



Central Coast Housing Working Group Agenda

April 24, 2020

10:00 a.m. to 12:00 p.m.

Please register for Central Coast Housing Working Group at

<https://attendee.gotowebinar.com/register/581589280651070732>

1. CALL TO ORDER

- Mike LeBarre, Mayor, King City, Chair

2. ROLL CALL/INTRODUCTIONS

3. ORAL COMMUNICATIONS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

(A maximum of three minutes on any subject not on the agenda)

4. ORAL COMMUNICATIONS FROM THE WORKING GROUP ON ITEMS NOT ON THE AGENDA

5. CONSENT CALENDAR

- a. Draft Minutes from the January 31, 2020 Central Coast Housing Working Group Meeting
Recommended Action: Approve (Page 3)

6. REGULAR AGENDA

- a. Approach for Allocation of Central Coast Regional Early Action Planning (REAP) Funding
Recommended Action: Approve (Page 11)
- b. Draft Outline for the Central Coast Housing Best Practices Toolkit
Recommended Action: Discussion (Page 17)
- c. Update from CCHWG Members on Housing Activities
Recommended Action: Information

7. NEXT MEETING

- a. Suggested Dates: August 14, August 21, or August 28

8. ADJOURNMENT

If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC Sec. 12132), and the federal rules and regulations adopted in implementation thereof. If you have a request for disability-related modification or accommodation, including auxiliary aids or services, contact Ana Flores, AMBAG, 831-883-3750, or email aflores@ambag.org at least 48 hours prior to the meeting date.

DRAFT
Central Coast Housing Working Group

Centennial Park
 Live Oak Room
 600 Nickerson Drive
 Paso Robles, CA 93446

January 31, 2020

Minutes

1. CALL TO ORDER

The meeting was called to order by Maura F. Twomey, Executive Director, Association of Monterey Bay Area Governments (AMBAG) at 1:00 p.m.

2. ROLL CALL/INTRODUCTIONS

| Jurisdiction | Representative | Present | Absent |
|--|-----------------------|----------------|---------------|
| Santa Cruz County (Watsonville) | Francisco Estrada | X | |
| San Benito County (San Juan Bautista) | John Freeman | X | |
| San Benito County | Jim Gillio | X | |
| Monterey County (Salinas) | Joe Gunter | X | |
| Santa Barbara County | Joan Hartmann | X | |
| San Luis Obispo County | Adam Hill | | X |
| Santa Barbara County (Guadalupe) | Ariston Julian | | X |
| Monterey County (King City) | Mike LeBarre | X | |
| Santa Cruz County | Bruce McPherson | X | |
| Santa Barbara County (Santa Maria) | Alice Patino | X | |
| San Luis Obispo County (Arroyo Grande) | Jimmy Paulding | X | |
| Santa Cruz County (Capitola) | Kristen Petersen | | X |
| Monterey County | John Phillips | X | |
| San Luis Obispo County (Paso Robles) | Fred Strong | X | |
| San Benito County (Hollister) | Ignacio Velazquez | X | |

Others Present: Marjie Kirn, SBCAG; Peter Rodgers, SLOCOG; Mary Gilbert, SBtCOG; Sara Sanders, SLOCOG; Michael Becker, SBCAG; Nicole Nix, County of San Luis Obispo; Carolyn Berg, County of San Luis Obispo; Joshua Roberts, County of San Luis Obispo; John Holder, City of Atascadero; Rachel Cohen, City of San Luis Obispo; Maura Twomey, Heather Adamson, Bobbie Grant and Miranda Taylor; AMBAG.

The Central Coast Housing Working Group members gave introductions.

3. ELECTION OF OFFICERS

A. Chair

Maura Twomey, Executive Director, AMBAG reported that the Central Coast Housing Working Group (CCHWG) is required to select a Chair and Vice-Chair.

Ms. Twomey opened up the nominations for Chair of the Central Coast Housing Working Group. The Working Group nominated Mr. LeBarre as Chair.

Motion Made by Mr. Strong, seconded by Mr. Velazquez to elect Director LeBarre as Chair of the Central Coast Housing Working Group. Motion passed unanimously.

B. Vice – Chair

Mike LeBarre, Chair, opened up the nominations for Vice-Chair of the Central Coast Housing Working Group. The Working Group nominated Mr. Paulding as Vice-Chair.

Motion made by Mr. Gillio, seconded by Mr. Strong to elect Director Paulding as Vice-Chair of the Central Coast Housing Working Group. Motion passed unanimously.

