



AMBAG EXECUTIVE/FINANCE COMMITTEE AGENDA

DATE: August 11, 2021

TIME: 5:00 pm

LOCATION: Conference Call
Dial-In Number: (605) 475-4700
Access Code: 203466#

The AMBAG Executive/Finance Committee meeting will be conducted via Conference Call in light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with Executive Order N-29-20 and the shelter in place directive. The AMBAG Executive/Finance Committee members will participate in the meeting from individual remote locations. We apologize in advance for any technical difficulties.

Members of the public will need to attend the meeting remotely via Conference call.

Persons who wish to address the AMBAG Executive/Finance Committee on an item to be considered at this meeting are asked to submit comments in writing at info@ambag.org by 5:00 PM, Tuesday, August 10, 2021. The subject line should read "Public Comment for the August 11, 2021 Executive/Finance Committee Meeting". The agency clerk will read up to 3 minutes of any public comment submitted.

To participate via Conference Call, please use the conference call dial-in information provided.

If you have any questions, please contact Ana Flores, Senior Executive Assistant at aflores@ambag.org or at 831-883-3750.

-
1. Call to Order
 2. Roll Call
 3. Public Comment (A maximum of three minutes on any subject not on the agenda)

4. Consent Agenda

Recommended Action: APPROVE

Note: Action listed for each item represents staff recommendation. The Executive/Finance Committee may, at its discretion, take any action on the items listed in the agenda.

A. Draft Minutes of the June 9, 2021 Meeting

Approve the draft minutes of the May 12, 2021 meeting. (Page 3)

B. List of Warrants as of May 31, 2021

Accept the list of warrants. (Page 7)

C. Accounts Receivable as of May 31, 2021

Accept the accounts receivable. (Page 9)

5. Financial Update Report

Recommended Action: INFORMATION

- Maura F. Twomey, Executive Director

Receive the financial update report which provides an update on AMBAG's current financial position and accompanying financial statements. (Page 11)

6. 6th Cycle Regional Housing Needs Allocation Methodology

Recommended Action: INFORMATION

- Heather Adamson, Director of Planning

Receive a report from Heather Adamson, Director of Planning. (Page 17)

7. Other Items

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
EXECUTIVE/FINANCE COMMITTEE MEETING
MINUTES

Conference Call

June 9, 2021

1. Call to Order

The meeting was called to order by President McShane at 5:01 p.m.

2. Roll Call

Present: Directors Funk, McShane, Petersen, Smith, and Walker Director

Absent: Freeman

Others Present: Maura Twomey, Executive Director, and Heather Adamson,
Director of Planning

3. Public Comments

There were no written or oral comments from the public.

4. Consent Agenda

The following items were enclosed: 1) the minutes of the May 12, 2021 meeting;
2) warrants as of March 31, 2021; and 3) accounts receivable as of March 31, 2021.

Motion made by Director Walker seconded by Director Petersen to approve the consent agenda. The motion passed unanimously.

5. Financial Update Report

Maura Twomey, Executive Director, gave a report on AMBAG's current financial position. The accompanying financial statements were also discussed.

6. Draft 2021 Title VI Plan

Maura Twomey, Executive Director gave a report on the draft 2021 Title VI Plan.

7. 6th Cycle Regional Housing Needs Allocation Schedule and Process

Heather Adamson, Director of Planning gave a report on the 6th Cycle Regional Housing Needs Allocation schedule and process. Brief discussion followed.

8. Other Items

None.

9. Adjournment

The meeting adjourned at 5:16 p.m.

DRAFT
AMBAG EXECUTIVE/FINANCE COMMITTEE MEETING
ATTENDANCE & VOTING RECORD

MEETING DATE: June 9, 2021

Attendance (Y= Present; AB= Absent) Voting (Y= Yes; N=No; A=Abstain)			
MEMBER	AMBAG REP	Attendance	Item# 4 Consent
Capitola	Kristen Petersen	Y	Y
Gonzales	Scott Funk	Y	Y
Greenfield	Lance Walker	Y	Y
Monterey	Ed Smith	Y	Y
Salinas	Steve McShane	Y	Y
San Juan Bautista	John Freeman	AB	n/a

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AMBAG
Check Register
May 2021

