



May 25, 2022

Dear Palo Alto City Council:

We are writing on behalf of **YIMBY Law** regarding Palo Alto's 6th Cycle Housing Element Update. **YIMBY Law** is a legal nonprofit working to make housing in California more accessible and affordable through enforcement of state law.

Per §8899.50(a)(1) of state code, Palo Alto's housing element must affirmatively further fair housing, which entails 'taking meaningful actions... that overcome patterns of segregation.'

The City of Palo Alto is uniquely positioned to affirmatively further fair housing, as Palo Alto is a wealthy, exclusionary city that researchers with the Othering and Belonging Institute at UC Berkeley identify as highly segregated from the rest of the Bay Area. This socioeconomic segregation is caused by the exclusionary cost of housing in your community, where an average home, as of April 30th, costs \$4,010,000, which is only affordable to someone earning a salary of \$596,000, meaning **only the richest 1% of households can afford to settle down in your community**. To put a finer point on the level of affluence in your city, the average home in your city costs more than French castles. It is thus no coincidence that your city is 26% whiter than the rest of the Bay, as well as 72% less black than the rest of the Bay Area. Sadly, your city's demographics have trended in an even less equitable direction, losing 279 brown residents since 2010.

In a 2021 report entitled 'Exclusionary Zoning: Its Effect on Racial Discrimination in the Housing Market,' economic advisors for the White House outline how exclusionary zoning, like yours, causes segregation. Your exclusionary zoning pushes low income children to live in less resourced areas, which begets worse life outcomes from health to income. The research is clear: exclusionary zoning violates your duty to further fair housing.

To take meaningful actions that overcome patterns of segregation, we recommend you:

1. **End apartment bans in high opportunity areas.** This will give middle and working class families the opportunity to share in the resources your rich neighborhoods enjoy. As of 2020, **your city banned apartments in over 86.4% of residential areas**, including in 96.5% of high opportunity residential areas.
2. **Accommodate 5483 low income homes in your site inventory.** While substantially larger than the floor of 2452 low income homes required by RHNA, 5483 is the number of homes required to bring the proportion of low income families in your city in line with the rest of the Bay Area. While this number is large enough to be politically challenging, it will always be politically challenging to overcome segregation, as AFFH requires.

Thank you,

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