4. LOCAL GOVERNMENT PLANNING SUPPORT PROGRAM OVERVIEW

Heather Adamson, Director of Planning, AMBAG, gave an overview of the Local Government Planning Support Program. Ms. Adamson stated that California is currently in a housing crisis. The State needs to build more than 1.8 million homes by 2025 to keep pace with the projected growth. An average of 80,000 homes has been built in the state since 2010 and 180,000 homes will be needed annually to keep up with the growth. The reasons why there is a housing crisis in the state are 1) a limited supply and increased costs of housing; and 2) out of the 6 million renter households more than 3 million households pay more than 30% of their income toward rent and nearly 1.7 million households pay more than 50% of their income toward rent. Ms. Adamson reported that in response to the housing crisis, the Legislature and the Governor made grant funding available to accelerate the housing production. The Local Government Planning Support Grants Program was established by AB 74 and AB 101 to fund any housing planning activities to accelerate the production of housing and required the Central Coast to create the working group to be eligible for about \$8 million in funding. Ms. Adamson stated that AMBAG, SBtCOG, SLOCOG and SBCAG have coordinated with their cities and counties to create the Working Group to make decisions to allocate funding. Key eligible uses of the funding include 1) improving the Regional Housing Needs Allocation (RHNA) methodology used by the COGs; and 2) suballocating funds for housing planning such as infrastructure planning, technical assistance, feasibility studies, establishing trust funds, temporary staffing and any other actions to accelerate housing production. Ms. Adamson also reported that the program requires one agency of the working group act as the fiscal agent for the grant and that the Central Coast COG boards recommended AMBAG as the fiscal agent.

5. CONSENT AGENDA

A. Notice of Formation of the Central Coast Housing Working Group

Maura Twomey, Executive Director, AMBAG gave a report on the Notice of Formation of the Central Coast Housing Working Group. Ms. Twomey reported that the Notice of Formation of the Central Coast Housing Working Group (CCHWG) is a requirement under AB 101 to be issued once the Working Group was formed at the end of November 2019. Ms. Twomey also reported that the notice of formation was posted by AMBAG, SBtCOG, SLOCOG and SBCAG per requirements.

6. REGULAR AGENDA

A. Regional Housing Overview

Sara Sanders, Transportation Planner, San Luis Obispo Council of Governments (SLOCOG) gave a presentation on the Regional Housing Overview for SLOCOG. Ms. Sanders reported that around 180,000 new homes would need to be built in the next 10 years. Steps to new housing include 1) the determination by the California Department of Housing and Community Development (HCD) in which allocates the number of housing units a region needs to plan; 2) the MPO distributes the allocated housing units through a Regional Housing Needs Assessment (RHNA) process; 3) the local jurisdictions update their housing element; and 4) builders build new units. Ms. Sanders reported that the Regional Housing Needs Allocation (RHNA) process is 1) a 1969 mandate that requires jurisdictions to plan for the housing needs of their residents regardless of income; and 2) HCD determines the number of new homes and the affordability of those homes. Ms. Sanders also reported that SLOCOG's RHNA process is as follows 1) HCD determines the RHNA and income category distribution by very low, low, moderate and above moderate income levels; 2) allocation based on demographics and income averages from the Department of Finance; 3) SLOCOG develops 2019 RHNA Plan and distribution methodology to local jurisdictions; 4) SLOCOG compiled a stake holder group of 8 local jurisdictions; and 5) local jurisdictions update their Housing Elements. Ms. Sanders stated that SLOCOG's RHNA process ended in October 2019 and that HCD allocated SLOCOG with 10,810 housing units. The 5th RHNA cycle ended on January 1, 2019 and exceeded the housing targets with 4,563 housing units with more than 72% in the above moderate category. Ms. Sanders reported that over 50,000 housing units were built in the region between the 1970's to the 1990's and between the 1990's to now housing units out pace households. Ms. Sanders also reported that there are 11,000 units being used for seasonal, recreational and occasional use making less than 2% of units for rent or sale in the region. Ms. Sanders stated that 1) the region has exceeded the housing unit targets with 72% of housing units as above moderate; 2) 17,000 housing units are vacant but 2/3 are seasonal, recreational or occasional; 3) 9% of jobs earn more than \$100,000 a year with 66% of jobs earning less than 50,000 a year; 4) a 4-person household making \$105,000 or more a year is at an above moderate income and with a 20% down payment qualifies for a \$500,000 home; and 6) the SLOCOG's region median home price is \$600,000 or more.