Date	Check Number	Name	Description	Amount
05/27/2021	1010	REAP - AMBAG ADMIN (WE 343)	REAP ADMIN - Q3 FY2020-21	12,436.01
05/27/2021	1011	REAP - AMBAG PROJECT (WE 344)	REAP PROJECT - Q3 FY2020-21	14,178.79
05/27/2021	1012	REAP - Atascadero (WE 344)	Atascadero - REAP PROJECT - Q3 FY2020-21	593.63
05/27/2021	1013	REAP - Carpinteria (WE 344)	Carpinteria - REAP PROJECT - Q3 FY2020-21	12,837.03
05/27/2021	1015	REAP - Del Rey Oaks (WE 344)	Del Rey Oaks - REAP PROJECT - Q3 FY2020-21	7,821.00
05/27/2021	1016	REAP - Gonzales (WE 344)	Gonzales - REAP PROJECT - Q3 FY2020-21	2,980.61
05/27/2021	1018	REAP - Marina (WE 344)	Marina - REAP PROJECT - Q3 FY2020-21	11,242.93
05/27/2021	1019	REAP - Santa Maria (WE 344)	Santa Maria - REAP PROJECT - Q3 FY2020-21	27,833.00
05/27/2021	1020	REAP - SBCAG (WE 344)	SBCAG - REAP PROJECT - Q3 FY2020-21	69,088.84
05/27/2021	1021	REAP - SLOGOG (WE 344)	SLOGOG - REAP PROJECT - Q3 FY2020-21	14,689.03
05/27/2021	1024	REAP - County of Santa Cruz (WE 344)	County of Santa Cruz - REAP PROJECT - Q3 FY2020-21	99,937.50
05/27/2021	1025	REAP - Guadalupe (WE 344)	City of Guadalupe - REAP PROJECT - Q3 FY2020-21	1,575.00
05/13/2021	29465	BenitoLink	Public Notice 04/30/21	25.00
05/13/2021	29466	BOD - Bob Tiffany	BOD Meeting 5/12/21	50.00
05/13/2021	29467	BOD - Carlos Victoria	BOD Meeting 5/12/21	50.00
05/13/2021	29468	BOD - Ed Smith	BOD Meeting 5/12/21	50.00
05/13/2021	29469	BOD - Eduardo Montesino	BOD Meeting 5/12/21	50.00
05/13/2021	29470	BOD - Greg Caput	BOD Meeting 5/12/21	50.00
05/13/2021	29471	BOD - John Freeman	BOD Meeting 5/12/21	50.00
05/13/2021	29472	BOD - Jon Wizard	BOD Meeting 5/12/21	50.00
05/13/2021	29473	BOD - Karen Ferlito	BOD Meeting 5/12/21	50.00
05/13/2021	29474	BOD - Kim Shirley	BOD Meeting 5/12/21	50.00
05/13/2021	29475	BOD - Lance Walker	BOD Meeting 5/12/21	50.00
05/13/2021	29476	BOD - Lisa Berkley	BOD Meeting 5/12/21	50.00
05/13/2021	29477	BOD - Manu Koenig	BOD Meeting 5/12/21	50.00
05/13/2021	29478	BOD - Mark Medina	BOD Meeting 5/12/21	50.00
05/13/2021	29479	BOD - Mary Adams	BOD Meeting 5/12/21	50.00
05/13/2021	29480	BOD - Mary Ann Carbone	BOD Meeting 5/12/21	50.00
05/13/2021	29481	BOD - Renee Golder	BOD Meeting 5/12/21	50.00
05/13/2021	29482	BOD - Rick Perez	BOD Meeting 5/12/21	50.00
05/13/2021	29483	BOD - Scott Funk	BOD Meeting 5/12/21	50.00
05/13/2021	29484	BOD - Steve McShane	BOD Meeting 5/12/21	50.00
05/13/2021	29485	CALCOG	Member Subscription to Capitol Morning Report	200.00
05/13/2021	29486	Caliper Corporation - WE 257	Supra-Regional ABM Framework Project Work for April 1-30, 2021	4,872.50
05/13/2021	29487	Caltronics Business Systems, Inc	Copier Usage Bill for 3/22/21 - 4/21/21	178.36
05/13/2021	29488	Iron Mountain, Inc.	Offsite Document Storage for April 2021	112.95
05/13/2021	29489	Language Line Services, Inc.	Translation of Document	498.07
05/13/2021	29490	Monterey Computer Corporation, Inc.	IT Support Services for May 2021	1,250.00
05/13/2021	29491	New SV Media, Inc.	HOL Public Notice- Notice of Action MTIP 4/30/21	220.00
05/13/2021	29492	Planeteria Media	Website Development and Maintenance - April 2021	400.00
05/13/2021	29493	Population Reference Bureau (PRB)	Forecast Related Services Completed in February 2021	888.31
05/13/2021	29494	Rayne Water, Inc.	Water for the Period of 05/01/2021 through 05/31/2021	64.09
05/13/2021	29495	Rincon Consultants, Inc.	2045 MTP/SCS/RTP - EIR Services for Period 2/1/21 - 2/28/21	4,016.25
05/13/2021	29496	Santa Cruz Sentinel(MediaNews Group, Inc.	Notice of Action - Formal Amendment No. 2 04/28/21	240.00

Unaudited

**AMBAG
Check Register
May 2021**

Date	Check Number	Name	Description	Amount
05/13/2021	29497	The Sohagi Law Group	Legal Services 2045 MTP/SCS through 4/30/21	975.00
05/13/2021	29498	New SV Media, Inc.	HOL Public Notice - 2045 MTP/SCS Workshops 5/7/21	110.00
05/15/2021	EFT	Pachex, Inc.	Net Payroll and Related Expenses for Period Ending 5/15/21	92,134.33
05/24/2021	EFT	AT&T (FAX Line)	Fax Line Billed in Advance From 5/02/21 - 6/01/21	126.26
05/27/2021	29499	AT&T (Silver Cloud VoIP 2019)	Monthly Charges for VoIP Lines (Main Line, Staff Lines) and Fiber MIS - 05/11/21 - 06/10/21	542.50
05/27/2021	29500	Comcast - Monterey	High Speed Internet for 5/22/2021 - 06/21/2021	476.41
05/27/2021	29503	Monterey Bay Air Resources District	June 2021 Rent	5,968.00
05/27/2021	29504	Monterey Computer Corporation, Inc.	IT Support Services - Replace Hard Disk & Install Windows	302.36
05/27/2021	29505	Office Depot Credit Plan	Office Supplies	28.94
05/27/2021	29506	Perry and Freeman	Legal Services for June 2021	1,125.00
05/27/2021	29507	Population Reference Bureau (PRB)	Forecast Related Services Completed in March 2021	1,447.02
05/27/2021	29508	Rayne Water, Inc.	Water for the Period of 06/01/2021 through 06/30/2021	64.09
05/27/2021	29509	Rincon Consultants, Inc.	2045 MTP/SCS/RTP - EIR Services for Period 3/1/21 - 3/31/21	7,291.50
05/27/2021	29510	Staples Credit Plan, Inc.	Office Supplies	126.26
05/27/2021	29512	Office Depot Credit Plan	Office Supplies	5.27
05/27/2021	29513	Office Depot Credit Plan	Office Supplies	528.36
05/31/2021	EFT	Pachex, Inc.	Net Payroll and Related Expenses for Period Ending 5/31/21	75,626.81
Total				\$ 476,007.01

Unaudited

AMBAG
A/R Aging Detail
As of May 31, 2021

Date	Num	Name	Memo	Due Date	Aging	Open Balance	Paid
05/31/2021	4124	CA Department of Housing (HCD)	ALL AMBAG (ACCRUAL ONLY)	05/31/2021		2,609.45	
05/31/2021	4125	CA Department of Housing (HCD)	ALL AMBAG (ACCRUAL ONLY)	05/31/2021		15,435.97	
05/31/2021	4150	RAPS A/R	ALL AMBAG	05/31/2021		9,078.87	
05/31/2021	4151	RAPS A/R	ALL AMBAG	05/31/2021		4,441.99	
05/31/2021	4152	San Benito Council of Governments	ALL AMBAG - (ACCRUAL ONLY)	05/31/2021		2,285.09	
05/26/2021	4121	GHG Inventories (WE 331):Central Coast Community Energy (3CE)	ALL AMBAG	06/25/2021		12,600.00	PAID
05/31/2021	4122	SIVCEO - CCEW (WE 332)	ALL AMBAG	06/30/2021		3,300.00	PAID
05/31/2021	4148	Caltrans, D5	Rincon \$2,350.00, The Sohagi Law Group \$1,650.00	06/30/2021		180,907.52	PAID
04/30/2021	4118	SIVCEO - CCEW (WE 332)	ALL AMBAG	05/30/2021	1	4,220.00	PAID
04/30/2021	4123	Caltrans, D5	Rincon \$11,925.00, The Sohagi Law Group \$975.00, Language Line Services \$498.07	05/30/2021	1	192,398.67	PAID
03/31/2021	4110	SIVCEO - CCEW (WE 332)	ALL AMBAG	04/30/2021	31	1,650.00	PAID
04/30/2021	4119	RAPS A/R	ALL AMBAG	04/30/2021	31	11,668.19	PAID
04/30/2021	4120	RAPS A/R	ALL AMBAG	04/30/2021	31	1,590.12	PAID
03/31/2021	4116	RAPS A/R	ALL AMBAG	03/31/2021	61	5,881.61	PAID
03/31/2021	4117	RAPS A/R	ALL AMBAG	03/31/2021	61	2,796.85	PAID
			Total AMBAG Receivables			<u>\$ 450,864.33</u>	

