. It is the City's belief that this foundation is reflected in a more meaningful way in the original methodology recommended by the HMC and ABAG staff. Conversely, we believe the methodology now being considered, which does not recognize planned transit improvements, reduces the influence of Smart Growth principles and may ultimately be a disincentive for planned transit.

Regional Income Allocation Methodology-The City of Rio Vista does support the income allocation methodology recommended by the HMC and your staff. The increased adjustment factor to move every community 175% towards the regional average would result in a more even distribution of low income housing and is supported by the underlying foundation of Housing Element law that all communities must provide housing for all income groups.

Thank you again for the opportunity to participate in the RHNA process. We are entrusting the Board with taking a stand for Smart Growth.

Sincerely,

Brent Salmi
Interim City Manager

cc: Mayor and Council

BOARD OF SUPERVISORS

Mike Reagan (Dist. 5), Chairman
(707) 784-6130
John F. Silva (Dist. 2), Vice Chairman
(707) 553-5364
Barbara Kondylis (Dist. 1)
(707) 553-5363
Jim Spring (Dist. 3)
(707) 784-6136
John M. Vasquez (Dist. 4)
707) 784-6129



County Administrator
MICHAEL D. JOHNSON
(707) 784-6100
Fax (707) 784-7975

675 Texas Street, Suite 6500
Fairfield, California 94533-6342
<http://www.co.solano.ca.us>

January 16, 2007

President and Members of the Executive Board
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94604 – 2050

Dear Board Members:

Let me first commend your staff for an outstanding job of bringing together the nine Bay Area counties and providing an open forum that has allowed much dialogue among the various jurisdictions. While there was not concurrence on every issue, there was always an opportunity for each representative to freely express its jurisdiction's views and position. The program designed by your staff for this RHNA far exceeds any prior efforts to keep members informed of and involved in this extremely important process. The result is that all participants have a much a better understanding of the process and the issues specific to each jurisdiction and to the region as a whole.

I also thank the staff for the opportunity to review and comment on the proposed changes to the allocation and income methodologies prior to the Board meeting, and to that end, offer the following comments.

RHNA Methodology

Solano County supports the proposed draft methodology as originally proposed by the HMC. This methodology includes weighting for both existing and planned transit. The Housing Methodology Committee (HMC) carefully examined, discussed and debated the pros and cons of this methodology and concluded that of all the scenarios, this one best forwards the concepts and principles behind the Smart Growth strategy, which is the direction the group agreed the region should be moving toward. It encourages housing in urban areas, particularly those with existing and planned transit. While some HMC members object to this methodology, it not only furthers the principle of focusing growth in developed areas, but also protects unincorporated and agricultural lands throughout the Bay Area from sprawl development, thus furthering the principle to protect the region's valuable open space and viable farm lands.

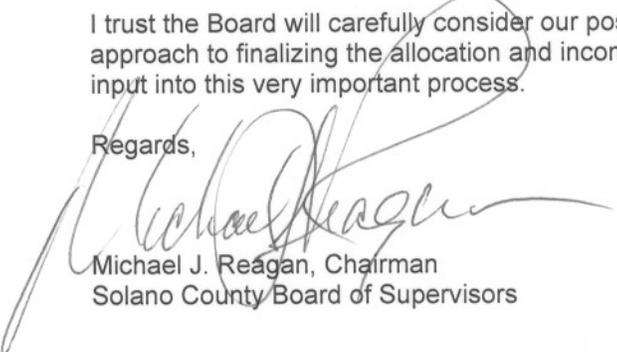
Therefore, along with our representative to ABAG Supervisor Barbara Kondylis, I will ask our colleagues to concur that Solano County cannot support the revised allocation methodology recommended by ABAG staff, wherein planned transit is removed from the methodology, and a lesser weight is given to existing transit (5% each for job and household growth). While this methodology removes the uncertainties associated with planned transit, it results in an increase of 1309 units over the HMC recommended methodology for Solano County as a whole. This places more growth in an area with little existing transit, resulting in greater reliance on the automobile and increased congestion on the I-80 corridor. Smart growth policies encourage growth in more job-heavy areas, as well as in urban cities that have more transit opportunities. Solano County provides minimal fixed transit and is not a job-heavy region. Additionally, the reduction of transit as a factor in the methodology is not consistent with the ongoing FOCUS program that ABAG and the Bay Area cities and counties are currently working on.

Income Allocation

We also will encourage that Solano County support the revised income allocation methodology recommended by the HMC and your staff. The increased adjustment factor (175%), while aggressive, does support the concept embedded in Housing Element law that stipulates all communities must provide housing for the four different income groups. Although the revised income allocation method increases our jurisdiction's assignment of lower income households by about 8% over the originally recommended methodology, we are willing to accept this challenge because it moves the region as a whole toward more equitable housing opportunities throughout the nine Bay Area counties.

I trust the Board will carefully consider our position and the reasons why we believe it is the correct approach to finalizing the allocation and income methodologies. Thank you for the opportunity to provide input into this very important process.

