

This letter is submitted as public comment on the Public Comment on Draft Bay Area Plan and Draft Bay Area Plan Draft Environmental Impact Report (State Clearinghouse No. 2012062029).

## Introduction

State housing law prescribes the Association of Bay Area Governments (ABAG) is responsible to insure Regional Housing Need Allocation (RHNA) are reasonable and reflect past performance and local conditions. Government Code Section 65584.05H specifies **“the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.”** ABAG has projected the region’s population and job growth for 2010 to 2040 in the Draft Bay Area Plan for the region and then allocated out this population growth, modified by other factors including jobs, to determine the RHNA for each Bay Area jurisdiction. We believe the methodology used by ABAG to calculate population growth and jobs is flawed. We also believe the allocation process to the jurisdictions is also flawed. The result of both of these flawed processes is excessive RHNA projections that are used to mandate housing that is not required and these projections can have adverse effects on the jurisdictions. The issues with the projections, as well as details of the adverse effects on jurisdictions, will be detailed later in this document.

Also at issue is the ABAG “top down” planning model over an extended period of time that attempts to predict and mandate a granular level of planning to the jurisdictions. The issues that make this a failed planning methodology will also be addressed in detail in this document or attachments. This planning model also fails to consider critical local issues and conditions such as the fiscal impact on jurisdictions, as well as the impact on schools, public services and infrastructure such as water and sewer.

## Conclusion

The RHNA numbers provided by ABAG that are the basis for the Draft Plan Bay Area are flawed. This is the result of projections for population, jobs and RHNA used in these reports being inaccurate and significantly overestimated RHNA allocations for the jurisdictions. The basis for this conclusion is built on an analysis of the overall projections for California, the Bay Area as well as a sample jurisdiction. Thus, the Draft Bay Area Plan report needs to be discarded and a new report should be completed using correct RHNA allocations to jurisdictions built on accurate projections and take into consideration critical local conditions and issues.

### **1. The ABAG 2012 population growth projection 2010-2040, the basis of the RHNA determination, is flawed and significantly overestimates the population growth in CA and the Bay Area.**

ABAG population projections are based on the assumptions on the amount of jobs projected for the region and on the fertility and mortality (birth and death) assumptions developed by Department of Finance (DOF) for their 2007 population projections. The DOF 2007 projections are based on assumptions about fertility and mortality and on the amount of net migration (foreign and domestic) for each county in the region. The DOF 2007 report projected 2.1MM population growth for the Bay Area. The ABAG 2012 report projects 2.1MM population growth for the Bay Area. In January 2013, the DOF published an updated report that updates their population growth projection to 1.3MM for the Bay Area. **The primary difference in the DOF projections between the 2007 report and 2013 report were lower birth rates, significantly fewer migrants (both foreign and domestic), and the**

57           **actual 2010 Census data which was less than the projection used in the**  
58           **DOF 2007 report.**

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60           **The 2012 ABAG 2010 – 2040 population projections are 61.53% higher**  
61           **than the 2013 DOF population projections for the Bay Area.** Given the  
62           materiality of this variation, it is reasonable to go to an unbiased third  
63           party to use as a comparison and measure of accuracy for the two  
64           projections. Attached to the report, Attachment A, is a report by USC  
65           Price School of Public Policy issued in April of 2012 the same year the  
66           ABAG report and projections were completed. This report is titled  
67           “Generational Projections of the California Population by Nativity and  
68           Year of Immigrant Arrival” (Pitkin-Myers CDF 12).

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70           The Executive Summary of the Pitkin-Myers CDF 12 report item 1 is  
71           titled **“Less Population Growth”** and states **“Much slower population**  
72           **growth is foreseen in these projections indicated by the official state**  
73           **population projections issued in 2007 by the state Department of**  
74           **Finance (DOF). Section 1 also includes the following “(Once DOF**  
75           **projections are revised to take account of the 2010 census and recent**  
76           **trends, they also will likely show slower growth.)”** This is exactly what  
77           happened when the DOF 2013 report was issued.

