



3231 Main Street  
Oakley, CA 94561  
925 625 7000 tel  
925 625 9859 fax  
www.ci.oakley.ca.us

June 27, 2012

**MAYOR**  
Kevin Romick

**VICE MAYOR**  
Carol Rios

**COUNCILMEMBERS**  
Pat Anderson  
Randy Pope  
Jim Frazier

Ezra Rapport, Executive Director  
ABAG  
Joseph P. Bort Metro Center  
101 Eight Street  
Oakland, CA 94607-4770

Steve Heminger, Executive Director  
MTC  
Joseph P. Bort Metro Center  
101 Eighth Street  
Oakland, CA 94607-4770

**RECEIVED**

**JUL 02 2012**

**EXECUTIVE DIRECTOR'S OFFICE**

**SUBJECT: City of Oakley Comments and Request for Revisions to the DRAFT Regional Housing Needs Allocation (RHNA) Methodology and Preliminary Subregional Shares for the fifth cycle: 2014-2012**

Dear Mr. Heminger and Mr. Rapport:

The City of Oakley is requesting revisions to the DRAFT Regional Housing Needs Allocation (RHNA) and Methodology that was recently approved by the Association of Bay Area Governments (ABAG) on May 17, 2012. Oakley is concerned with the high number of overall units allocated to the City, specifically the high number of low- and very-low income units. The methodology does not take into account several factors that include the intent of the Oakley Priority Development Areas (PDAs) was to create job and employment centers, the lack of rail transit within Oakley, the number of existing jobs within Oakley, the current RHNA performance relating to the construction of low- and very-low income units, and lastly, the State's recent elimination of Redevelopment Agencies.

When reviewing the draft RHNA and the methodology used to derive the draft allocation, it appears that Oakley has several unique conditions which should necessitate a reduction in the overall number of units that have been preliminarily allocated to Oakley. As stated in previous letters, a majority of the entitled units in Oakley are not located within PDAs. With this said, Oakley's housing projections become misleading, specifically within Oakley's three PDAs. In short, many of the units that have been approved and are not located within PDAs seem to be assumed within the PDA areas by the methodology. Although Oakley still feels it is important to reduce target

emissions through a comprehensive regional strategy, there are several unique conditions to Oakley that need to be reconsidered when looking at the draft RHNA.

The Oakley City Council would like to offer the following comments:

- The objective of the Sustainability Component is to concentrate new development in areas to protect the region's natural resources and reduce development pressures on rural outlying areas. While the City agrees with this objective, it is not applicable to Oakley because Oakley's General Plan already accommodates areas suitable for residential development to accommodate the total household projections in the Jobs-Housing Connection Scenario and Strategy. The original intent of the Oakley PDAs was to designate areas in which employment centers would be created. The need to accommodate more residential development in PDAs is undermining this goal.
- A majority of 798 acres that make up the Oakley "Employment Area" PDA is not suitable for residential development. A large portion of the PDA encompasses 378 acres of land owned by DuPont, in which approximately 170 acres are occupied by wetlands. Other portions of the DuPont property are located within a floodplain, are being remediated and are not currently ready for any type of development, and other portions are designated for Light Industrial land uses. Another portion of that PDA is occupied by 78 acres of land and governed by the River Oaks Crossing Specific Plan. A long-standing deed restriction and the Specific Plan do not allow for residential land uses. The remaining areas in the PDA are either designated for Light Industrial or Business Park land uses which also do not permit residential development. The requirement to provide 70% of the RHNA allocation within the "Employment Area" PDA would create a situation where the City would have to amend the Oakley 2020 General Plan and Rezone hundreds of acres of land to allow for residential land uses. As stated within the first bullet, the intent of the PDA was to create jobs that have been envisioned within the General Plan since 2002 to help support the City's existing, entitled and designated housing.
- The draft RHNA allocated the maximum number of units to Oakley, meaning we have been preliminarily allocated 1.5 times the current

RHNA cycle allocation. This seems to go against the Fair Share Component's objective. Based on the Fair Share Component's objective, several factors should have been taken into account when determining the allocation:

- Oakley does not have a strong transit network. While the City does have ambitions to one day have a strong transit network, there is currently a lack of existing infrastructure for direct rail transit. This should have resulted in a lower Fair Share score.
- There is also a strong desire to bring jobs into the City. This is evident by the City's desire to have three PDAs. However, Oakley is not currently a job rich city and, therefore, we should have received a lower Fair Share score.
- Lastly, the methodology does take into account the most recent RHNA performance, rather the 1999-2006 RHNA cycle was used in the Fair Share scoring. The City of Oakley incorporated in 1999, and did not adopt a General Plan until 2002. Subsequently, a Housing Element was adopted in 2005 for the 1999-2006 cycle, and another Housing Element in 2009 for the current 2007-2014 cycle. The City has been committed to not only making land available to accommodate the RHNA allocation, Oakley has already built almost all of the current cycle's allocation, including exceeding the number of low- and very-low income units required. This past performance should be taken into account and should result in Oakley receiving a lower overall score.
- Oakley is not currently served by direct rail transit. The need for an increased job growth is a priority for Oakley. As previously stated, the PDA areas are intended for jobs, which would ensure the residents of Oakley would not need to commute to inner Bay Area job locations, thereby reducing unit and GHG emissions. The draft RHNA allocations do not take into account that Oakley is predominantly made up of single-family residences, and is an area where that lifestyle is preferred over higher-density development. Almost as important is the fact that Oakley has successfully produced low- and very-low income units to satisfy the current RHNA cycle. This shows Oakley's commitment to provide housing for all income levels. As stated by

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other East Contra Costa County cities, job growth should be a priority for East Contra Costa County and a means to reduce greenhouse gas emissions as well as meeting the housing preferences for the region.

- The recent elimination of Redevelopment Agencies further financially burdens local agencies that are already facing fiscal concerns due to the current economy. Oakley is very apprehensive with the draft RHNA allocation as it relates to the economy as it suggests multiple acres of land will need to be rezoned to accommodate a large number of higher density units that might never be built and would occupy land needed to create jobs.

The City of Oakley City Council hopes these comments will be considered and that the draft RHNA for Oakley will be reduced accordingly.

Sincerely,



Bryan Montgomery  
City Manager

- C: Oakley City Council  
Senator Mark DeSaulnier – 7<sup>th</sup> District  
Assembly Member Joan Buchanan – 15<sup>th</sup> District