Regards,



Michael J. Reagan, Chairman
Solano County Board of Supervisors

cc: Paul Fassinger, ABAG Research Director
Board of Supervisors
Matt Walsh, Principal Planner, Solano County
Eve Somjen, Assistant Planning Director, City of Fairfield
Chuck Dimmick, HMC member and Council member, City of Vacaville
Brenda Gillarde, Consultant to Solano County

COUNCIL MEMBERS
LEN AUGUSTINE, Mayor
PAULINE CLANCY, Vice Mayor
CHUCK DIMMICK
STEVE HARDY
STEVE WILKINS



CITY OF VACAVILLE

650 MERCHANT STREET, VACAVILLE, CALIFORNIA 95688-6908

ESTABLISHED 1850

January 17, 2007

OFFICE OF
The Mayor

President and Members of the Executive Board
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94604 – 2050

**SUBJECT: JANUARY 18 ABAG BOARD MEETING AND
COMMENTS REGARDING RHNA METHODOLOGY**

Dear Board Members:

The City of Vacaville has been closely following the RHNA process, especially the work of the Housing Methodology Committee (HMC) and their recommendations to the ABAG Executive Board regarding the draft methodology. City of Vacaville Vice Mayor Chuck Dimmick represented Vacaville and the Solano cities on the HMC. We have the following comments to offer for your consideration at your January 18 hearing.

Allocation Methodology

In reading the ABAG staff recommendations in their staff report dated January 4, 2007, ABAG staff proposes a significant modification to the allocation methodology recommended by the HMC. The City of Vacaville does not support their recommendation. Instead, we support the draft methodology as originally proposed by the HMC. This methodology includes weighting for both existing and planned transit. The Housing Methodology Committee (HMC) carefully examined, discussed and debated the pros and cons of this methodology. The Committee concluded that of all the scenarios, this one best forwards the concepts and principles behind the Smart Growth strategy, which is the direction the group agreed the region should move toward. It encourages housing in urban areas, particularly those with existing and planned transit. This methodology recognizes that new housing should accompany job growth within urban areas near transit.

The methodology recommended by ABAG staff places more residential growth in outlying edge cities like Vacaville where there is little existing transit. This will result in greater reliance on the automobile and increased congestion on the Interstate 80 and 680 corridors as a result of additional residents in outlying areas commuting to jobs in Bay Area. While this methodology removes uncertainties associated with planned transit, it results in a county-wide 11% increase of 1,309 units with 344 additional units allocated to Vacaville.

DEPARTMENTS: Area Code (707)

TDD (707) 449-5162 or California Relay Service 7-1-1

www.cityofvacaville.com

Administrative Services 449-5101	City Attorney 449-5105	City Manager 449-5100	Community Development 449-5140	Community Services 449-5654	Fire 449-5452	Housing & Redevelopment 449-5660	Police 449-5200	Public Works 449-5170
--	---------------------------	--------------------------	--------------------------------------	-----------------------------------	------------------	--	--------------------	--------------------------



recycled paper

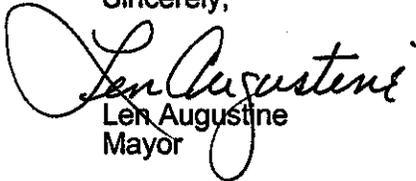
Regional Income Allocation Methodology

The City of Vacaville does not support the income allocation methodology recommended by the HMC and your staff. The increased adjustment factor to move every community 175% towards the regional average is too aggressive and will result in unrealistic housing numbers for many communities, including Vacaville. I also point out that the "Income Category Alternatives" attachment to the staff report does not include the income category allocations based on the "Reduced Transit" methodology. For example, under the recommended methodology, Vacaville's total need would increase from 2,758 to 3,102 units. There should be an accompanying table that shows the revised number of units by income category under this alternative.

We do continue to support the alternative which moved each jurisdiction 150% towards the regional average. While aggressive, this alternative does support the concept embedded in Housing Element law that stipulates all communities must provide housing for the four different income groups. Although the revised income allocation method increases our jurisdiction's assignment of very low and low income households by 8 % over the original "equal share" approach initially supported by the HMC, we are willing to accept this methodology because it moves the region as a whole toward more equitable housing opportunities throughout the nine Bay Area counties.

I trust the Board will carefully consider the City of Vacaville's position and the reasons why we believe it is the correct approach to finalizing the allocation and income methodologies. Thank you for the opportunity to provide input into this very important process.

Sincerely,


Len Augustine
Mayor

cc: Paul Fassinger, ABAG Research Director
Chuck Dimmick, Vice Mayor and HMC member
Council Members
David Van Kirk, City Manager
Laura C. Kuhn, Assistant City Manager
Scott D. Sexton, Community Development Director
Maureen Traut Carson, Senior Planner
Solano County Planning Directors Group
Matt Walsh, Principal Planner, Solano County, HMC member
Eve Somjen, Assistant Planning Director, City of Fairfield, HMC member
Brenda Gillard, Consultant to Solano County and Solano Cities

SONOMA COUNTY



CITY OF
SANTA ROSA

OFFICE OF THE MAYOR
100 Santa Rosa Avenue
Post Office Box 1678
Santa Rosa, CA 95402-1678
707-543-3010
Fax: 707-543-3030

January 16, 2007

Mr. Paul Fassinger
Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

DRAFT REGIONAL HOUSING NEEDS ALLOCATION METHODOLOGY

Dear Mr. Fassinger:

The City of Santa Rosa has a wide range of successful housing programs and through those, a long history of providing a significant number of units affordable to lower income households in the community. Santa Rosa's State-certified Housing Element has provided the basis for this success. Since the Housing Element's adoption, Santa Rosa has met its allocated need in all categories except Very Low, where positive progress continues to be made.

