



THE CITY OF
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CALIFORNIA

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June 29, 2012

Mr. Mark Luce, President
Association of Bay Area Governments
P. O. Box 2050
Oakland, CA 94607-4756

Re: City of Novato Comments on Draft Methodology
Regional Housing Need Assessment 2014-2022

Dear Mr. Luce:

The Novato City Council appreciates ABAG's efforts on the draft Regional Housing Need Assessment (RHNA) Methodology 2014-2022, a major undertaking. We thank ABAG staff for their willingness to communicate directly with our staff, and we expect to be able to continue discussing the points below with ABAG RHNA staff.

At its June 26, 2012 meeting, the Novato City Council reviewed and considered materials and testimony concerning the Draft Regional Housing Need Allocation (RHNA) Methodology for 2014-2022 and has the following comments:

1. The Past RHNA Performance factor should be applied AFTER the Minimum Housing Floor factor, so that communities are, in fact, credited for achieving their RHNA allocations. When this factor is applied BEFORE the Minimum Housing Floor factor, the credit for achieving the RHNA allocation disappears. In fact, it results in an increased allocation due to the 40% floor factor. The staff report to the ABAG Executive Board dated May 17, 2012 discusses the Past RHNA Performance factor after the Minimum Housing Floor factor, which is misleading to the general reader as the methodology computation is in reverse order. This manner of computation is a serious defect of the RHNA 2014-2022 draft methodology since it does not encourage jurisdictions to achieve their RHNA allocations. Jurisdictions need and deserve such positive incentives as part of the RHNA methodology as recommended by the ABAG Housing Methodology Committee.
2. The Minimum Housing Floor factor should be re-examined. We understand that there was a strong desire to ensure that every jurisdiction be required to do 'its fair share'. However, there is no explanation or rationale provided on why 40% was selected. We understand that ABAG staff presented the Housing Methodology Committee with three choices - 40%, 50% and 60%. Why were those percentages presented and not others such as 30% or 25%? A reduction of the floor for those few cities in the 9 County Bay Area that

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did achieve their Past RHNA allocations should be included. That would give jurisdictions a second incentive to achieve the RHNA allocations which could result in higher RHNA performance in the future.

3. The Employment factor appears to be based on 2010 job estimates rather than actual census data for individual jurisdictions. We remain concerned that the jobs projections of the draft Jobs-Housing Connection Strategy are too high for the region and especially for Marin and the City of Novato. It is unclear whether use of these data accounts for the full continuing effects of the recession on local jobs. A recent article in our local paper stated that "From 2007-10 the county lost 10,317 jobs, or about one in every 10 jobs, according to figures released Tuesday by the U.S. Census Bureau." The article continued to highlight that "It is not clear how Marin industries have fared since 2010 because there is an 18-month lag in the release of detailed census data each year. The latest figures also do not include data for self-employed workers, which will be released separately..." The Employment factor needs to be based on actual census data rather than estimates.

4. The 2014-2022 RHNA Housing Methodology needs to recognize the continuing economic recession for the first cycle for the Sustainable Communities Strategy (SCS). It appears that the RHNA allocations for the 8-year cycle 2016-2022 are higher than its proportional share of the 30 year SCS 2010-2040. Given the struggling economic conditions, it may take several more years for the housing industry to recover, and the 2014-2022 RHNA Housing Methodology should recognize our current employment situation.

Lastly, we want to emphasize that the draft RHNA 2014-2022 Methodology does not account for the amount of affordable housing that was provided in Novato during the 1999-2006 RHNA cycle. Novato provided a significant proportion, beyond the City's share of population in Marin County, of all affordable housing in Marin County during that time period. With the way the Past RHNA Performance factor is applied in the draft RHNA 2014-2022 Methodology, there is no real acknowledgment of that affordable housing achievement in Novato. It appears that about half the jurisdictions that achieved their RHNA allocations during that cycle are not getting full credit for their success.

Again, thank you for the opportunity to comment and for ABAG's work on the State-mandated RHNA process. We look forward to your consideration of our comments and modifications to the draft RHNA 2014-2022 Methodology that reward communities that actually get

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affordable housing built. Please contact Anne Moore, Interim General
Plan Manager, if you have questions.

Sincerely,



Denise Athas, Mayor

cc: City Council
Planning Commission
City Manager
City Attorney
City Interim General Plan Manager
Association of Bay Area Governments, Attn: Ezra Rapport
Metropolitan Transportation Commission, Attn: Steve
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League of California Cities, Attn: Dan Carrig
Transportation Authority of Marin, Attn: Dianne Steinhauser