Michael Becker, Director of Planning, Santa Barbara Association of Governments (SBCAG), gave a presentation on the Regional Housing Overview for the Santa Barbara County Region. Mr. Becker reported that the southern part of Santa Barbara County is more

expensive to live which includes the City of Santa Barbara, City of Carpinteria and the City of Goleta. The North County is least expensive to live which includes the City of Santa Maria, City of Guadalupe and the City of Lompoc with Ventura County having more moderately priced housing units. Mr. Becker reported on the imbalance between county jobs versus employed residents. In 1990, there were fewer jobs and more employed residents compared to 2017 when there is less employed residents and more jobs. The rate of job growth in Santa Barbara County exceeded the amount of employed residents which amounts to more jobs and less housing. Mr. Becker reported that there was more daytime population change due to commuting in 2017 by more labor coming to the South Santa Barbara County from the North and Ventura Counties. Mr. Becker also reported on the jobs per housing units with 1) North County having fewer jobs per household and having to commute to work; and 2) the South County having more jobs per household and importing labor. Mr. Becker highlighted two recent news articles 1) Amazon arrives in Santa Barbara with an estimate of 400 engineers which will put pressure on the mid and upper end of the housing market; and 2) a hotel was approved which will bring low income paying jobs along with expensive housing market would need to import labor to work. Mr. Becker reported as a result of commuting and importing labor that 1) the hourly traffic pattern on the U.S. 101 at the Santa Barbara and Ventura County line was heavier in the morning going westbound and heavy in the evening going eastbound and; 2) the hourly traffic pattern on U.S. 101 south of SR 1 was heavier in the morning going to southbound and heavier in the evening going northbound. Mr. Becker stated that SBCAG is currently entering into its 6th Cycle Regional Housing Needs Assessment (RHNA) process which includes 1) HCD consultation beginning in May 2020; 2) the determination of housing units issued by October 2020; 3) adoption of the RHNA Plan by August 2021; and 4) Housing elements due by February 2023. The 5th RHNA Cycle allocated 11,000 housing units. Brief discussion followed.

Heather Adamson, Director of Planning, Association of Monterey Bay Area Governments (AMBAG), gave a presentation on the Regional Housing Overview for the AMBAG region. Ms. Adamson stated that AMBAG is the Metropolitan Planning Organization (MPO) for the Monterey, Santa Cruz and San Benito Counties but is only the Council of Governments (COG) that prepares the Regional Housing Needs Assessment (RHNA) for Monterey and Santa Cruz Counties. Ms. Adamson reported that AMBAG is primarily coastal when preparing the RHNA with constraints such as 1) severe water shortages; 2) limited land availability; 3) coastal zones; 4) significant litigation and; 5) environmental constraints on the coast. Ms. Adamson also reported that inland there is 1) available water and land; 2) developer interest; 3) agricultural greenlines; 4) moderate litigation and; 5) fewer environmental constraints. Additional constraints on new housing construction include 1) high land costs; 2) high construction costs; 3) limited capacity of affordable housing developers; 4) uncertainty on development is politically and economically feasible; 5) there are frequent litigation against projects and; 6) regulatory barriers. Ms. Adamson stated that housing development and external influences are due to 1) majority of the new housing developments are in the inland areas from Salinas to King City; 2) new housing development has been too slow to accommodate the regional housing needs; 3) high-paying jobs are located in Silicon Valley which have impacted housing markets in the AMBAG region; and 4) local jurisdictions are restricting short term rentals to provide more housing for the local residents and about 5% of the homes are second homes. Ms. Adamson reported that during the 5th cycle RHNA, Monterey and Santa Cruz Counties were allocated 10,430 housing units. AMBAG will start the 6th Cycle RHNA process which includes 1) HCD consultation beginning

in April 2021; 2) the determination of housing units by September 2021; 3) adoption of the RHNA Plan in June 2022; and 4) Housing Elements due by December 2023.