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79           Section 2 of the Pitkin-Myers CDF 12 is titled **“A Return to Normal**  
80           **Growth”** and states **“In fact, the anticipated growth in each of the**  
81           **coming decades is very similar to what was recorded in 4 of the last 5**  
82           **census decades, the lone exception being the 1980’s growth of 6.1MM**  
83           **added persons. See EXHIBIT A.”**

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85           In Exhibit A of the Pitkin-Myers CDF 12 report there is a comparison of  
86           their projections compared to the DOF 2007 report. In the most recent

full decade of 2000 to 2010 the DOF 2007 report projected 5.264MM population growth for CA and the Pitkin-Myers CDF 12 projected 3.457MM. **The 2010 Census actual population growth was 3.382MM, thus the DOF 2007 report is 55.6% higher than the actual population growth for CA in this period.** Notably, the Pitkin-Myers numbers are within 2% of the actual census numbers over the 2000-2010 decade. DOF 2007 projects 20.372MM population growth for CA between 2010 and 2040. The Pitkin-Myers CDF 12 report projects 13.841MM in CA between 2010 and 2040. **The Pitkin-Myers CDF 12 report projects 47.18% less population growth than the DOF 2007 report.**

We believe both ABAG and the DOF can be influenced by lobbying interests and political pressure. **Pitkin-Myers CDF 12 report is an independent study completed without an agenda or goal and the authors are well respected.** We believe this report undoubtedly shows the ABAG projections are too high based on the use of the DOF 2007 projections which are based on assumptions about fertility and mortality and on the amount of net migration (foreign and domestic) for each county in the region.

- 2. The ABAG 2012 and Draft Bay Area Plan population growth projection for Marin County for 2010 to 2040 is 482% higher than DOF 2013 county projections. We do not believe the ABAG projection properly addressed an anomaly outlier like Marin County and thus is flawed and inaccurate specifically for Marin.**

ABAG is projecting population growth of 32,914 or 13% between 2010 and 2040 for Marin County in the ABAG 2012 report and the Draft Bay Area Plan. The ABAG 2012 report uses assumed job projections and the DOF 2007 projections which are based on assumptions about fertility

and mortality for each county in the region which are proven too high by the Pitkin-Myers CDF 12 report. The DOF 2013 report, Attachment B, by county projects a population growth of 6,818, or 2.7% growth compared to the 14% growth projected by ABAG. Thus, the ABAG 2012 population growth is 482% higher than the DOF 2013 report. The ABAG 2012 report used on the Draft Plan Bay Area, gives a population growth projection for the Bay Area from 2010 to 2040, of 2.1MM. The DOF 2013 population growth projection for the Bay Area from 2010 to 2040 is 1.3MM. Thus the ABAG 2012 projection 2010 to 2040 is 800,000 higher than the DOF 2013 report, or 61.5% higher. The variance between the percentages, 482% compared to 61.5%, is a clear indication that the ABAG 2012 projections do not accurately reflect local conditions in historically slow growth Marin County. Dr. Levy clearly stated at the April 2, 2013 meeting that included ABAG, HCD and DOF personnel that he did not have anything to do with the allocations to the jurisdictions, nor did he review the allocations to the jurisdictions.

**3. The ABAG 2012 Report, used in the Draft Plan Bay Area, does not accurately reflect local conditions at the city level when Novato is used as a sample. ABAG 2012 report projections also do not consider critical local conditions in Novato resulting in adverse effects on the city.**

Attached to this public comment is a letter written to Mr. Glen Campora, Assistant Director of the CA Department of Housing and Community Development (HCD) dated February 17, 2013 by Al Dugan (Attachment C). The letter details the following issues:

- Novato has overbuilt affordable Housing in Marin, especially in the categories of “very low” and “low”.