PAID Reflects payments received subsequent to May 31, 2021.

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MEMORANDUM

TO: AMBAG Executive/Finance Committee

FROM: Maura F. Twomey, Executive Director

RECOMMENDED BY: Errol Osteraa, Director of Finance and Administration

SUBJECT: Financial Update Report

MEETING DATE: August 11, 2021

RECOMMENDATION:

Staff recommends that the Executive/Finance Committee receive the Financial Update Report.

BACKGROUND/ DISCUSSION:

The enclosed financial reports are for the 2020-2021 Fiscal Year (FY) and are presented as a consent item. The attached reports contain the cumulative effect of operations through May 31, 2021 as well as a budget-to-actual comparison. Amounts in the Financial Update Report are unaudited.

FINANCIAL IMPACT:

The Balance Sheet for May 31, 2021 reflects a cash balance of \$4,164,776.16. The accounts receivable balance is \$450,864.33, while the current liabilities balance is \$149,141.33. AMBAG has sufficient current assets on hand to pay all known current obligations.

Due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in FY 2014-2015 and a restatement to Net Position for GASB Statement No. 82, AMBAG has a deficit Net Position in the amount of \$192,592.38. Although AMBAG's Balance Sheet as of May 31, 2021 reflects a deficit Net Position, AMBAG's Profit and Loss Statement reflects an excess of revenue over expense of \$8,394.20.

The following table highlights key Budget to Actual financial data:

Budget to Actual Financial Highlights
For Period July 1, 2020 through May 31, 2021

Expenditures	Budget Through May 2021	Actual Through May 2021	Difference
Salaries & Fringe Benefits	\$ 2,520,381.00	\$ 2,026,880.80	\$ 493,500.20
Professional Services	\$ 7,289,100.00	\$ 719,090.70	\$ 6,570,009.30
Lease/Rentals	\$ 83,417.00	\$ 73,195.32	\$ 10,221.68
Communications	\$ 22,733.00	\$ 17,828.67	\$ 4,904.33
Supplies	\$ 113,117.00	\$ 15,606.15	\$ 97,510.85
Printing	\$ 10,588.00	\$ 871.65	\$ 9,716.35
Travel	\$ 69,208.00	\$ 377.93	\$ 68,830.07
Other Charges	\$ 316,774.00	\$ 289,577.64	\$ 27,196.36
Total	<u>\$ 10,425,317.00</u>	<u>\$ 3,143,428.86</u>	<u>\$ 7,281,889.14</u>
Revenue			
Federal/State/Local Revenue	\$ 10,447,938.00	\$ 3,151,823.06	\$ 7,296,114.94
Note: AMBAG is projecting a surplus, therefore budgeted revenues do not equal expenses.			

Revenues/Expenses (Budget to Actual Comparison):

The budget reflects a linear programming of funds while actual work is contingent on various factors. Therefore, during the fiscal year there will be fluctuations from budget-to-actual.

Professional Services are under budget primarily due to the timing of work on projects performed by contractors. Work is progressing on the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). This work is not performed in a linear fashion while the budget reflects linear programming. In addition, the Regional Early Action Planning Housing Program (REAP) provides \$7,931,311 in funding of which a large portion will pass through to partner agencies. It is in its early stages.

Since AMBAG funding is primarily on a reimbursement basis, any deviation in expenditure also results in a corresponding deviation in revenue. Budget-to-actual revenue and expenditures are monitored regularly to analyze fiscal operations and propose amendments to the budget if needed.

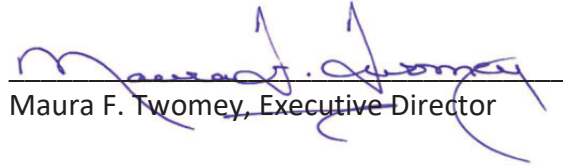
COORDINATION:

N/A

ATTACHMENTS:

1. Balance Sheet as of May 31, 2021
2. Profit and Loss: July 1, 2020 – May 31, 2021
3. Cash Activity for June, 2021

APPROVED BY:



Maura F. Twomey, Executive Director

AMBAG
Balance Sheet - Attachment 1
As of May 31, 2021

	<u>May 31, 2021</u>		<u>May 31, 2021</u>
Assets		Liabilities & Net Position	
Current Assets		Liabilities	
Cash and Cash Equivalents		Current Liabilities	
Mechanics Bank - Special Reserve	300,551.96	Accounts Payable	15,654.66
Mechanics Bank - Checking	417,420.18	Employee Benefits	133,486.67
Mechanics Bank - REAP Checking	3,442,624.29	Mechanics Bank - Line of Credit	0.00
Petty Cash	500.00	Total Current Liabilities	<u>149,141.33</u>
LAIF Account	3,679.73		
Total Cash and Cash Equivalents	<u>4,164,776.16</u>		
Accounts Receivable		Long-Term Liabilities	
Accounts Receivable	450,864.33	Deferred Inflows - Actuarial	258,986.95
Total Accounts Receivable	<u>450,864.33</u>	Net Pension Liability (GASB 68)	1,888,153.69
		OPEB Liability	9,992.92
Other Current Assets		Deferred Revenue	3,503,176.35
Due from PRWFPA/RAPS	45.76	Total Long-Term Liabilities	<u>5,660,309.91</u>
Prepaid Items	3,632.02		
Total Other Current Assets	<u>3,677.78</u>	Total Liabilities	<u>5,809,451.24</u>
Total Current Assets	<u>4,619,318.27</u>		
Long-Term Assets			
Net OPEB Asset	96,473.00		
FY 2002-2003 Housing Mandate Receivable	82,186.00		
Allowance for Doubtful Accounts	(16,437.20)		
Deferred Outflows - Actuarial	533,833.49		
Deferred Outflows - PERS Contribution	272,963.59		
Total Long-Term Assets	<u>969,018.88</u>		
Capital Assets		Net Position	
Capital Assets	196,516.49	Beginning Net Position	(200,986.58)
Accumulated Depreciation	(167,994.78)	Net Income/(Loss)	8,394.20
Total Capital Assets	<u>28,521.71</u>	Total Ending Net Position	<u>(192,592.38)</u>
Total Assets	<u><u>5,616,858.86</u></u>	Total Liabilities & Net Position	<u><u>5,616,858.86</u></u>