Mary Gilbert, Executive Director, Council of San Benito County Governments (SBtCOG), gave a presentation on the Regional Housing Overview for San Benito County. Ms. Gilbert reported that San Benito County had a significant growth in housing in the 1990's but that the sewer moratorium in the City of Hollister halted housing construction for 8 years and the impacts of the recession deeply impacted growth and development in the county. Currently new developments that were approved are now under construction and that new proposals are being considered with challenges of growth. There are currently 2,761 total housing projects currently approved and under construction with 5% as rental apartments, 56% as single family residential homes, and 39% as age restricted development. In San Benito County there is opportunity for housing such as 1) sufficient land available; 2) adequate water supply and; 3) moderate building costs for builders. The challenges for housing include 1) a jobs and housing imbalance; 2) providing housing for Silicon Valley with 50% of residents commuting to jobs; 3) increasing housing prices; 4) majority of housing is single-family residential units and; 5) farmworker housing needs. Steps for planning for the future include 1) new funding for local jurisdictions; 2) incentives for affordable housing; 3) specific housing plans; and 4) new infrastructure funding. Ms. Gilbert also reported that SBtCOG follows the same Regional Housing Needs Assessment (RHNA) schedule as AMBAG. Brief discussion followed.

B. Working Group Charter

Maura Twomey, Executive Director, AMBAG gave a report on the Working Group Charter. Ms. Twomey reported that AMBAG coordinated with SBtCOG, SLOCOG, and SBCAG staff to prepare the Working Group Charter. The Working Group Charter outlines the following 1) Purpose; 2) Line of Reporting; 3) Responsibilities; 4) Membership; 5) Meetings; 6) Selection of the Chair and Vice Chair; 7) Records of Proceedings; 8) Duration of Existence; and 9) the Limitations of the Central Coast Housing Working Group. Ms. Twomey also reported that the Working Group Charter was necessary for the first CCHWG meeting and revisions could be made as needed at future meetings.

Motion made by Mr. Strong, seconded by Mr. Gunter to approve the Working Group Charter. Motion passed unanimously.

Carolyn Berg, Principal Analyst, County of San Luis Obispo suggested under the Meetings section of the Working Group Charter that instead of any motion or action be approved by majority of the members present that at least one representative from each county or region be present for approval of vote.

By consensus, the Working Group requested to move forward with taking any motion or action must receive a vote from the majority of the members present as outlined in the Working Group Charter.

C. Appointment of the Association of Monterey Bay Area Governments as the Fiscal Agent and Authorization to Request Allocation of Program Funding

Maura Twomey, Executive Director, AMBAG gave a report on the Appointment of the Association of Monterey Bay Area Governments as the Fiscal Agent and the Authorization

to Request Allocation of Program Funding. Ms. Twomey reported that under statute, the Working Group is required to appoint a fiscal agent. Ms. Twomey stated that the California Department of Housing and Development (HCD) would appoint a fiscal agent if the Working Group does not appoint a fiscal agent. Ms. Twomey also reported that the staff from all for Council of Governments (COGs) met prior to the Working Group meeting and staff recommended that AMBAG be appointed as fiscal agent for the Working Group. Each of the four COG's Board of Directors also recommended AMBAG to serve as the fiscal agent.

Heather Adamson, Director of Planning, AMBAG reported that the allocation amount was adjusted to \$7,931,311 instead of the initial amount of \$7,987,501. Ms. Adamson referred the Working Group to the revised resolution that was provided at the meeting.

Motion made by Mr. Gillio, seconded by Mr. Phillips to appoint the Association of Monterey Bay Area Governments as the Fiscal Agent and authorize AMBAG to Request Allocation of Program Funding with the allocation amount change made to Resolution 2020-01. Motion passed unanimously.

D. Draft Approach for the Allocation of Regional Housing Planning Funding

Heather Adamson, Director of Planning, AMBAG gave a presentation on the Draft Approach for the Allocation of Regional Housing Planning Funding. Ms. Adamson reported that legislation requires AB 101 to establish regional housing planning funds for the specific purposes such as 1) suballocating funds for housing planning; 2) improving the methodology used by the Council of Governments (COGs) for the distribution of the 6th Cycle of the Regional Housing Needs Assessment (RHNA); and 3) administering the grant program. The draft approach for allocating regional housing funding would be the fiscal agent will allocate three percent of the funds to administer the grant for the Central Coast from 2020 through 2024. As the fiscal agent AMBAG would 1) provide housing planning best practices resources; 2) outreach and education; 3) coordination and compliance with the Department of Housing and Development (HCD); 4) financial oversight and auditing; 5) facilitating invoicing and reporting; and 6) contract management. Ms. Adamson reported that \$7,931,311 will be allocated to the four COGs in the Central Coast region. The amounts allocated to each COG will be based upon the proportion of each COG's population within the Central Coast megaregion to maintain geographic unity and that the Department of Finance (DOF) will send out the population estimates per AB 101. Ms. Adamson stated that the grant requires that the COGs use a portion of the funds to develop an improved methodology for the distribution of the 6th Cycle RHNA. After this approach, the COGs would 1) allocate the remaining funding to their local jurisdiction's for housing planning; 2) may sub allocate funds using geographic equity based on regional priority; and 3) the funds may be used for housing related planning and grand administration only. Example eligible uses of the funds include 1) infrastructure planning to support new housing and new residents; 2) technical assistance in improving housing permitting processes, tracking systems and planning tools; 3) feasibility studies to identify best housing sites; 4) establishing housing trust funds for affordable housing; 5) temporary staffing or consultants; and 6) other actions which to accelerate housing production. Next steps include 1) feedback from the Working Group on an approach to suballocate funding; and 2) that COG staff will bring back the recommended approach for approval at the next CCHWG meeting. Lengthy discussion followed.