**Public Comment on Draft Bay Area Plan and Draft Bay Area Plan Draft Environmental Impact Report (State Clearinghouse No. 2012062029): submitted by Al Dugan, 19 Los Cedros Drive Novato, CA 94947; Bob Ratto 840 Sutro Avenue Novato, CA 94947; and Tina McMillan 12 Linda Court Novato, CA 94947; May 14, 2013**

- The Housing Novato has created, and the housing they are now being requested to build simply does not correlate to the actual census data from 2000 to 2010.
- Novato cannot fiscally support more affordable housing with the city budget. Novato currently has significant structural deficits which are currently being “covered” through a temporary .5% sales tax measure (Measure F), which will expire in just two years.
- Novato has the lowest per capita city revenue of all Marin cities as well as numerous nearby cities.
- NUSD students that are Socio- Economically Disadvantaged have gone from 16% in 2003 to 34% in 2012. The impact of this single factor has put the district and multiple school sites in Program Improvement. Novato Unified School District continues to reduce services as a response to ongoing structural deficits that have resulted in higher class sizes, early retirement for experienced teachers, loss of newly trained teachers to better paying districts, closure of one of three middle schools, threatened elementary school closures, and reduced educational opportunities for students that are not in subgroups of struggling learners.
- Mr. Campora of the HCD responded in his letter of March 18, 2013 (Attachment D) of this Public Comment. Mr. Campora clearly pointed out that ABAG is responsible to assure Novato’s RHNA numbers, that are the basis of their assignment of very low and low affordable housing, reflects past performance and local conditions which as outlined above were clearly not considered in the ABAG 2012 projections and are critical to determine RHNA for Novato.

- 174           **4. The ABAG report 2012, used in the Draft Bay Area Plan, projects an**  
175           **increase growth of 18,390 jobs from 2010 to 2040. This appears to be**  
176           **based on an arbitrary decision to assign 1% of the regional housing**  
177           **growth and 2% of the region’s job growth without any local basis to**  
178           **validate this “assignment”.**

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180           ABAG issued a draft of the Plan Bay Area titled “Jobs-Housing  
181           Connection Scenario” dated March 9, 2012. (Attachment F) In this  
182           report ABAG makes projections for the Bay Area and then allocates  
183           these projections on housing and job growth down to the jurisdictional  
184           level. In the case of jobs, Marin is allocated 2% which appears to be on  
185           face value a relatively small percent. The issue is this “top down”  
186           planning starts with a job forecast of 1,120,000 jobs for 2010 to 2040  
187           (page 9) which is realistically driven by a few areas such as Silicon Valley.  
188           The actual percentage based on 18,390 is 1.642% but in the report is  
189           round off to 2%. **This “top down” planning has no local input of**  
190           **substance.** The proper way to project job growth would be for each  
191           jurisdiction to provide their estimated job growth for 2010 to 2040  
192           based on their General Plans, which would provide meaningful context  
193           and support for projected growth, which could then be linked to a  
194           projected population growth.

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196           **5. The significant over projection of RHNA by ABAG has potential to**  
197           **severely and adversely increase environmental damage in the Bay Area**  
198           **and the jurisdictions in the Bay Area.**

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201           **ABAG, by properly adjusting their projections to realistic growth, can**  
202           **reduce GHG in the Bay Area by preventing the mandate to build**  
203           **housing not reasonably needed.** ABAG projections, which become

mandated by the HCD, allow developers, builders and institutional investor/ profiteers to build housing that is not needed or driven by natural market conditions. **This adversely affects the Bay Area as a whole and the jurisdictions environmentally as follows:**

ABAG is projecting growth of 660,000 housing units from 2010 to 2040 in the Bay Area. This housing is based on ABAG's population growth of 2.1MM in population in the Bay Area during this same period. As noted above in this document this population projection has been proven to be flawed. If the Pitkin-Myers CDF 12 California percentage difference is applied to the DOF 2007 Bay Area projection for a 2010-2040 projection for the Bay Area 2010-2040 population projection it would be 1.113MM, or 47% lower than the DOF 2007 projection. The DOF 2013 projection for 2010-2040, which is 1.3MM, will be used for the analysis below rather than the lower Pitkin-Meyer CDF 2012, as the DOF 2013 projection is county specific and is validated as reasonably closer but 17% higher than using Pitkin-Meyers CDF 12. The Pitkin-Meyers CDF 12, as previously noted is an independent source without an agenda or goal, nor influenced by lobbying and politics. Using the per person housing allocation of 3.18 persons per housing unit utilized by ABAG results in a projection of 251,000 less housing units in the Bay Area than ABAG.