It will be difficult to repeat this success in the next Housing Element cycle. Sites available for housing are limited, and approximately 1,000 acres of vacant land are habitat for endangered plants and animals. The City of Santa Rosa has worked with state and federal agencies for more than a decade to resolve these issues, but they remain complex and a significant constraint to affordable housing production.

Thus it is anticipated that identification of sites sufficient to meet the overall need identified in the Draft Regional Housing Needs Allocation will be very challenging. In addition, limited federal and state funding is available to develop very low and low income units.

The City of Santa Rosa therefore requests a reduction in the overall housing need identified. Thank you for the opportunity to comment.

Sincerely,

Bob Blanchard
MAYOR

BOB BLANCHARD
Mayor

LEE PIERCE
Vice Mayor

JANE BENDER
SUSAN GORIN
VERONICA JACOBI
MIKE MARTINI
JOHN SAWYER
Councilmembers



City of Sebastopol

CITY HALL
P.O. BOX 1776
SEBASTOPOL, CA 95473
(707) 823-1153 PHONE
(707) 823-1135 FAX
www.ci.sebastopol.ca.us
Email: mgourley@sonic.net

MAYOR
Sam Pierce

COUNCIL
Craig Litwin, Vice Mayor
Larry Robinson
Linda Kelley
Sarah Glade Gurney

David D. Brennan
City Manager

January 17, 2007

David Cortese, President
Association of Bay Area Governments
101 Eighth Street
Oakland, California 94607

Re: RHNA Methodology

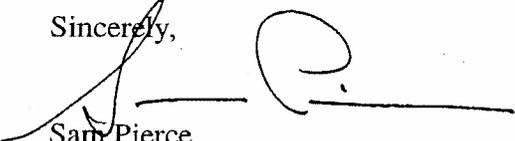
Dear Mr. Cortese:

ABAG's Regional Housing Allocation methodology is a critical policy tool for the Bay area. Our city has reviewed the draft RHNA methodology, as well as alternatives that your staff has developed in response to comments from member jurisdictions.

While we appreciate the challenges associated with infill housing production in this high-cost area, particularly the goals for affordable housing, our city supports the original draft methodology developed by ABAG staff, which directs growth more towards areas with existing and planned transit. Sebastopol and West Sonoma County have significant traffic loads in excess of design standards, with no planned roadway capacity or transit improvements. Use of the original methodology will promote more efficient land use and development, reduce potential greenhouse gas emissions, and create a more sustainable Bay Area.

We support the approval of the draft RHNA methodology.

Sincerely,


Sam Pierce
Mayor

cc: City Council
City Manager
Planning Director

COUNTY OF SONOMA
BOARD OF SUPERVISORS

575 ADMINISTRATION DRIVE, RM. 100A
SANTA ROSA, CALIFORNIA 95403

(707) 565-2241
FAX (707) 565-3778

EVEE T. LEWIS
COUNTY CLERK



MEMBERS OF THE BOARD

PAUL L. KELLEY
CHAIRMAN

VALERIE BROWN
VICE CHAIRWOMAN

MIKE KERNS

TIM SMITH

MIKE REILLY

January 9, 2007

Paul Fassinger, Research Director
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94604-2050

SUBJECT: Draft Regional Housing Needs Allocation Methodology

Dear Mr. Fassinger:

Thank you for providing the opportunity to comment on ABAG's Draft Regional Housing Needs Allocation Methodology. As always, we appreciate the ongoing opportunity for dialogue with the ABAG Board and staff.

Overall, Sonoma County strongly supports the draft methodology as outlined in the 4th revision. The shift to a policy-based methodology promotes a broader "smart growth" strategy, and the assignment of allocations within the Spheres of Influence to the cities is consistent with the city-centered growth policies found within every General Plan in this county. This approach focuses development to existing urbanized areas and transit corridors and away from agricultural and open space lands. These principles have been the cornerstone of Sonoma County's General Plan since 1989.

The County also supports the exclusion of college students in dormitories from the allocations, as this sub-group is already included in population estimates.

The final RHNA methodology should consider directing growth toward existing fixed-route transit corridors (of which there are none in Sonoma County at this time) rather than to jurisdictions just planning for these facilities.

While hopeful that the use of this new methodology will result in a realistic RHNA for unincorporated Sonoma County, we remain concerned that pressure from cities in the Bay Area will modify the methodology to push housing needs into the outlying areas. The County strongly encourages ABAG to retain its "smart growth" strategy and to continue to assign 100% of allocations within City spheres to the cities.

Sincerely,

Paul L. Kelley, Chair
Sonoma County Board of Supervisors

From: "Pete Parkinson" <PPARKINS@sonoma-county.org>
To: "Paul Fassinger" <Paulf@abag.ca.gov>
Date: 1/3/2007 2:02:31 PM
Subject: Re: Fwd: Housing Methodology Committee Meeting - January 4, 2007

Thanks Paul. I read the agenda materials this morning. Generally, I think the HMC gave this issue very thoughtful consideration when we developed the draft methodology last fall, so I can't support the "no TOD" option. There are good arguments to support both other options, as well as the draft allocation. Our Board will likely support using existing TOD rather than planned transit, especially given the recent failure of the SMART sales tax measure (we're taking this matter to the Board next week).

The exact percentage split between the various factors is somewhat arbitrary, as you know. For example, I don't know that there's any great principle at stake when we talk about whether the TOD % ought to be 10 percent or 5 percent, or 7½% ... you probably need to look at the ultimate allocation numbers and see if the result makes sense. i.e., if a 5% TOD allocation results in allocations that are relatively more realistic and achievable, that's a good thing

Good luck.