By consensus, the Working Group recommended the fiscal agent to allocate the funding to the Council of Governments (COGs) and the COGs to suballocate the funding to local jurisdictions for approval at the next Central Coast Housing Working Group meeting.

Ms. Adamson also reported that as the fiscal agent is required as part of the legislation to develop a housing planning best practices resources. The housing planning best practices resources can list common issues within the region. Ms. Adamson stated that housing planning best practices resources would be brought to a future Working Group meeting for input. Brief discussion followed.

Carolyn Berg, Principal Analyst, County of San Luis Obispo commented that SLOCOG and the region is ahead in terms of the next RHNA cycle and have struggled through the process. Ms. Berg reported that the County of San Luis Obispo County Administrative office took action on a new collaborative work plan between all the cities and SLOCOG and are currently working on a regional infrastructure strategic plan. Ms. Berg stated that the central coast region has 1.5 million voices within the planning area and that the regions have similar challenges such as coastal zones, water shortages, traffic issues, population and shortage of funding. Ms. Berg also reported that they are working with planners within the cities and agencies to produce common challenges and best practices resources. Brief discussion followed.

7. ORAL COMMUNICATIONS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

None.

8. ORAL COMMUNICATIONS FROM THE WORKING GROUP ON ITEMS NOT ON THE AGENDA

Mr. Paulding requested that agenda item numbers be added to the staff reports in future Central Coast Housing Working Group meeting agendas.

9. NEXT MEETING

A. Suggested Dates: March 20, March 27 or April 24

Maura Twomey, Executive Director, AMBAG reported there are three suggested meeting dates for the next CCHWG Meeting which are March 20th, March 27th or April 24th. Ms. Twomey reported that the next meeting would be a webcast meeting and that the Working Group members would be able to attend the meeting at their Council of Governments (COGs). Ms. Twomey also reported that there would be four meeting locations. Brief discussion followed.

By consensus, the Central Coast Housing Working Group agreed upon the April 24, 2020 meeting date.

10. ADJOURNMENT

The Working Group meeting adjourned at 2:18 p.m.

DRAFT

CENTRAL COAST HOUSING WORKING GROUP MEETING ATTENDANCE & VOTING RECORD

MEETING DATE: January 31, 2020

| Attendance (X= Present; AB= Absent) Voting (Y= Yes; N=No; A=Abstain) | | | | | | |
|---|-----------------------|-------------------|------------------|------------------|------------------|------------------|
| JURISDICTION | REPRESENTATIVE | Attendance | Item# 3.A | Item# 3.B | Item# 6.B | Item# 6.C |
| Santa Cruz County | Francisco Estrada | X | Y | Y | Y | Y |
| San Benito County | John Freeman | X | Y | Y | Y | Y |
| San Benito County | Jim Gillio | X | Y | Y | Y | Y |
| Monterey County | Joe Gunter | X | Y | Y | Y | Y |
| Santa Barbara County | Joan Hartmann | X | Y | Y | Y | Y |
| San Luis Obispo County | Adam Hill | AB | - | - | - | - |
| Santa Barbara County | Ariston Julian | AB | - | - | - | - |
| Monterey County | Mike LeBarre | X | Y | Y | Y | Y |
| Santa Cruz County | Bruce McPherson | X | Y | Y | Y | Y |
| Santa Barbara County | Alice Patino | X | Y | Y | Y | Y |
| San Luis Obispo County | Jimmy Paulding | X | Y | Y | Y | Y |
| Santa Cruz County | Kristen Petersen | AB | - | - | - | - |
| Monterey County | John Phillips | X | Y | Y | Y | Y |
| San Luis Obispo County | Fred Strong | X | Y | Y | Y | Y |
| San Benito County | Ignacio Velazquez | X | Y | Y | Y | Y |