AMBAG
Profit & Loss - Attachment 2
July - May 2021

		<u>July - May 2021</u>
Income		
AMBAG Revenue		174,506.86
Cash Contributions		254,718.03
Grant Revenue		2,539,508.53
Non-Federal Local Match		183,089.64
Total Income		<u>3,151,823.06</u>
Expense		
Salaries		1,335,824.61
Fringe Benefits		691,056.19
Professional Services		719,090.70
Lease/Rentals		73,195.32
Communications		17,828.67
Supplies		15,606.15
Printing		871.65
Travel		377.93
Other Charges:		
BOD Allowances	9,300.00	
BOD Refreshments/Travel/Nameplates/Dinner/Other	24.76	
Workshops/Training	4,650.24	
GIS Licensing/CCJDC Support	10,247.28	
Energy Watch Travel/Classes/Events/Recruitment/Other	142.50	
REAP Travel/Classes/Events	525.00	
SB1/MTIP/MTP/SCS/OWP/Public Participation Expenses	16,004.75	
Recruiting	159.90	
Dues & Subscriptions	22,087.78	
Depreciation Expense	10,232.75	
Maintenance/Utilities	954.99	
Insurance	31,152.66	
Interest/Fees/Tax Expense	1,005.39	
Total Other Charges		<u>106,488.00</u>
Non-Federal Local Match		<u>183,089.64</u>
Total Expense		<u>3,143,428.86</u>
Net Income/(Loss)		<u><u>8,394.20</u></u>

AMBAG
Cash Activity - Attachment 3
For June 2021

Monthly Cash Activity
AMBAG

	July-20	August-20	September-20	October-20	November-20	December-20	January-21	February-21	March-21	April-21	May-21	June-21	TOTAL
1. CASH ON HAND													
[Beginning of month]	772,031.66	814,688.20	4,878,895.20	4,754,892.51	4,708,900.74	4,560,922.43	4,606,870.02	4,582,727.73	4,456,150.40	4,477,085.65	4,257,377.19	4,164,776.16	
2. CASH RECEIPTS													
(a) AMBAG Revenue	139,439.41	52,071.03	6,084.33	6,771.38	10,439.86	80,018.62	27,219.27	19,885.14	17,687.32	6,829.56	383,405.98	23,601.14	773,453.04
(b) Grant Revenue	223,043.84	234,066.92	175,754.83	186,041.95	220,934.45	172,754.58	167,438.87	227,323.59	203,307.46	0.00	0.00	192,398.67	2,003,065.16
(c) REAP Advance Payment	0.00	3,982,887.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,982,887.02
(d) Borrowing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. TOTAL CASH RECEIPTS	362,483.25	4,269,024.97	181,839.16	192,813.33	231,374.31	252,773.20	194,658.14	247,208.73	220,994.78	6,829.56	383,405.98	215,999.81	6,759,405.22
4. TOTAL CASH AVAILABLE	1,134,514.91	5,083,713.17	5,060,734.36	4,947,705.84	4,940,275.05	4,813,695.63	4,801,528.16	4,829,936.46	4,677,145.18	4,483,915.21	4,640,783.17	4,380,775.97	
5. CASH PAID OUT													
(a) Payroll & Related *	181,793.09	177,728.17	188,909.28	172,587.88	194,910.99	184,358.39	180,010.71	192,275.58	175,346.52	192,222.91	167,761.14	184,220.57	2,192,125.23
(b) Professional Services	62,640.92	13,450.00	103,801.55	48,985.34	169,174.97	10,027.24	15,470.08	169,138.43	3,300.00	20,575.48	298,177.02	17,623.03	932,364.06
(c) Capital Outlay	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,485.13	0.00	0.00	34,999.00	43,484.13
(d) Lease/Rentals	12,511.90	6,343.70	6,850.77	6,597.44	6,750.04	6,622.60	6,531.01	6,931.20	6,802.41	6,892.53	6,259.31	945.14	80,038.05
(e) Communications	2,140.93	1,014.23	1,248.30	1,221.69	1,485.10	3,329.20	2,224.12	1,362.11	1,432.06	2,099.91	1,145.17	903.46	19,606.28
(f) Supplies	2,622.28	2,712.26	3,510.75	4,711.75	435.34	1,059.60	413.08	265.90	467.72	0.00	791.19	247.82	17,237.69
(g) Printing	871.65	670.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,541.80
(h) Travel	40.00	0.00	117.92	56.38	60.01	0.00	40.00	40.00	0.00	40.00	0.00	86.82	481.13
(i) Other Charges	57,205.94	2,899.46	1,403.28	4,644.62	6,536.17	1,428.58	14,111.43	3,772.84	4,225.69	4,707.19	1,873.18	1,386.69	104,195.07
(j) Loan Repayment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. TOTAL CASH PAID OUT	319,826.71	204,817.97	305,841.85	238,805.10	379,352.62	206,825.61	218,800.43	373,786.06	200,059.53	226,538.02	476,007.01	240,412.53	3,391,073.44
7. CASH POSITION	814,688.20	4,878,895.20	4,754,892.51	4,708,900.74	4,560,922.43	4,606,870.02	4,582,727.73	4,456,150.40	4,477,085.65	4,257,377.19	4,164,776.16	4,140,363.44	

Payroll & Related *



MEMORANDUM

TO: AMBAG Executive/Finance Committee

FROM: Maura F. Twomey, Executive Director

RECOMMENDED BY: Heather Adamson, Director of Planning

SUBJECT: 6th Cycle Regional Housing Needs Allocation Methodology

MEETING DATE: August 11, 2021

RECOMMENDATION:

This is an informational item only.