Thus, reducing the housing projections to this reasonable level results in 251,000 x 8.0 MTCO<sub>2</sub>e per year per house (Source: EPA) = 2,008,000 less MTCO<sub>2</sub>e (metric tons of CO<sub>2</sub> equivalency) in the last year / 2040. It is a sliding scale number for how many houses are added each year over the 30 years but generally if you take half of that number and multiply by 30 you get an approximation of the 30 year period savings = 30,120,000 MTCO<sub>2</sub>e less GHG projected for the Bay Area from 2010 - 2040 then the Draft Plan Bay Area.



The reduced and revised population would also result in a reduction of autos in the Bay Area. Given the population growth is 800,000 less this would conservatively reflect approximately 520,000 less cars, or .65 cars per person. This reduced number of cars will reduce GHG and estimate 520,000 x 5.4 MTCO<sub>2</sub>e per car per year (Source: EPA) = 2,808,000 less MTCO<sub>2</sub>e less in the 30th year / 2040 (again that would be approximately 42,120,000 less MTCO<sub>2</sub>e over the 30 years from 2010 - 2040) which varies extremely significantly compared to the Draft Plan Bay Area. This combined difference would be a total savings of approximately 75,000,000 MTCO<sub>2</sub>e over 30 years from 2010 to 2040.

**The effect on Marin, based on the ABAG projections would have an even more significant impact for this jurisdiction than the other Bay Area jurisdictions.**

## **6. Questions for ABAG**

**Please explain the following:**

**6.1** Why does ABAG rely solely on Plan Bay Area when it is clear that the assumptions behind this approach to reduce Green House Gas Emissions (GHG's) are flawed by data that does not support the numbers?

**6.2** If reduction in GHG's can be more effectively and efficiently accomplished by another method, such as improvements made to technology that allows cars to produce fewer CO<sub>2</sub> emissions, then why would ABAG continue to focus on new construction as the means to achieve goals driven by AB32 and SB375?

**6.3** Why didn't ABAG have Dr. Levy examine and evaluate the allocations down to the jurisdiction to test as benchmarks to determine if the overview projection for the ABAG population and job growth for 2010-2040 was correct?

**6.4** Why doesn't ABAG use significant input from local jurisdictions to insure the maintenance of fiscal balance associated with new growth that includes critical components like the impact on services paid for by property taxes?

**6.5** ABAG is refusing to review and reduce their projections based on the fertility and mortality (birth and death) assumptions developed by Department of Finance (DOF) for their 2007 population projections after DOF issued lower projections in 2013. Why would ABAG not use the lower estimate as this will reduce GHG for the Bay Area?

**6.6** Did ABAG, or their paid consultants, review the Pitkin-Myers CDF 12 report? If they did, why didn't they incorporate the results in their estimates?

**6.7** Given the significant disparity in population projections between ABAG and the Pitkin-Myer CDF 12 report, how can ABAG rely on their current data to make any future projections?

**6.8** Were the population projections intentionally inflated to mandate the development of affordable housing (with no tax base) in areas where ABAG wants to increase growth?

**6.9** How do AB32 and SB375 approach increased mandated development of affordable housing for which there is an insufficient tax base?

**6.10** Why does Plan Bay Area focus on increased new construction for affordable housing rather than jobs and transportation, as the primary means for decreasing GHG's?

**6.11** Why would Plan Bay Area want to segregate families based on income to areas in suburban communities that are less desirable because they have poor air quality, more noise and less space?

289 **6.12** Does ABAG understand the social and fiscal impact of forcing local  
290 jurisdictions to create new development that is solely defined by concepts based  
291 on the New Urbanism?