Pete

>>> "Paul Fassinger" <Paulf@abag.ca.gov> 01/03/2007 1:40:13 PM >>>

Sorry for the confusion. The meeting was scheduled last November. I'm not sure whether it happend after you had left the room or what the notice was like. Please have a look at the materials posted to the web site for the meeting. We would be more than happy to have your comments.

>>> "Pete Parkinson" <PPARKINS@sonoma-county.org> 1/2/2007 8:53 AM >>>
Paul,

Did I miss some earlier announcement of this Jan. 4 meeting? I cannot make it on such short notice.

Pete

Pete Parkinson, AICP
Director
Sonoma County Permit & Resource Management Dept.
(707) 565-1925

>>> "RHNA -" <RHNA@abag.ca.gov> 12/29/2006 11:32 AM >>>

To: Housing Methodology Committee Members and Interested Parties

The agenda for the next HMC Meeting on Thursday, January 4, 2007 is now posted on the Regional Housing Needs website at -

<http://www.abag.ca.gov/planning/housingneeds/method2.html>

Please note: the meeting will last approximately 3 hours - from 10:00am to 1:00pm - and no FOV/TAC meeting. The location



Town of Windsor
9291 Old Redwood Highway
P.O. Box 100
Windsor, CA 95492-0100
Phone: (707) 838-1000
Fax: (707) 838-7349

www.townofwindsor.com

Mayor
Sam Salmon

Mayor Pro Tempore
Warin Parker

Council Members
Steve Allen
Debora Fudge
Lynn Morehouse

Town Manager
J. Matthew Mullan

November 20, 2006

Association of Bay Area Governments
Attn.: Paul Fassinger,
Research Director
PO Box 2050
Oakland, CA 94604-2050

Subject: Draft Regional Housing Needs Allocation Methodology

We received the notice that the Association of Bay Area Governments (ABAG) has released the 2007-2014 Draft Regional Housing Needs Allocation Methodology (Draft RHNA Methodology) for a 60-day public review and comment period. The Town has reviewed the "ABAG Executive Board Memo" dated November 17, 2006 and the "Planning Housing in the San Francisco Bay Area Draft Regional Housing needs Allocation Methodology, 4th Revision Technical Documentation" dated November 7, 2006. The Technical Documentation's "Revised Regional Housing Needs Allocation Example Calculation" recommends a RHNA for the Town at 698 units for the period of 2007-2014.

The Technical Documentation recommends the income RHNA for the Town as follows:

Very Low	Low	Moderate	Above-Moderate
161	112	132	293

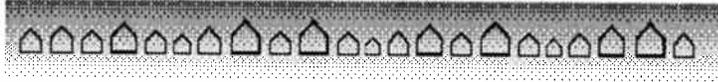
The Town is committed to City Center development, Smart Growth, and infill development as well as growth control. Further, the Town's Urban Growth Boundary supports the protection of the environment, the protection of agricultural resources, and open space.

The Town supports the RHNA recommendation as being consistent with Town policy and the General Plan.

Sincerely,

Peter Chamberlin
Planning Director
Town of Windsor

Sonoma County Housing Advocacy Group



1930 Alderbrook Lane
Santa Rosa, California 95404
voice/fax: (707) 780-1585
e-mail: hag@hagster.org

January 18, 2007
Via Mail and Fax

ABAG Executive Board
Association of Bay Area Governments
P. O. Box 2050
Oakland, CA 94604
Fax: (510) 464-7970

Re: Draft Regional Housing Needs Allocation (RHNA) Methodology

Dear Executive Board,

The Sonoma County Housing Advocacy Group is a voluntary grass roots organization which promotes affordable housing development, and increased housing opportunities for persons with special needs such as seniors, persons with disabilities, farmworkers and homeless persons. We are writing to comment on the draft RHNA methodology recommended by the Housing Methodology Committee (HMC) and ABAG Staff.

The process is underway to determine the regional housing needs allocations ("RHNA") for various jurisdictions within the area served by ABAG. We have reviewed the preliminary RHNA figures for Sonoma, Napa and Marin Counties, and are very concerned by what we see.

The big ABAG cities -- San Jose, Oakland, San Francisco -- are allocated huge increases in their RHNA numbers for the 2009-2016 planning period. These cities are being given approximately *double* their previous (1999-2009) housing needs allocation. Sonoma County, on the other hand, is tentatively allocated a substantial reduction in RHNA, even though job growth and population growth in the county is not predicted to drop by comparison with the previous planning period.

The unincorporated areas of Sonoma County are seeing a huge cut -- going from 6,799 total RHNA units for the 1999-2009 planning period down to 1,320 total units in the draft allocation for the 2009-2016 planning period. Similar cuts are in the works for Napa County. Marin County has always had low RHNA numbers.

This is troubling for several reasons. There is very little developable land in Oakland, San Francisco or San Jose. There is no basis to expect those cities can or will substantially increase production of housing -- particularly housing affordable to lower income households.. So the units just aren't going to get built... no matter how high their RHNA numbers are set. On the

ABAG Executive Board
Association of Bay Area Governments
January 18, 2007
Page 2

other hand, there's a fair amount of vacant land available for higher density development in areas of Sonoma, Marin and Napa Counties that are already served by water/sewer. These counties can and should provide housing with a range of affordabilities to accommodate expected job growth and population growth over the 2009-2017 planning period.