BACKGROUND/ DISCUSSION:

California State Housing Element Law enacted in 1980 requires AMBAG, acting in the capacity of Council of Governments (COG), to develop a methodology for distributing existing and projected housing need to local jurisdictions in Monterey and Santa Cruz Counties. Housing law also sets forth a process, schedule, objectives and factors to use in the RHNA methodology. The methodology must address allocation of housing units by jurisdiction, housing units by income group, and must address 12 housing-related factors and five statutory objectives. The Council of San Benito County Governments performs this same function for San Benito County.

AMBAG is in the planning phase for the 2023-2031 RHNA period. As there have been five previous housing element update cycles, this round is also known as the 6th Cycle RHNA. The 6th Cycle of RHNA is different from previous rounds in that it significantly increases the amount of housing a region must plan for due to recent legislative changes found in SB 828 (2018), AB 1771 (2018), and AB 686 (2018) which altered HCD RHNA determinations as follows:

- Adjusts RHNA up by setting a target “healthy” vacancy rate of no less than 5% for rental housing;
- Adjusts RHNA up by redistributing overcrowding into housing units;

- Allows HCD to adjust RHNA upwards based on comparing the difference in cost-burden by income group for the region to the cost burden by income group for comparable regions, and adjusting the very-low and low income housing need upwards accordingly;
- Prohibits the use of previous underproduction of housing or stable population growth to reduce housing development goals;
- Requires RHNA methodologies to promote fair housing, and reduce income and racial segregation when allocating housing of various income types.

As this cycle of RHNA has changed significantly from previous rounds, this item does not include a summary of AMBAG's 5th Cycle RHNA Plan. For information on AMBAG's previous 5th Cycle 2014-2023 RHNA plan, see this link.

RHNA is a projection of additional housing units needed to accommodate projected household growth of all income levels from the start until the end date of the projection period. RHNA is not a prediction of building permits, construction, or housing activity, nor is it limited due to existing land use capacity or growth. A community is not obligated to provide housing to all in need. RHNA is a distribution of housing development capacity that each city and county must zone for in a planning period and is not a construction need allocation.

RHNA Process and Schedule

As part of the RHNA process, State law (Government Code 65584 et seq.) requires AMBAG to determine each local jurisdiction's share of the region's future housing need. The RHNA produces regional, subregional and local targets for the amount and type of housing needed over the planning period. In spring 2021, AMBAG began consulting with the California Department of Housing and Community Development (HCD) and the Department of Finance (DOF) regarding the total regional housing need. AMBAG is scheduled to receive a 2023-2031 regional housing need determination from HCD in August 2021. HCD is responsible for determining the regional housing needs total, segmented by income levels, for each of the state's COGs.

Once HCD has provided AMBAG its two-county total housing determination, AMBAG is responsible for developing a methodology to allocate the housing need amongst all of the jurisdictions within the COG region. Throughout this process, the Planning Directors Forum, which includes representatives from member jurisdictions in Monterey and Santa Cruz Counties, serves as a technical working group to assist in the development of the 2023-2031 RHNA methodology and plan, similar to what was established for the 2014-2023 RHNA Plan.

Following adoption of the RHNA plan and approval of that plan by HCD, the local jurisdictions must update their housing elements as necessary to accommodate the regional housing allocations by assuring that adequate sites and zoning capacity are

available to accommodate at least the number of units allocated. The housing elements are reviewed for approval by HCD. In some cases, funding from state/federal housing programs can only be accessed if the jurisdiction has a compliant housing element. Other fiscal penalties can be applied by the state for having a non-compliant housing element.

Additional detail on the proposed RHNA schedule is listed in Figure 1 below. These dates are based on the MTP/SCS adoption date, and statutory requirements and deadlines provided by HCD.

Figure 1: Revised RHNA Schedule

TARGET SCHEDULE	TASK
Spring - Summer 2021	AMBAG staff begins early consultation with HCD on 6th Cycle RHNA Determination
Spring - Fall 2021	Discussions with Planning Directors Forum on potential RHNA methodology options and factors
July 1, 2021	Jurisdictions receive RHNA survey on local planning factors and affirmatively furthering fair housing
August 16, 2021	RHNA survey due back to AMBAG from local jurisdictions
August 2021	6th Cycle RHNA Determination expected from HCD
September 2021	HCD presents at AMBAG Board Meeting
Summer - Winter 2021	Potential RHNA methodology options discussed by AMBAG Board
November 2021	Selection of proposed RHNA methodology by AMBAG Board
November 2021 - January 2022	HCD Reviews Draft Methodology
January/February 2022	Approval of final RHNA methodology by AMBAG Board
January/February 2022	Release draft RHNA plan with RHNA allocations by jurisdiction
May 2022	AMBAG releases final 2045 MTP/SCS accommodating RHNA
June 2022	Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board
December 2023	Jurisdiction's 6th Cycle Housing Elements are due to HCD

Statutory Objectives and Factors for RHNA Methodology

State statute requires AMBAG to consider or further a series of five objectives and 12 factors, many of which have been newly amended by state legislation since 2018 (see Attachment 1). The following five objectives must be considered during the development of the methodology to allocate housing needs in the region:

1. Increase Housing Supply and Mix of Housing Types
2. Promote Infill, Equity, and Environment
3. Ensure Jobs Housing Balance and Fit
4. Promote Regional Income Parity

5. Affirmatively Further Fair Housing

The RHNA objectives provide the guiding framework for how AMBAG must develop the methodology. AMBAG is required to demonstrate how its methodology furthers each of the objectives. This requires proactive inclusion of each objective into the analysis and represents a higher standard than in previous cycles, which required allocation methodologies only to be generally consistent with state objectives.

In order for the RHNA methodology to be approved, HCD must make a determination on whether it meets these five objectives and is consistent with RHNA statutes. If any objective is not adequately addressed, the methodology must be revised and resubmitted until HCD determines the methodology meets all RHNA objectives. The AMBAG Board cannot approve a methodology and the draft RHNA allocation cannot be produced until HCD has approved the RHNA methodology.

In addition, there are 13 RHNA factors that AMBAG must consider when distributing each jurisdiction's overall and income category allocations. State law mandates that the RHNA factors be incorporated into the methodology to the extent that sufficient data is available. A summary of the factors is listed below. State statute references and definitions are provided in Attachment 1.

