



OFFICE OF THE CITY MANAGER

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July 2, 2021

Mr. Dave Vautin
Assistant Director, Major Plans
Bay Area Metro
375 Beale Street
San Francisco, CA 94105

Via Email

DRAFT PLAN BAY AREA AND REGIONAL HOUSING NEEDS ALLOCATION

Dear Mr. Vautin:

The City of Mountain View congratulates ABAG/MTC for the completion of the Draft Plan Bay Area, the culmination of three years of regional planning work, and commends the regional agencies' staff for their openness and cooperation with local jurisdictions. Plan Bay Area is a momentous effort that incorporates a broad range of diverse stakeholder goals and values, State laws, and good planning principles.

Despite these accolades, the City of Mountain View has several comments on the Draft Plan Bay Area and some suggestions for future iterations of the Plan. We would appreciate you sharing these comments with your peers and decision-makers.

Plan Bay Area Baseline in the Regional Housing Needs Allocation Methodology

Over the last decade, Mountain View has been a proactive leader in zoning for housing, including the following:

- New Precise Plans that increased allowed densities along the El Camino Real transit corridor and allowed new high-density housing in the commercial and office areas of San Antonio, North Bayshore, and East Whisman.
- Authorization and approval of rezoned development projects that target high-density housing to key opportunity sites.
- Updates to the City's Below-Market-Rate (BMR) code to increase office impact fees and inclusionary requirements.

- Partnerships with nonprofits and other jurisdictions to create affordable and supportive housing.
- Leadership in housing production, including the most units permitted of all cities in the County (including San Jose) in 2020.

Mountain View’s Draft Regional Housing Needs Allocation (RHNA) is 11,135 units. At 32% of existing households, Mountain View received the third most in the region (as a percentage of existing households) and the most of any jurisdiction larger than 5,000 population. A major input of this allocation is the Plan Bay Area model. The model adds significant variation between similar jurisdictions, such as between Mountain View and the City’s neighbors in northwest Santa Clara County, all of which are built-out with similar land uses and have similar access to jobs, high-opportunity areas, and transit. To illustrate this, Table 1 below shows Mountain View and nearby cities’ RHNA as a percentage of existing population, with and without the Plan Bay Area forecast baseline, but keeping the RHNA adjustment factors the same (the equity adjustment is not shown, but it is relatively small and only applies to Mountain View and Santa Clara below).

Table 1: RHNA Comparison of Similar Cities in Northwest Santa Clara County

City	RHNA as a Percentage of Existing Households with Plan Bay Area Baseline and with Factors	RHNA as a Percentage of Existing Households without Plan Bay Area Baseline but with Factors
Mountain View	32%	24%
Palo Alto	22%	24%
Sunnyvale	21%	21%
Santa Clara	25%	20%

Mountain View recognizes that the methodology cannot be revised for the sixth cycle at this time. However, future RHNAs should not use Plan Bay Area growth forecasts as the RHNA baseline. There are multiple reasons for this:

- The Plan Bay Area forecast is less transparent and intuitive than the RHNA factors, and the technical inputs and methodology have less stakeholder input.
- The forecast results in dissimilar allocations between similar cities, focusing growth into fewer jurisdictions and bringing equity concerns.
- Model outcomes, though reasonable at the regional level, may be arbitrary at the local level. For example, an area near downtown Sunnyvale was projected to add

only 195 units to the year 2050—despite having approximately 30 acres of underutilized office near their baby-bullet Caltrain station, while an area near downtown Mountain View was projected to add almost 3,000 units, with similar amount or even less area of underutilized land. In addition, model outcomes are not the only, or even the most preferred, possible future of Plan Bay Area policy.

- RHNA should not have existing zoning as an input. The purpose of the RHNA is to support housing construction where it is needed, not where it has already been zoned for. Putting more RHNA where cities have proactively zoned for more housing simply encourages jurisdictions to wait until the RHNA to zone for housing.
- The Housing Methodology Committee (HMC) and other stakeholders did not have an opportunity to review the final forecast before the methodology was recommended.

