



Palo Altans for Sensible Zoning

June 30, 2020

Palo Alto City Council
City of Palo Alto
250 Hamilton Avenue
Palo Alto CA 94301

Council Members:

Palo Altans for Sensible Zoning (PASZ) requests that the Council take immediate action to block implementation of the Regional Housing Needs Determination (RHND) recently announced by HCD and MTC/ABAG. The deadline for any appeal is July 10th.

The RHND presents an extremely serious problem for Palo Alto, and must be strongly and immediately addressed to protect our community. Our concerns include:

1. These agencies did not allow for appropriate public participation in the process as required by California Government Code.
2. The new RHND numbers would unfairly and unreasonably impact Palo Alto and the Mid-Peninsula. They are based on an aggressive job growth projection within an already congested Silicon Valley, and focus an increasing share of new jobs in these already jobs-rich areas while the share in the East Bay and San Jose continue to fall dramatically.
3. The RHND jobs-based numbers require unattainable housing solution by Palo Alto and the surrounding communities. The new RHND mandate more than **DOUBLES** the current new housing requirement in Palo Alto and surrounding communities, a demand that cannot be met given that median housing prices are already the highest in the country.
4. The penalties for not meeting the goals associated with the RHND numbers are very destructive of local government ... if Palo Alto cannot meet these goals, we would lose control of local zoning to the State and to non-elected bodies like MTC/ABAG. This is clearly overreach by State and Regional government and must be stopped.

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It is absolutely essential that the Palo Alto City Council demand the right for public participation in Plan Bay Area 2050 and the Final Regional Housing Need Determination. That Determination has been based on aggressive jobs growth targets for the Bay Area Region but has consistently ignored the California Code that demands careful attention to “improving intraregional jobs-housing *balance*”. The current huge imbalances between jobs and housing in the West Bay have created major problems in such issues as land costs, housing costs, congestion, increasing density, long distance commuting, small business viability, income inequality, infrastructure demands, and local government decision-making. It is imperative that the citizens of the West Bay (through their City Councils) have a chance to explore the beneficial impacts of alternate patterns of sub-regional job growth on the range of problems created.

Instead, the California Department of Housing and Community Development (HCD) announced that unless formally appealed, their *regional* jobs and housing projections will be finalized by July 10, 2020. California Code (Section 65584.01) requires an open discussion of the impacts of alternate jobs growth levels on the costs and distribution of housing throughout the Bay Area. Although specifically citing the California Code, the Metropolitan Transit Commission (MTC) /Association of Bay Area Governments (ABAG) and HCD have refused to explore any such alternatives in public session. In fact, they decided in their own in-house process with no public discussion that it was not worth looking at any alternate patterns of job growth through the Bay Area (“Futures Final Report”, December 2019).

Citizens of the West Bay have requested the opportunity to explore the impact of existing jobs-housing imbalances but have been completely ignored as MTC/ABAG’s in-house models and closed technical committee continued to explore a single pattern of job growth based on aggressive job growth in already existing jobs-rich priority development areas. They announced in May 2020 that while the COVID crisis would affect short term patterns in the Bay Area, it would not affect their long-term growth projections (MTC/ABAG Planning Committee, May 8, 2020).

This City Council must act now (with the support and advice of the City Attorney) to assure that there is adequate time to hold public hearings that can explore alternate job growth patterns that could have a beneficial impact on a well-balanced jobs-housing growth throughout the Bay Area. *The deadline of final approval of the current aggressive jobs-based regional RHND must be extended to include opportunity for the public discussion of intraregional jobs-housing balancing required by the very California Code cited by HCD.*

We ask that the City Council act now (with the support of the City Attorney) to demand public meetings in front of this Council to assure that the HCD/MTC/ABAG Final Regional Housing Need Determination meet the California Code requirement of “Promoting an improved intraregional relationship between jobs and housing”. Historical data on the huge jobs-housing imbalances and the consequences of those imbalances have been provided to MTC, ABAG, HCD and the DOF over the last year but have never been acknowledged publicly or integrated into their Determination.

A copy of one such letter to MTC/ABAG with data and codes cited was sent by the West Bay Citizens Coalition (<http://westbaycoalition.org/wp-content/uploads/2020/06/WBCC-MTC-ABAG-letter-final.pdf>). The document shows the language of the California Codes and the historic Census Bureau data

presented to MTC/ABAG and HCD over the course of the last year. The following is a discussion of the legal issues that point to the Council as the party that must take action within the allowed time frame. *Please Act Now!*

LEGAL ISSUES

In the formal letter from the California Department of Housing and Community Development (HCD) to the Association of Bay Area Governments (ABAG) on June 9, 2020, HCD announced a “Final Regional Housing Need Determination” of 441,176 new housing units for the nine county Bay Area. *This basically doubles the number of housing units required in the current RHNA cycle.* ABAG staff announced at their June 18, 2020 Executive Committee meeting that any objections to the RHND under Code 65584.01 (c) must be done within 30 days or by July 10, 2020.

The 441,176 housing unit number was based on the statement that HCD had considered all the information specified under California Government Code 65584.01 (c). But, that section refers to section 65584.01 (b) (1) (G) which clearly states “the council of governments shall provide data assumptions from the council’s projections on ... the relationship between jobs and housing, including any imbalances between jobs and housing”. Section 65584.01 (c) (1) further states “the region’s existing and projected housing need shall reflect the achievement of a feasible balance between jobs and housing within the region”.

In an earlier letter from the Palo Alto City Attorney to the City Council (February 11, 2013), it was recommended that appeals on the specific allocations to each city were not likely to be upheld in court. But appeals on the overall regional numbers could be made through the council of governments (ABAG) based on the Council’s judgment of HCD’s methodology, specifically “based on historical data, statistical methods and the intent of the Legislature as set forth in the Government Code”. Aggressive job growth in the West Bay has created a huge jobs-housing imbalance in the West Bay and excessively slow job growth in other parts of the Bay Area, creating gigantic economic and social problems. There has been no opportunity for public input on these issues.

Data on existing imbalances and the economic and social impacts of those imbalances have been presented to ABAG and MTC and HCD over the course of the past year and are cited in the WBCC letter. Historical data from the Census Bureau clearly show a pattern of concentrated job growth in West Bay communities and an extremely slow job growth in the East Bay counties and San Jose. Data further show the consequences of these imbalances, including the highest housing prices in the country, congestion, long distance commuting, and growing income inequality especially in areas of concentrated job growth. These factors also make it extremely expensive to build new housing, especially affordable housing, given the resulting high land costs.

Further, it should be mentioned that there is an existing Code (Section 65890.5) that requires HCD to prepare and publicly distribute a Guidebook that would present “methodologies for measuring the balance of jobs and housing” and identifying “incentives which local, regional and state agencies may offer the private sector to encourage developments which will facilitate an improved balance between

employment generating land use and residential land use". No such Guidebook has been made available for public discussion.

Palo Altans for Sensible Zoning (PASZ) are requesting that you act now to stop the 30 day appeal deadline for objections to the RHND under California Government Code 65584.01 (c) that will expire without prompt action. City action is critical to permitting a proper discussion of alternate jobs growth models to be explored in public meetings of local City Councils, including ours.

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For more information contact: preserve.zoning@gmail.com