1. Jobs and housing relationship
2. Opportunities and constraints to development of additional housing, including capacity for sewer and water service, availability of land suitable for development, lands preserved or protected from development, and county policies to preserve prime agricultural land.
3. Opportunities to maximize transit and existing transportation infrastructure
4. Policies directing growth toward incorporated areas
5. Loss of units contained in assisted housing developments
6. High housing cost burdens
7. Rate of overcrowding
8. Housing needs of farmworkers
9. Housing needs of UC and Cal State students
10. The housing needs of individuals and families experiencing homelessness
11. Loss of units during an emergency
12. SB 375 Greenhouse Gas Reduction Targets
13. Other factors adopted by Council of Governments (COGs)

Potential RHNA Methodology Options

For the past few months, AMBAG has been working with the Planning Directors Forum on reviewing potential options for developing a RHNA methodology. Staff also presented methodologies used by other COGs during the 6th Cycle. A summary of those options can be found in Attachment 2.

While all the factors are considered while developing RHNA, in order to develop a streamlined RHNA methodology, most COGs focus on a few priority factors. Based on recent discussions with the Planning Directors Forum on various RHNA methodology approaches, some factors such as growth forecast/growth rate, employment, transit, and Affirmatively Further Fair Housing were identified as priority factors that AMBAG should consider in developing the RHNA methodology. Additionally, some Planning Directors Forum members thought that a wildfire risk factor should also be explored.

The AMBAG Board of Directors is asked to provide feedback on factors to be included in a methodology including the factors identified as priority from the PDF.

AMBAG is continuing to work with the Planning Directors Forum on RHNA methodology development. Staff will share Board comments and direction on RHNA methodology options at its next meeting scheduled for August 23, 2021. Staff will return to the Board with more information on RHNA methodology options for discussion over the next couple months. The Board will be asked to select a RHNA methodology in November 2021 to submit to HCD for review.

ALTERNATIVES:

N/A

FINANCIAL IMPACT:

Planning activities for RHNA are funded with REAP and SB 1 planning funds and are programmed in the FY 2021-22 Overall Work Program and Budget.

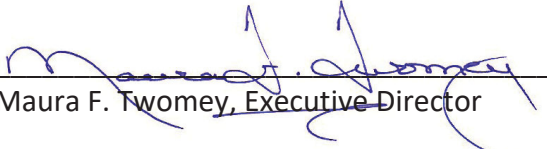
COORDINATION:

All RHNA planning activities are coordinated with the HCD, SBtCOG, and the Planning Directors Forum which includes all the local jurisdictions.

ATTACHMENTS:

1. Regional Housing Needs Allocation Objectives and Factors
2. 6th Cycle RHNA Methodologies Used by Other Councils of Governments

APPROVED BY:


Maura F. Twomey, Executive Director

ATTACHMENT 1
REGIONAL HOUSING NEEDS ALLOCATION OBJECTIVES AND FACTORS (§65584.04.E)

This section describes the Regional Housing Needs Allocation (RHNA) objectives and factors identified in state statute which AMBAG must consider. Objectives must be met in all RHNA methodologies. Factors must be considered to the extent sufficient data is available when developing its RHNA methodology.

RHNA Plan Objectives, Government Code 65584(d)

The regional housing needs allocation plan shall further all of the following objectives:

1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very-low-income households.
2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
5. Affirmatively furthering fair housing.

RHNA Plan Factors, Government Code 65584(e)

1. Jobs and housing relationship

"Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period." - §65584.04(e)

2. Opportunities and constraints to development of additional housing (see below)

2a. Capacity for sewer and water service

"Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period." - §65584.04(e)

2b. Availability of land suitable for urban development

"The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding." - §65584.04(e)

2c. Lands preserved or protected from urban development

"Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses." - §65584.04(e)

2d. County policies to preserve prime agricultural land

"County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses." - §65584.04(e)

3. Opportunities to maximize transit and existing transportation infrastructure

"The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure." - §65584.04(e)

4. Policies directing growth toward incorporated areas

"Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to non-agricultural uses." - §65584.04(e)

5. Loss of units contained in assisted housing developments

"The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions." - §65584.04(e)

6. High housing cost burdens

"The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent."

7. Rate of Overcrowding

Factor undefined. - §65584.04(e)

8. Housing needs of farmworkers

Factor undefined. - §65584.04(e)

9. Housing needs of UC and Cal State students

"The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction." - §65584.04(e)

10. Individuals and families experiencing homelessness

Factor undefined. - §65584.04(e)

11. Loss of units during an emergency

"The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis." - §65584.04(e)

12. SB 375 Greenhouse Gas Reduction Targets

"The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080." - §65584.04(e)

13. Other factors adopted by Council of Governments

"Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions." - §65584.04(e)

ATTACHMENT 2

6th Cycle RHNA Methodologies Used by Other Councils of Governments

Introduction

To inform AMBAG's methodology, AMBAG staff has reviewed 6th Cycle RHNA allocation methodologies used by other COGs. These other allocation methodologies give a sense of the variety of possible approaches to allocating the RHNA. The RHNA allocation methodologies reviewed include a range of approaches, from simplified allocations using only the household or population growth in adopted growth forecasts to more involved allocations incorporating existing or forecasted jobs, and adjustments for very low and low income levels. In most cases, the COG's adopted growth forecasts are used as a starting point in the RHNA process, with additional adjustments made as necessary. Starting the RHNA allocation process with a base determined by the regional growth forecast establishes a foundational allocation that recognizes the significant capacity differences between jurisdictions and provides for an allocation that is suitable for each jurisdiction's existing size.

The following RHNA allocation processes are summarized below:

- Southern California Association of Governments
- Sacramento Area Council of Governments
- Association of Bay Area Governments
- Santa Barbara County Association of Governments
- Butte County Association of Governments
- San Diego Association of Governments (SANDAG)

Southern California Association of Governments (SCAG)

SCAG's 5th Cycle of RHNA determined a need for 412,137 units for the 6.8-year period of 2014 through 2021. For the current 6th Cycle, the determination of 1,341,827 housing units for the SCAG region has been proposed and adopted for the 8.25-year projection period of 2021 through 2029. SCAG's allocation increased by 225 percent between the 5th and 6th RHNA cycle. Compared to the prior 5th Cycle, SCAG's large increase is primarily attributed to the growth that the region has projected for 2020-2030.