292 **6.13** Is ABAG willing to use alternate scenarios that will promote the  
293 development of affordable housing with a tax base and in line with the existing  
294 character of communities that are suburban and rural?

295 **6.14** How does ABAG propose to balance new development in counties where  
296 most of the land is already developed so only a few cities are carrying the  
297 majority of the new development along with its fiscal consequences?

298 **6.15** The current planning model starts with ABAG and then requires ABAG to  
299 convince communities and residents that this is the best plan to manage growth  
300 throughout a region. Why do we need a uniform model of regional planning that  
301 is unresponsive to the environmental, social and fiscal needs of a specific  
302 jurisdiction?

303 **6.16** Would you agree that changes in automotive technology with the advent of  
304 hybrids will have a more pronounced effect on the reduction of green house  
305 gases? Could this effect support a decision not to build in specific jurisdictions  
306 until transportation and jobs are in place?

307 **6.17** Would you agree that building housing by itself produces an increase in  
308 GHG's?

309 **6.18** Would you agree that people have always had the choice to live in  
310 communities separate from where they work and that ABAG is assuming if it  
311 provides what amounts to free housing for the residents that it can keep them  
312 living in one area with or without work?

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## Summary

In summary California State housing law assigns the Association of Bay Area Governments (ABAG) the responsibility to project Regional Housing Need Allocation (RHNA) numbers for housing and jobs that are reasonable and reflect past performance as well as local conditions. ABAG has estimated Marin County's population and job's growth for 2010 to 2040 in the Draft Bay Area Plan and then allocated those numbers to determine the RHNA for each Bay Area jurisdiction. **We believe the methodology used by ABAG to calculate both population and job's growth is substantively flawed and will cause a negative fiscal and environmental impact on the cities and county of Marin thus diminishing the quality of life for residents throughout the region.**

ABAG has staff that is more than capable of comparing data from different reports in order to arrive at assumptions that have a greater level of accuracy and so would be more applicable to each locality's regional planning needs. **The fact that ABAG chose to go with RHNA numbers that are so much higher than any rational person looking at the same data might assess, draws into question the influence, pressure and rational that causes ABAG to use these extreme numbers based on the information that is provided in this public response.** The intensity with which the regional agencies have approached this process by endorsing Plan Bay Area to the public, by insisting that it is the only plan that will reduce GHG's in line with AB32 and SB375 and by using data that is so clearly inflated, puts at risk the fiscal and environmental resilience of every community in the Bay Area.

ABAG's use of a "top down" region wide planning model to both predict, and ultimately mandate housing and jobs growth, creates a divisive and conflicted relationship that is detrimental to the local governments and residents they serve. It assumes that communities are neither willing nor capable of making reasoned decisions with regard to housing, transportation and the reduction of

green house gas emissions. It presumes a level of control over local government that is not in the best interests of current and future residents.

**If we continue down the path currently delineated by ABAG, Novato's jobs and housing projections will overwhelm an already precarious fiscal balance where there is insufficient revenue to support city services and local schools.** The city of Novato accepts the requirements of AB32 and SB375 to reduce GHG's to protect the environment, we also take responsibility for our residents needs by making fiscal assumptions that will insure stable and reliable economic growth and as a community we have repeatedly demonstrated our commitment to the development of affordable housing as evidenced by the fact that our local schools provide services to a population of socioeconomically disadvantaged students that now make up 34% of our total public school population. There is no reason to make regional agencies responsible for local planning.

The council of governments should not have final authority to determine the distribution of the region's existing and projected housing needs. The future new ABAG plan and all other new ABAG plans should be created with significant input from local jurisdictions as outlined above. There is no reason for regional agencies to ignore the local conditions that are critical to the jurisdictions or the general plans of the jurisdictions. The council of governments should not have final authority to determine the distribution of the region's existing and projected housing needs but rather should serve as the aggregator to organize data from local jurisdictions to determine regional trends. **Final authority should rest with each local jurisdiction to provide the data to allow ABAG to submit their required RHNA allocations to HCD. "Top Down" Planning, without proper input from jurisdictions, must end.**