“Smart Growth” means that for every new job in Marin, Sonoma and Napa Counties, there should be new housing built that is affordable to the employee filling that job. People working in Marin should be able to live there, and not have to commute from Oakland. Farmworkers in the expanding Napa vineyards should not have to commute an hour over the mountains from Lakeport to get to their jobs. Sonoma County teachers should be able to live in Sonoma County.

ABAG, like all the COGS, gives little jurisdictions a disproportionately large say in how the RHNA pie is cut up. The little jurisdictions and unincorporated areas are the most resistant to development of affordable housing, so they've apparently pushed as much of it as possible off somewhere else. The high priced towns -- Sonoma, Tiburon, Calistoga, Sebastopol, St. Helena, Mill Valley -- should not be allowed by ABAG and HCD to duck providing housing affordable to low and moderate income households. They generally have an abundance of sites, good schools, and other infrastructure. They should get RHNA allocations which recognize their capacity to absorb at least the same amount of growth as the region in general.

People who work in Sonoma, Napa and Marin County -- whether the jobs are new ones or old ones -- should be able to live in those counties in housing they can afford. They shouldn't have to live in Oakland or San Jose. But these new numbers carry the message that local governments in Sonoma, Napa and Marin don't have to provide more housing for lower income households; rents will go up; people will be forced to commute long distances or live in overcrowded or substandard conditions.

We believe that ABAG's tentative numbers will, if finalized, seriously limit the production of housing affordable to lower income households in the region. Most jurisdictions meet or exceed their share of need for above moderate income housing. Adjusting the RHNA up or down doesn't have a significant impact on development of single family detached housing units for that income group. But building housing for lower income households requires appropriately zoned sites served by infrastructure, schools and transportation. These sites are already in scarce supply. Most non-profit developers believe that the most serious constraint on affordable housing development is, in fact, the lack of appropriately zoned sites. By lowering the RHNA for jurisdictions in Sonoma, Napa and Marin Counties, ABAG is making a determination that they don't need as many sites as they are now providing, even though they are not now providing enough sites. There is simply no evidence on which ABAG can legitimately base such a reduction in RHNA.

ABAG Executive Board
Association of Bay Area Governments
January 18, 2007
Page 3

The draft RHNA numbers we have seen include an overall reduction of more than 60% for Napa County; 50% for Sonoma County, and 40% for Marin County. Sebastopol's RHNA is reduced by 70%; Windsor by 50%. These numbers are wholly unsupported by any evidence of a decline in job growth or population growth in these areas. We believe these reductions are both arbitrary and capricious and exceed ABAG's legal authority to adopt.

Similarly, the draft RHNA numbers include huge increases -- approximately 100% -- for Oakland, San Francisco and San Jose. But there is no basis for ABAG to determine that these increases reflect anticipated population growth in these cities, and no basis for ABAG to find that there is anywhere near the amount of sites available in these cities to accommodate these levels. These increases will not likely result in any greater rate of housing development in these cities -- particularly with respect to housing affordable to lower income households. Doubling the RHNA numbers for these large cities is, of course, a convenient way of reducing the numbers for jurisdictions in Sonoma, Napa and Marin Counties -- jurisdictions which have long been resistant to providing adequate affordable housing for their workforce, their disabled, their farmworkers and other low income households.

There's another strange twist to this sorry ABAG saga... two years ago at the very start of the planning for the 2007 RHNA cycle, ABAG complained that the state hadn't provided adequate funding to do proper housing needs surveys. In response, Cathy Creswell at the Department of Housing and Community Development sent ABAG a letter which purported to grant ABAG an extension of *two more years* to do its next RHNA allocations. This extension letter violated state law which required the new RHNA determinations to be completed prior to the start of the planning period -- 2007. But more importantly, these new draft RHNA numbers only cover the planning period starting in 2009. The numbers make no mention of the housing needs which were accruing during the 2-year Creswell extension. ABAG and HCD have unlawfully and arbitrarily determined that *no* regional housing needs were accruing in the years 2007, 2008 and 2009.

The failure to include regional housing needs for the two-year period of the extension -- almost a third of the entire planning period -- doesn't affect housing starts for above moderate income housing. But it does have a substantial harmful effect on the availability of sites affordable to lower income households. Those sites have to be carefully selected, rezoned, and made accessible to infrastructure.

The failure to include needs numbers for this two-year period -- in addition to being arbitrary and in excess of ABAG's jurisdictional authority -- would appear to violate Government Code Section 65008, which prohibits state and local governments from discriminating against development of housing affordable to lower income households.

ABAG Executive Board
Association of Bay Area Governments
January 18, 2007
Page 4

We would respectfully request that ABAG begin again the RHNA allocation process, and allocate substantial additional regional housing needs to areas like Sonoma, Napa and Marin Counties and jurisdictions within those counties; and allocate smaller housing needs to Oakland, San Francisco and San Jose in a way that will realistically reflect the capacities of those cities to actually build the housing units.

If I can provide any additional information, or if you have any questions, please do not hesitate to contact me.