(* = Board Member(s) arrived late or left early, therefore, did not vote on the item. Please refer the minutes)



Agenda Item #6a

MEMORANDUM

TO: Central Coast Housing Working Group

FROM: Maura F. Twomey, Executive Director, AMBAG

RECOMMENDED BY: Heather Adamson, Director of Planning, AMBAG

SUBJECT: Approach for the Allocation of Central Coast Regional Early Action Planning Funding

MEETING DATE: April 24, 2020

RECOMMENDATION:

It is recommended that the Working Group approve the approach for the allocation of Regional Housing Planning Funding.

BACKGROUND/ DISCUSSION:

The adopted FY 2019-20 California Budget (AB 74) and associated housing trailer bill (AB 101) established the Local Government Planning Support Grants Program and made approximately \$8,000,000 available to the California Central Coast region to fund housing planning activities to enable jurisdictions to meet the 6th Cycle of the Regional Housing Needs Assessment (RHNA). The grant program requires that funds be used for specific uses, including being suballocated directly and equitably to jurisdictions or other subregional entities for housing related planning, to improve the methodology used by Councils of Governments (COGs) for the distribution of the Sixth Cycle of the Regional Housing Needs Allocation (RHNA) and for administering the grant program.

In conformance with grant program requirements, the Association of Monterey Bay Area Governments has prepared a draft approach for allocating this regional housing planning funding to the Central Coast region. This approach was prepared with feedback from the Council of San Benito County Governments (SBtCOG), San Luis Obispo Council

of Governments (SLOCOG) and the Santa Barbara County Association of Governments (SBCAG) and reflects the individual needs and challenges of each council of governments.

ALTERNATIVES:

N/A

FINANCIAL IMPACT:

Once the Working Group approves an approach for allocating Central Coast regional housing planning funding, the Fiscal Agent will begin the process of securing allocations from HCD and disbursing funding throughout the region.

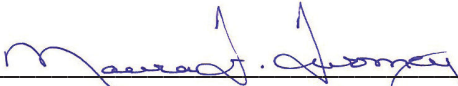
COORDINATION:

AMBAG coordinated with SLOCOG, SBtCOG, and SBCAG to identify a feasible approach for the allocation of regional housing funds.

ATTACHMENT:

1. Approach for the Allocation of Regional Housing Planning Funding

APPROVED BY:



Maura F. Twomey, Executive Director, AMBAG

Attachment 1

Approach for Allocation of Central Coast Regional Early Action Planning (REAP) Funding

The adopted FY 2019-20 California Budget (AB 74) and associated housing trailer bill (AB 101) established the Local Government Planning Support Grants Program and made approximately \$8,000,000 available to the California Central Coast region to fund housing planning activities to enable jurisdictions to meet the 6th Cycle of the Regional Housing Needs Assessment (RHNA). The grant program requires that funds be used for specific uses, including being suballocated directly and equitably to jurisdictions or other subregional entities for housing related planning, to improve the methodology used by Councils of Governments (COGs) for the distribution of the 6th Cycle of the Regional Housing Needs Allocation (RHNA) and for administering the grant program.

In conformance with these grant program requirements, staff from the four COGs have prepared an approach for allocating this regional housing planning funding to the Central Coast region:

1. The Fiscal Agent will use three percent (\$237,939) of regional funds to administer the grant program for the Central Coast from 2020 to 2024.
 - a. Administrative funding for the fiscal agent shall be used for providing financial oversight, processing invoices and providing funds to recipients, staffing the Central Coast Housing Working Group (CCHWG), providing coordination with HCD, reporting, and assuring program implementation conforms to State and Federal laws.
 - b. Administrative funding shall also be used to support the implementation of tasks required by the grant program such as preparing an education and outreach strategy for jurisdictions throughout the region to provide recommendations on how to be compliant with the 6th Cycle of RHNA and to support an assessment of housing planning best practices.
2. AMBAG, as the fiscal agent, will allocate the remaining funding (\$7,693,392) to the four COGs in the Central Coast area: the Association of Monterey Bay Area Governments (AMBAG), Council of San Benito County Governments (SBtCOG), San Luis Obispo Council of Governments (SLOCOG) and the Santa Barbara County Association of Governments (SBCAG).
 - a. The amounts allocated to each COG will be determined by formula, to ensure geographic equity, based on the population estimates posted on the California Department of Finance's (DOF) internet website as of January 1, 2019 [per AB 101, 50515.03].

