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Ezra Rapport, Executive Director  
Association of Bay Area Governments  
101 Eighth Street  
Oakland, CA 94607

July 13, 2012

Dear Mr. Rapport,

We are writing to express our concern about the draft Regional Housing Need Allocation (RHNA) Methodology as put forward to the Executive Board in the July 10, 2012 memo. Below, we outline our concerns and recommend some solutions to help ensure that jurisdictions take on their fair share of the region's growth.

The challenge with this methodology is that too much of the growth is allocated to Priority Development Areas (PDA's). Originally pitched to jurisdictions as an opportunity to tap into regional funding, PDAs have become the primary framework of the Regional Housing Needs Allocation and received between 75% and 80% of the RHNA.

There are two problems with this as a methodology:

1. Wealthy transit-rich and job-rich communities are not being asked to do enough. Marin County has over 60,000 people commuting in each day for low-wage jobs. The county has the largest percentage of in-commutes in the region, but the entire county and all of its cities combined are only being asked to create 2,335 units of housing through 2022. This allocation is less than the City of Livermore (2,683), less than the City of Fremont (3,958) and less than the City of Berkeley (2,876).

Often it is stated that this distribution is based on the lack of public transportation in the North Bay. If this is the methodology being used, then why is Eastern Contra Costa (the communities of Oakley, Brentwood, Antioch and Pittsburg) receiving a higher allocation (5,295) than all of the Marin and Napa jurisdictions combined (3,853)? These areas also have limited public transportation options, but they also have more poverty, less jobs and have been the harder hit by foreclosures.

2. While wealthy jurisdictions that have opted out of the PDA process see a dramatic decrease in their RHNA, low income communities where poverty is already concentrated are being asked to create more affordable housing. Oakland, San Jose, Hayward, San Pablo, Antioch, Pittsburg and Oakley are some of the communities that are being asked to create

either more affordable housing than the last RHNA or about the same, while communities like Menlo Park and Pleasanton are seeing dramatic decreases in their distribution.

In the staff report, the problem sounds like it is being addressed until one looks at the numbers. The new "Growth Concentration" will increase housing numbers to Pleasanton, Palo Alto and Menlo Park, but even with the adjustment, Pleasanton's allocation is 37% less than the 2007 -2014 RHNA compared to San Leandro with an increase of 40%. Menlo Park's obligation goes down by 26%, even after the correction, while South San Francisco's allocation goes up by 28%. Palo Alto's obligation goes down by 24% and San Pablo, arguably the poorest community in our region, has its allocation going up by 50%.

While it is difficult to correct for the fundamental framework of the RHNA relying on jurisdictions to volunteer for development, it is possible to make adjustments that could help partially mitigate for the inconsistency this methodology has with fair housing principles.

One modest recommendation is to adjust the "Growth Concentration Strategy" by taking the 3,500 units from Oakland, Newark and San Jose, and distributing them to all communities in the top quartile of median home value. This would serve two purposes, allocate housing where market strength is likely to produce more housing, and redistribute a small number of units to jurisdictions that have room to grow. The proposed methodology of giving the allocation proportionally to every jurisdiction except those in the North Bay is not justified.

Thank you for all of your hard work on this controversial process. We look forward to working with ABAG and all of the communities in the Bay Area on implementing the SCS.

Sincerely,



Evelyn Stivers  
Field Director