The SCAG 6th Cycle methodology includes the following steps:

- Assumed expected housing growth according to the regional growth forecast accommodates a portion of the RHNA housing need
- Increase projected housing need based on a healthier vacancy rate, redistributing overcrowding to housing units, and replacement of any lost units due to events such as disasters
- Allocate remaining housing need based on HCD RHNA determination: 50% in high quality transit area, 50% in high jobs accessibility zones
- Redistribute a portion of housing assigned to extremely disadvantaged communities (per HCD Opportunity Indices) to non-disadvantaged areas with proximity to high quality transit and high jobs accessibility zones (50/50).
- Apply a social equity adjustment to assure that housing for the different income categories (very low, low, moderate, above moderate) is distributed more evenly, assigning more lower and moderate income housing to jurisdictions with less of those income category housing types.
- Applied an AFFH allocation method to place more affordable housing in high resource zones per HCD Opportunity Indices.

Sacramento Area Council of Governments (SACOG)

SACOG's 5th Cycle of RHNA determined a need for 104,970 units for the 7.6-year period of 2013 through 2021. For the current 6th Cycle, the determination of 153,512 housing units for the SACOG region has been proposed and adopted for the 8.2-year projection period of June 2021 through August 2029. SACOG's allocation increased by 46 percent between the 5th and 6th RHNA Cycle. Compared to the prior 5th Cycle, SACOG's increase is primarily attributed to the different housing climate in 2019, and the inclusion of two new existing need considerations (overcrowding and cost-burden). For the 5th Cycle, SACOG received a downward RHNA adjustment to account for the high vacancy rates as a result of the recession. The upward adjustment for the 6th Cycle is to help bring the SACOG's vacancy rate back to a healthy rate of 5 percent. The change in vacancy rates alone is the result of over 35,000 units being allocated to SACOG for the 6th Cycle of RHNA.

The methodology used by SACOG for its 2021-2029 Regional Housing Needs Plan (RHNP) starts by assigning projected and needed housing units according to the regional growth forecast.

SACOG then assigns the proportion of four housing income-categories (very low, low, moderate, above moderate) that each jurisdiction must plan for based on adjustment factors. The adjustment factors address accommodating regional income parity, affirmatively furthering fair housing and achieving a better jobs/housing balance.

The SACOG 6th Cycle RHNA methodology uses the following process:

- Assumed expected housing growth according to the regional growth forecast accommodates a portion of the RHNA housing need for each jurisdiction
- Assign remaining RHNA need to jurisdictions proportionally based on their regional growth forecast housing proportions
- Apply Regional Income Parity adjustment: Jurisdictions with a lower proportion of lower income households receive a higher portion of lower income units; Jurisdictions with a higher proportion of lower income households receive a lower portion of lower income units.
- Apply an Affirmatively Further Fair Housing adjustment: Jurisdictions with a higher proportion of units in high opportunity areas receive a higher proportion of lower income units; Jurisdictions with a lower proportion of units in high opportunity areas receive a lower proportion of lower income units.
- Apply a Jobs/Housing Balance allocation method: Jurisdictions with a higher proportion of low-wage workers per affordable unit receive a higher proportion of lower income units; Jurisdictions with a lower proportion of low-wage workers per affordable unit receive a lower proportion of lower income units.
- Weighting and balancing the three adjustment factors to assure that one adjustment factor is not disproportionately affecting the housing assignment.

Association of Bay Area Governments (ABAG)

ABAG's 5th Cycle of RHNA determined a need for 187,900 units for the 8.5-year period of 2014 through 2022. For the current 6th Cycle, the determination of 441,176 housing units for the ABAG region has been proposed and adopted for the 8.5-year projection period of June 2021 through December 2030. ABAG's allocation increased by 135 percent between the 5th and 6th RHNA Cycle. Compared to the prior 5th Cycle, ABAG's large increase is primarily attributed to the projected economic growth that will attract more homeowners and renters into the area. This growth will additionally address the housing crisis in the Bay Area and promote more equity. ABAG housing units are distributed to ABAG's nine counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Solano, and Sonoma, along with its 101 cities and towns.

The ABAG approach applied two different methodologies for Very Low/Low units and Moderate/Above Moderate units. The methodology for low income units was more heavily weighted towards AFFH when allocating Very Low and Low Income units. The other methodology for Moderate and Above Moderate units was more heavily weighted on vehicle commutes (see below).

TWO-PART ABAG ALLOCATION	
Very Low & Low Income Allocation	Moderate & Above Moderate Allocation
70% AHOA (AFFH allocation method)	40% AHOA (AFFH allocation method)
15% Short Drive to Jobs (JPA)	60% Short Drive to Jobs (JPA)
15% Short Transit Ride to Jobs (JPT)	

Very Low and Low Income units were allocated with more emphasis on AFFH compliance. Moderate and Above Moderate populations were placed closer to job clusters to show consistency with the MTP where more mid-high income housing is structured around job centers, and higher income employees use less transit.

The ultimate split using this approach allocated the total RHNA as follows:

- 52% AFFH based (AHOA)
- 41% short drive to work (JPA)
- 7% short transit ride to work (JPT)

The ABAG 6th Cycle RHNA methodology uses the following process:

1. Comparable regions analysis was performed to calculate average overcrowding and cost-burden issues and make appropriate adjustments to housing need.
2. Housing growth proportions per jurisdiction according to the regional growth was used to assign RHNA housing need for each jurisdiction.
 - a. 70% access to high job opportunity areas. Opportunity areas are determined using the HCD and the California Tax Credit Allocation Committee (TCAC) 2020 Opportunity maps. This approach assigns lower income housing to higher income more affluent areas and achieves state goals of affirmatively furthering fair housing.
 - b. 15% short drive to work (within 30 minutes)
 - c. 15% short transit ride to work (within 45 minutes)
3. The proportion of moderate and above moderate units was assigned based on two allocation methods.
 - a. 40% access to high job opportunity areas. Opportunity areas are determined using the HCD and the California Tax Credit Allocation Committee (TCAC) 2020 Opportunity maps. This approach assigns lower income housing to higher income more affluent areas and achieves state goals of affirmatively furthering fair housing.
 - b. 60% short drive to work (within 30 minutes)

Santa Barbara County Association of Governments

SBCAG's 5th Cycle of RHNA determined a need for 11,030 units for the 7.5-year period of 2008 through 2022. Santa Barbara County has only met 35 percent of the overall

housing need for its 5th Cycle, which ends in 2022. For the upcoming 6th Cycle, SBCAG has released a draft housing need determination of 29,297 units for the 8.6-year projection period of June 2021 through February 2030. SBCAG's allocation will potentially increase by 165 percent between the 5th and 6th RHNA Cycle, depending on the approval of the 6th Cycle draft. SBCAG's 5th Cycle was the lowest allocation received of any cycle. This was the result of a downward adjustment by the HCD due to the high vacancy rates during the recession. If approved, the 6th Cycle will be the highest allocation SBCAG has ever received.