Yours truly,

David Grabill

David Grabill
General Counsel

cc: Cathy Creswell, HCD

STAKEHOLDERS

HOME
BUILDERS
ASSOCIATION



OF NORTHERN CALIFORNIA

January 18, 2007

VIA FACSIMILE, E-MAIL, AND REGULAR MAIL

Members of the ABAG Executive Board
ABAG
P.O. Box 2050
Oakland, CA 94604

Re: Draft Regional Housing Needs Allocation (RHNA) Methodology

Dear Board Members:

The Home Builders Association of Northern California (HBANC) appreciates the opportunity to comment on the draft RHNA allocation methodology. HBANC is a non profit association with over 1000 members dedicated to providing quality housing to meet the Bay Area's housing needs. HBANC and its members are keenly interested in the RHNA allocation process and a representative of HBANC sat on the Housing Methodology Committee (HMC).

At the outset, HBANC would like to recognize the professional and effective manner in which ABAG staff conducted the HMC proceedings. The proceedings were transparent and fair, and all of the stakeholders were given ample opportunity to provide input and make recommendations.

With respect to the two principal RHNA draft recommendations before the Board, HBANC supports the draft recommendation on regional income allocations but opposes the draft recommendation on the weighted factors.

Regarding the weighted factors, HBANC supports Alternative 3. HBANC believes that the draft recommendation and Alternatives 1 and 2 would place an unfair and unrealistic burden on the region's largest cities. Alternative 3 represents a more achievable and equitable allocation and should be adopted as the methodology. It is important to emphasize that Alternative 3 *already incorporates* smart growth and

Mailing Address:
P.O. Box 5160
San Ramon
California 94583-5160

200 Porter Drive
#200
San Ramon
California 94583
Tel (925) 820-7626
Fax (925) 820-7206
Website: hbanc.org

RHNA Letter
January 18, 2007
Page Two

regional planning goals, including promoting transit oriented development (TOD), and the fact that Alternative 3 does not explicitly increase "transit" weighting in no way means that it does not promote TOD or other smart growth strategies.

Thank you for the opportunity to comment on this important matter.

Yours truly,

A handwritten signature in black ink, appearing to read "Paul Campos", with a long horizontal flourish extending to the right.

Paul Campos
Sr. Vice President & General Counsel



Joint Policy Committee

DATE: January 9, 2007

TO: Henry Gardner, Executive Director, Association of Bay Area Governments

FROM: Ted Droettboom, Regional Planning Program Director, Joint Policy Committee

SUBJECT: *Projections 2007* and Draft Methodology for Regional Housing Needs Allocation

At its meeting of November 17, 2006, the Joint Policy Committee (JPC) received a report from Paul Fassinger on *Projections 2007* and the draft Methodology for Regional Housing Needs Allocations (RHNA). Government Code Section 66536 specifically requires that the JPC review and comment on the RHNA, and the JPC will continue to do so as the RHNA process moves forward. The Code also permits the JPC to comment on *Projections 2007* as a major regional planning document.

At this time, the JPC did not endorse a single, consolidated position on either the draft RHNA methodology or *Projections 2007* but requested that the concerns of the Committee's individual members and others speaking at the JPC meeting be summarized and conveyed to the ABAG Executive Board for its consideration. In summary, some of those in attendance at the JPC meeting were concerned about:

- The absence of a clear nexus between local housing responsibility and regional funding to support that responsibility (not just for housing itself, but for housing-supportive infrastructure, like transportation), noting that RHNA was an inadequate, incomplete and potentially punitive lever for achieving smart growth;
- The lack of transparency in the link between regional projections and the growth anticipated in local land-use plans, acknowledging that most local plans do not extend to the 2035 horizon of the projections;
- The apparent ambiguity and possible conflict between the "goal" as expressed in the projection-derived RHNA allocations and "reality" as defined by what is possible on the ground;
- The asymmetry introduced into regional and local planning processes because RHNA allocates housing but not employment and because housing is allocated to a jurisdiction without regard to its location in that jurisdiction and particularly its proximity to the jobs in that jurisdiction or neighboring jurisdictions;

- The need to incentivize not just housing, but the vertical integration of uses;
- The conceptualization of RHNA as a largely technical, staff-driven process with insufficient involvement of elected officials, even though some locally-elected officials did participate in the Housing Methodology Committee;
- The opaqueness of the projections process and of the manner in which the underlying policy assumptions are applied;
- The potential folly of assigning increased housing allocations to jurisdictions with planned transit extensions which may not materialize;
- The disconnect between regional objectives and the general public, who still do not buy-in to increased housing in their communities.

No specific resolutions on any of these concerns were put or adopted.



THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

THE VOICE OF AFFORDABLE HOUSING SINCE 1979



BOARD of DIRECTORS

President Don Falk Tenderlin Neighborhood Development Corporation
Vice President Linda Mancillini Eden Housing, Inc.
Treasurer Alice Telett Community Economics, Inc.
Secretary Veronica Stanford Veronica Stanford Consulting

Chris Bloch Charles Housing Development Corporation
Sally A. Carlson S. A. Carlson & Associates
Charmaine Curtis Curtis & Partners Development, Inc.
Kara Douglas Contra Costa County Community Development
Mary Hennessey Citizens Housing Corporation
Jan Lindenthal South County Housing
Mary Maragh GAI, Inc.
Ann Silverberg BRIDGE Housing Corporation

NPH STAFF

Dianne J. Spaulding Executive Director
Geeta Rao Policy Director
Evelyn Stevens Program Coordinator
Tina T. Daeng Communications & Programs Director
Anne Holmes Development Director
Kate Rosenblom Administrative Assistant
Amie Haiz Bookkeeper

389 Pine Street Suite 350 San Francisco CA 94104 415.389.8180 Tel 415.389.8188 Fax nonprofithousing.org

January 18, 2007

ABAG Executive Board
ABAG
P.O. Box 2050
Oakland, CA 94604

Re: Draft Regional Housing Needs Allocation (RHNA) Methodology Process

Dear Executive Board Members:

I'm writing on behalf of the Non-Profit Housing Association of Northern California (NPH) and a coalition of housing, social justice and business organizations (see list of supporting organizations on page 3) to comment on the draft RHNA methodology recommended by the Housing Methodology Committee (HMC) and ABAG staff.