| | |
|------------|--------------------|
| (1) AMBAG | \$3,651,526 |
| (2) SBtCOG | \$ 315,813 |
| (3) SLOCOG | \$1,421,468 |
| (4) SBCAG | <u>\$2,304,585</u> |
| Total | \$7,693,392 |

- b. COGs may use a portion of the funds to develop an improved methodology for the distribution of the 6th Cycle of RHNA.
 - c. COGs shall determine how to best allocate the remaining funding to jurisdictions or other subregional entities within their jurisdiction for planning that will accommodate the development of housing and infrastructure to accelerate housing production in a way that aligns with state planning priorities, housing, transportation, equity, and climate goals. COGs may choose to disburse funds through a process that focuses on geographic equity or other discretionary processes to meet program goals. A discussion of the COG's approach is discussed in Section 4. Funds shall only be used for housing-related planning activities and grant administration, including, but not limited to, the following:
 - I. Performing infrastructure planning, including for sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents.
 - II. Technical assistance in improving housing permitting processes, tracking systems, and planning tools.
 - III. Performing feasibility studies to determine the most efficient locations to site housing.
 - IV. Establishing regional or countywide housing trust funds for affordable housing.
 - V. Covering the costs of temporary staffing or consultant needs associated with the activities described in (i.) to (iv.) above.
 - VI. Providing jurisdictions and other local agencies with technical assistance, planning, temporary staffing or consultant needs associated with updating local planning and zoning documents, expediting application processing, and other actions to accelerate additional housing production.
3. All fund recipients shall completely spend down all funds towards approved purposes no later than December 31, 2023 per program requirements.
 4. REAP Funding Suballocations For Each COG
 - a. AMBAG (\$3,651,526)

AMBAG proposes to allocate \$3,300,000 million of its total \$3, 651,126 to the local jurisdictions within Monterey and Santa Cruz Counties. Each jurisdiction would be eligible to receive REAP funding according to population thresholds used in the statewide Local Early Action Planning (LEAP) grant program.

Local jurisdictions are encouraged to align REAP funding with previous SB 2 planning and LEAP planning efforts. AMBAG staff proposes that maximum grant amounts shall be set as follows, according to 2019 population estimates:

| Jurisdiction Size* | Max Award Amount |
|---------------------------|-------------------------|
| Less than 20,000 = | \$65,000 |
| 20,000 - 59,999 = | \$165,000 |
| 60,000 - 99,999 = | \$300,000 |
| 100,000 - 199,999 = | \$530,000 |

**Same population thresholds as the HCD LEAP program.*

The remaining funds (\$351,526) will be used by AMBAG to prepare the 6th Cycle RHNA Methodology and Allocation and other regional housing planning activities.

AMBAG staff reached out to the Planning Directors from the local jurisdictions within Monterey and Santa Cruz Counties and there is support for this allocation approach. The AMBAG Board of Directors is scheduled to approve this approach later this spring and AMBAG expects to suballocate the REAP funding to local jurisdictions later this summer.

b. SBtCOG (\$315,813)

SBtCOG had initial discussions with staff from their three local jurisdictions. Based on these initial discussions, SBtCOG is considering suballocating their REAP funding allocation via a grant program based on regional needs. SBtCOG staff is scheduled to discuss this approach with the local jurisdictions further before taking it to their Board of Directors later this spring/summer.

c. SLOCOG (\$1,421,468)

SLOCOG has explored a variety of different methods of suballocating the REAP funds to their local jurisdictions. The methods reviewed include suballocating using the 6th Cycle RHNA allocations, LEAP population thresholds and competitive/collaborative subregional allocations. Within all these methods, a portion of the funds will be used for regional housing planning activities. SLOCOG is continuing discussions with their local jurisdictions through Planning Directors and Advisory Committees. They are seeking Board direction and approval on the suballocation methodology at the June 2020 Board of Directors meeting

d. SBCAG (\$2,304,585)

SBCAG has proposed a variety of allocation formulas for review by the Santa Barbara County region's planning directors and the three Working Group members. SBCAG staff

will seek a formula recommendation from the three Working Group members and present that to the SBCAG Board for approval. The formulas consider allocating funds based on population, employment, and 5th Cycle RHNA allocations. A second set of three potential formulas includes the three factors, but first provides a base allocation of \$100,000 to each jurisdiction prior to using the formula to allocate the remaining funds.