While it is important to ensure consistency between Plan Bay Area and RHNA, there are other ways to achieve this. For example, RHNA could be an input to Plan Bay Area, RHNA could include growth geographies as a factor, Plan Bay Area modeling could be an adjustable factor rather than the baseline, or marginal cases of inconsistency could be adjusted after the factors are applied.

RHNA disparities between similar cities raise concerns about the allocation, including concerns about equity, transparency, and the relationship between regional goals and the RHNA outcomes. In addition, such a high RHNA on a single small city actually works counter to the region's housing goals since it is unrealistic for so much development activity to occur in one small city in eight years, no matter how much land that city zones for it.

Environmental Impact Report Alternative 2—High-Resource Area Focus Alternative

San Francisco proposed a Plan Bay Area Environmental Impact Report (EIR) alternative that focused more growth to high-resource areas. This alternative was studied in the EIR and resulted in significantly more housing growth in northwest Santa Clara County, including Mountain View.

San Francisco's stated reason for studying the alternative was to help preserve their equity priority communities by reducing housing targeted to their city and increasing housing targeted to higher-resource areas elsewhere in the Bay Area. However, according to the EIR, this alternative actually had the opposite effect, increasing

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displacement and gentrification in San Francisco. While this may be a positive “pull” effect, where poorer residents of San Francisco decide to move to Santa Clara County, where more housing is being built, it is more likely a negative “push” effect, where higher housing prices as a result of constrained supply in San Francisco disrupt and displace existing communities. Mountain View has deep concerns about this effect and encourages ABAG and MTC to preserve and protect vulnerable communities throughout the Bay Area by rejecting this alternative.

This process provides more evidence to remove Plan Bay Area modeling from RHNA inputs. In the future, Plan Bay Area should be based on best practices to achieve regional goals and should not be subject to various demands by local agencies, which may be motivated by RHNA. Divorcing Plan Bay Area from the RHNA inputs would reduce these demands. Planners, modelers, and technical experts should have the flexibility to use their expertise to build models that provide the regional analysis of impacts that policy-makers and the public demand. However, the process should recognize that the Plan Bay Area process is generally reasonable and well-documented at the regional scale and is not suited to be applied at a small scale, such as the RHNA.

Transportation Funding

Major transportation projects planned for North San Jose have limited benefit to Mountain View. No matter how the North First Street corridor is improved, it will likely be easier to access most destinations in San Jose by Caltrain than by light rail. However, the increased densities prescribed to Mountain View between the Draft and Final Blueprint presumed that these improvements amount to a change in transit accessibility.

San Jose wields outsized influence in collecting transportation funds for the South Bay. Meanwhile, Northwest County cities are expected to grow more than San Jose. Plan Bay Area should include provisions to ensure jurisdictions receive funding for transportation and other public services consistent with the Plan Bay Area growth geographies and the City’s obligations under RHNA. Specifically, future transportation funding decisions should look more carefully at the beneficiaries of the improvements and weigh them directly against RHNA.

Conclusion

The comments above are intended to provide feedback and guidance on Plan Bay Area implementation and future iterations of Plan Bay Area and RHNA. We appreciate the effort that MTC/ABAG has undertaken in this difficult process. We also recognize

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Mountain View's important role in the future sustainability and success of the region, and look forward to continuing collaboration toward those ends.

Please contact me or Assistant City Manager/Community Development Director Aarti Shrivastava at aarti.shrivastava@mountainview.gov or 650-903-6306 if you have any questions. We look forward to implementing this regional plan with you.

A handwritten signature in blue ink, appearing to read "Kimbra McCarthy". The signature is fluid and cursive, with a long, sweeping tail that loops back to the right.

Sincerely,
Kimbra McCarthy
City Manager

KMC/EA/1/CDD
899-07-02-21L