On the whole, NPH and our allies would like to commend ABAG's staff for conducting a fair and balanced process over the past several months. The HMC made several decisions that we think will promote equitable housing planning across the region consistent with ABAG's smart growth vision for the Bay Area. In particular, NPH applauds the committee's original recommendation to assign housing needs by income level to each jurisdiction in the region consistent with the overall regional distribution. We also support subsequent alternative income allocation methods developed by staff which would promote an equitable regional income distribution by asking jurisdictions with a low concentration of low- and very low-income households to accept a higher share of affordable housing units over the next Housing Element planning period.

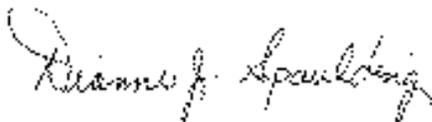
NPH and the undersigned organizations do not, however, support the final draft RHNA recommendation as described by ABAG staff in the memo dated October 26 and authorized for release by the Executive Board on November 16. Although the recommended weighting of factors purports to support smart growth goals, we believe the recommended weighting would assign too large a share of the regional housing need to the region's largest cities while directing growth away from vital transit corridors in other urbanized areas with significant infill opportunities. As displayed in the attached table, the recommended methodology would assign 40% of all housing need to the three largest cities, with San Francisco receiving a total of nearly 18% of the regional allocation. Based on historic development trends, we believe that this is neither fair nor realistic.

From a planning standpoint, such a radical shift in the RHNA is inappropriate for a seven year planning period. Essentially, placing such a disproportionate share of the allocation in a few jurisdictions effectively produces a net loss in total regional capacity. Whether intentional or not, the proposed draft methodology amounts to a way of reducing the total regional housing needs allocation by directing a disproportionate share to communities that under any methodology would already be doing the most to plan for and develop housing. A less extreme re-balancing of the RHNA that would result in moderate increases in proposed site capacity in the surrounding suburban job-centers would be more likely to accommodate actual housing needs during the planning period.

Rather than the proposed methodology, NPH supports a simpler and more equitable formula based on the household and employment growth projections in ABAG's 2005 policy based projections. This formula is actually one developed by ABAG staff and was presented to the HMC as an option. NPH believes that this formula already incorporates TOD and smart growth objectives and, as displayed in the attached table, still concentrates housing need in existing urban areas.

Once again, NPH and our partners appreciate the opportunity to participate in the RHNA process and we look forward to working closely with ABAG over the coming years to create the housing needed for a healthy and prosperous Bay Area.

Sincerely,

A handwritten signature in cursive script that reads "Dianne J. Spaulding".

Dianne J. Spaulding
Executive Director

Attachment: 2007-2014 Regional Housing Needs Allocation Background Data

Supporting Organizations

Michael Rawson
Co-Director
California Affordable Housing Law Project

Andrew Michael
Vice President of Sustainable Development
Bay Area Council

Juliet Ellis
Executive Director
Urban Habitat Program

Amie Fishman
Executive Director
East Bay Housing Organizations

Margo Warnecke Merck
Founding Member
Sonoma County Housing Advocacy Group

David Coury
Interim Chair
Housing Leadership Alliance of Marin

Betty Pagett
Marin Representative
Nine-County Network

Rene Cazenave
Executive Director
San Francisco Council of Community Housing

Calvin Welch
Land Use Committee Co-Chair
San Francisco Housing Justice Campaign



THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

THE
VOICE OF
AFFORDABLE
HOUSING
SINCE 1879



BOARD OF DIRECTORS

- President**
Don Park
Tadewash Neighborhood
Development Corporation
- Vice President**
Linda Rosenfeld
Edco Housing, Inc.
- Treasurer**
Alisa Threlkoff
Community Commons, Inc.
- Secretary**
Vivian St. Bernard
Vivian St. Bernard
Consulting
- Chris Reed**
Chairman Housing
Development Corporation
- Sally A. Carlson**
& A. Carlson
& Associates
- Chairman Curtis**
Curtis & Partners
Development, Inc.
- Kate Douglas**
Central Contra-Costano
Community Development
- Mary Hennessy**
Citrus Housing Corporation
- Jon Lindholm**
South County Housing
- Mary Stough**
GPH, Inc.
- Ann Silverstein**
SUNCO Housing Corporation
- NPH STAFF**
- Thomas J. Spaulding**
Executive Director
- Debra Reid**
Policy Director
- Ernie Stewart**
Program Coordinator
- Yusef T. Young**
Communicable & Programs
Director
- Scott Wilson**
Development Director
- Kate Rosenblum**
Administrative Assistant
- Audie Hall**
Receptionist

509 Pine Street
Suite 300
San Francisco
CA 94104
415.989.8166 Tel
415.989.8168 Fax
nonprofithousing.org

November 16, 2006

ABAG Executive Board
ABAG
P.O. Box 2050
Oakland, CA 94604

Re: Draft Regional Housing Needs Allocation (RHNA) Methodology Process

Dear Executive Board Members:

I'm writing on behalf of the Non-Profit Housing Association of Northern California (NPH) to thank ABAG for inviting NPH to participate as a member of the RHNA Housing Methodology Committee (HMC). NPH seeks to provide a voice for affordable housing developers and practitioners in the Bay Area region, and the outcome off the RHNA process is of vital importance to the more than 700 member organizations we represent.