Agenda Item #6b

MEMORANDUM

TO: Central Coast Housing Working Group

FROM: Maura F. Twomey, Executive Director, AMBAG

RECOMMENDED BY: Heather Adamson, Director of Planning, AMBAG

SUBJECT: Draft Outline of California Central Coast Housing Best Practices Toolkit

MEETING DATE: April 24, 2020

RECOMMENDATION:

It is recommended that the Working Group review and discuss the draft outline of the California Central Coast Housing Best Practices Toolkit.

BACKGROUND/ DISCUSSION:

The adopted FY 2019-20 California Budget (AB 74) and associated housing trailer bill (AB 101) established the Local Government Planning Support Grants Program and made approximately \$8,000,000 available to the California Central Coast region to fund housing planning activities to enable jurisdictions to meet the 6th Cycle of the Regional Housing Needs Assessment (RHNA). This funding will be disbursed by the California Department of Housing and Community Development (HCD) through their Regional Early Action Planning (REAP) Grant Program.

As a condition of receiving REAP funding, statute requires that the Central Coast region identify best practices at the regional and statewide level which promote sufficient supply of housing affordable to all income levels, and a strategy for increasing adoption of these practices where viable. These best practices and housing strategies are not intended to be requirements for the jurisdictions in the Central Coast, instead they represent potential strategies and suggested approaches for jurisdictions to consider when implementing projects which accelerate housing production.

In conformance with grant program requirements, the Association of Monterey Bay Area Governments has prepared a draft outline of a California Central Coast Best Practices Toolkit for review and discussion for the Working Group.

ALTERNATIVES:

N/A

FINANCIAL IMPACT:

Once the Working Group provides feedback on the draft Outline of the California Central Coast Best Practices Toolkit, AMBAG will begin the process of preparing the best practices document using funds from the REAP program.

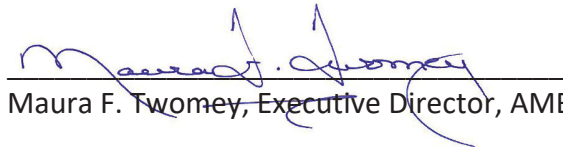
COORDINATION:

AMBAG coordinated with SLOCOG, SBtCOG, and SBCAG to identify AMBAG as the appropriate agency to prepare the regional best practices toolkit per AMBAG's role as Fiscal Agent and regional grant administrator.

ATTACHMENT:

1. Draft Outline of California Central Coast Housing Best Practices Toolkit

APPROVED BY:



Maura F. Twomey, Executive Director, AMBAG

Attachment 1

Draft Outline of California Central Coast Housing Best Practices Toolkit April 2020

INTRODUCTION

THE CALIFORNIA HOUSING CRISIS and the CENTRAL COAST MEGAREGION

POTENTIAL HOUSING PLANNING STRATEGIES

- Accessory Dwelling Units
- Acquisition Rehabilitation or Conversion
- By-Right Strategies
- Commercial Development Impact Fee
- Community Land Trust
- Condominium Conversion
- Establishing an Enhanced Infrastructure Financing District
- Form-Based Code
- General Fund Allocation Including Former RDA “Boomerang” Funds
- Graduated Density Bonus
- Home Sharing Programs
- Housing Accountability Act
- Housing Development Impact Fee
- Housing Overlay Zone
- Housing Trust Funds
- Identify Potential Other Funding Sources to Pay for Growth
- Inclusionary Housing Ordinance
- Infrastructure Improvement Strategies
- In-Lieu Fees (Inclusionary Zoning)
- One-to-One Replacement
- Preservation of Mobile Homes
- Public Land for Affordable Housing
- Reduce Fees or Waivers
- Reduce Housing Operating Costs
- Reduce Parking Requirements
- Rent Stabilization
- Single Room Occupancy Preservation Ordinance
- Streamlined Permitting Process

- Surplus Public Lands Act
- Vacant Property Restrictions
- Zoning

POTENTIAL FUNDING SOURCES FOR HOUSING PLANNING AND POLICY UPDATES

- Local Government Planning Support Grant Program (LGPSGP) – Local Early Action Program (LEAP) and Regional Early Action Program (REAP)
- Affordable Housing Sustainable Communities (AHSC) Program
- Transformative Climate Communities (TCC)
- The Infill Incentive Grant (IIG) Program Community Development Block Program (CDBG)
- Multi-Family Housing Program (MHP)