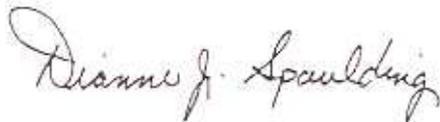
On the whole, NPH would like to commend ABAG's staff for conducting a fair and balanced process over the past several months. The HMC made several decisions that we think will promote equitable housing planning across the region consistent with ABAG's smart growth vision for the Bay Area. In particular, NPH applauds the committee's recommendation to assign housing needs by income level to each jurisdiction in the region consistent with the overall regional distribution. We also believe that the committee's decision to promote transit oriented and infill development represents a step forward in the RHNA process.

Although, on the whole, NPH has been pleased to participate in the HMC, we do not support the final HMC RHNA recommendation as described by ABAG staff in the memo dated October 26, 2006. Although the recommended weighting of factors purports to support smart growth goals, we believe the recommended weighting would assign too large a share of the regional housing need to the region's largest cities while directing growth away from vital transit corridors in other urbanized areas with significant infill opportunities. As displayed in the attached table, the recommended methodology would assign 42% of all housing need to the three largest cities, with San Francisco receiving a total of nearly 19% of the regional allocation. Based on historic development trends, we believe that this is neither fair nor realistic.

Rather than the proposed methodology, NPH supports a simpler and more equitable formula based on the household and employment growth projections in ABAG's 2005 policy based projections. This formula is actually one developed by ABAG staff and was presented to the HMC as an option. NPH believes that this formula already incorporates TOD and smart growth objectives and, as displayed in the attached table, still concentrates housing need in existing urban areas.

NPH will be submitting more extensive comments during the upcoming 60-day comment period. In the meantime, if you have any questions or concerns, please feel free to contact me at 415-989-8160. Once again, NPH appreciates the opportunity to participate in the RHNA process and we look forward to working closely with ABAG over the coming years to create the housing needed for a healthy and prosperous Bay Area.

Sincerely,



Dianne J. Spaulding
Executive Director

Attachment: 2007-2014 Regional Housing Needs Allocation Background Data

2007-2014 Regional Housing Needs Allocation Background Data

Population, 2006

Housing Production, 1999-2006

RHNA Scenarios

	Pop. 206 (a)	% Regional	Housing Production 99-06(b)	Units/Year 1999-2006	% Region	RHNA 99-06		RHNA 2007-2014 Scenarios (c)			
						#	%	Scenario A (d)	Scenario 2 (e)		
San Jose	953,679	13.4%	26,028	3,254	15.0%	26,114	11.3%	33,748	14.6%	38,690	16.8%
San Francisco	798,680	11.2%	13,696	1,712	7.9%	20,372	8.8%	43,434	18.8%	28,269	12.3%
Oakland	411,755	5.8%	4,732	592	2.7%	7,733	3.4%	19,698	8.5%	12,908	5.6%
Top 3 Cities	2,164,114	30.4%	44,456	5,557	25.6%	54,219	23.5%	96,880	42.0%	79,867	34.6%
Alameda	1,510,303	21.2%	29,446	3,681	17.0%	46,793	20.3%	43,335	18.8%	47,156	20.4%
Contra Costa	1,029,377	14.4%	37,154	4,644	21.4%	34,710	15.0%	28,294	12.3%	31,145	13.5%
Marin	253,341	3.6%	3,717	465	2.1%	6,515	2.8%	5,869	2.5%	6,175	2.7%
Napa	134,444	1.9%	5,378	672	3.1%	7,063	3.1%	3,494	1.5%	4,191	1.8%
San Francisco	798,680	11.2%	13,696	1,712	7.9%	20,372	8.8%	43,434	18.8%	28,269	12.3%
San Mateo	724,680	10.2%	8,433	1,054	4.9%	16,305	7.1%	18,177	7.9%	18,332	7.9%
Santa Clara	1,773,258	24.9%	42,849	5,356	24.7%	57,991	25.1%	60,775	26.3%	63,208	27.4%
Solano	422,848	5.9%	18,100	2,263	10.4%	18,681	8.1%	12,796	5.5%	16,576	7.2%
Sonoma	479,929	6.7%	14,875	1,859	8.6%	22,313	9.7%	14,569	6.3%	15,691	6.8%
Region	7,126,860	100.0%	173,648	21,706	100.0%	230,743	100.0%	230,743	100.0%	230,743	100.0%

Notes:

- (a) California Department of Finance, 2006.
 - (b) Represents units placed in service rather than building permits issued.
 - (c) 1999-2006 RHNA allocations are used here for illustrative purposes only.
 - (d) This is the scenario recommended by ABAG staff to the Executive Board. The weighting involved a complex mix of housing, jobs and transportation factors.
 - (e) This is one of the scenarios rejected by the RHNA committee. It is based on simple formula of job and households growth.
- Sources: NPH; ABAG; DOF.