The 6th Cycle RHNA methodology adopted by the SBCAG Board for its Regional Housing Needs Allocation Plan allocates regional housing need to local jurisdictions in four steps:

- Divide the RHNA allocation between the North County area and South Coast areas of Santa Barbara County.
- Apply a jobs-balance allocation method: using the SBCAG regional growth forecast as the base housing growth data, assign RHNA housing need to jurisdictions based on 60% of housing was weighted near existing jobs, and 40% near forecasted jobs.
- Assign adjustment factors to the housing unit assignments based on overcrowding and cost-burden allocation methods.
- Apply an income parity adjustment to better address housing income group disparities. This approach addressed the assignment of the four housing income-categories (very low, low, moderate, and above moderate) that each jurisdiction must plan for. Jurisdictions with a lower than average proportion of any income category of housing receive a higher portion of that category of housing. For example, jurisdictions with a lower proportion of lower income households receive a higher portion of lower income units.

Butte County Association of Governments

BCAG's 5th Cycle of RHNA determined a need for 2,974 units for the 7.5-year period of 2014 through 2022. For the current 6th cycle, the determination of 15,506 housing units for the BCAG region has been proposed and adopted for the 8.5-year projection period of 2021 through 2030. BCGA's allocation increased by 421 percent between the 5th and 6th RHNA cycle. Compared to the prior 5th cycle, BCAG's large increase is primarily attributed to the fire damage that this region has endured.

The unit allocation methodology applies five weighted allocation methods to distribute the regular growth allocation across BCAG's six-member jurisdictions. The fire rebuild allocation is separately assigned to the jurisdictions that lost units in the Camp Fire (the Town of Paradise and unincorporated Butte County) based on the total rebuild units assigned and each jurisdiction's proportionate loss of units in the fire.

The BCAG 6th Cycle RHNA methodology uses the following process:

- The methodology starts with assigning a base allocation, which is the product of the jurisdictions' forecasted share of regular growth in the 2018–2040 BCAG Growth Forecast
- BCAG used five allocation methods for their RHNA methodology: Transit Connectivity, Jobs, Wildfire Risk, Agriculture and Forest Land Preserves, and an opportunity score as the allocation methods to adjust the base allocation.
 - a. Transit Connectivity – The higher the proportion of transit access a jurisdiction has, the more housing assigned to the jurisdiction.
 - b. Jobs – The higher proportion of jobs in a jurisdiction, the more housing was assigned. BCAG used California Employment Development Department (EDD) and (2017) Longitudinal Employer-Household Dynamics (LEHD) OnTheMap estimates for this approach.
 - c. Wildfire Risk – The lower the proportion of high-fire risk area, the more housing was assigned to an area. The Wildfire Risk allocation method uses 2020 CalFire measures of high- and very high-wildfire risk and geographic information system (GIS) analysis to determine what percentage of each jurisdiction's land is not at a high- or very-high risk of wildfire. The intent of this allocation method is to prioritize the construction of homes in jurisdictions with a lower risk of wildfire.
 - d. Agriculture and Forest Land Preserves – The larger the proportion of forest and agricultural land preserves in a jurisdiction, the less housing was assigned.
 - e. Opportunity – The lower the relative proportion of opportunity, the more housing was assigned. BCAG used both HCD/TCAC Opportunity Maps and Percent of Children Living Above the Poverty Level as an opportunity adjustment factor.
- Factor Normalization: BCAG then balanced the five adjustment factors to assure that one adjustment factor is not disproportionately affecting the housing assignment.

- Factor Weighting: BCAG then assigned weights to each allocation method. These weights establish what percentage of the total allocation will be distributed based on that factor.
 - a. Combined TCAC/HCD Opportunity and Childhood Poverty Status allocation method: 10-percent weight
 - b. Transit Connectivity: 10-percent weight
 - c. Number of Jobs: 10-percent weight
 - d. Wildfire Risk: 10-percent weight
 - e. Agriculture and Forest Land Preserves: 10-percent weight
 - f. Base Allocation: 50-percent weight
- Final distribution: The five normalized and weighted factor adjustments were used to distribute the RHNA to each jurisdiction.

San Diego Association of Governments (SANDAG)

SANDAG's 6th Cycle, the determination of 171,685 housing units for the SANDAG region has been proposed and adopted for the 8.8-year projection period of June 2020 through April 2029. SANDAG's allocation increased by only 6 percent between the 5th and 6th RHNA Cycle.

Using their regional growth forecast as base data, the SANDAG's RHNA Plan methodology allocates RHNA units based primarily on transit proximity, secondly based on jurisdictions with a higher proportion of jobs, and third it more equally disburses very low, low, moderate, and above moderate income units among jurisdictions to better balance the proportion of housing income types in various jurisdictions.

This approach is geared towards the urban framework of the SANDAG region and urban levels of transit and employment. As a result, this approach would not likely work for the AMBAG area as the region does not have urban levels of transit service and jobs.

The SANDAG 6th Cycle RHNA methodology uses the following process:

- Assign 65% of housing units to jurisdictions with access to transit, rail stations, rapid bus stations, and major transit stops with the following split:
 - 75% of units allocated to jurisdictions with rails stations and rapid bus stations
 - 25% of units allocated to jurisdictions with major transit stops

- Using base data from the regional growth forecast, assign the remaining 35% of housing units to jurisdictions based on the proportion of jobs in their jurisdiction
- Apply an equity adjustment to assign the proportion of the four housing income-categories (very low, low, moderate, above moderate) that each jurisdiction must plan for. Jurisdictions with a lower proportion of lower income households receive a higher portion of lower income units; Jurisdictions with a higher proportion of lower income households receive a lower portion of lower income units. This applies similarly to assigning the proportion of moderate and above moderate units. SANDAG used this measure to also meet AFFH requirements.

Figure 1: Comparison of RHNA Methodology Factors by COG

Factor	SCAG	SACOG	ABAG	SBCAG	BCAG	SANDAG
RGF Base Allocation and/or Growth Rate	X	X	X	X	X	X
Employment Access	X	X	X	X	X	X
Affirmatively Furthering Fair Housing (AFFH): HCD/TCAC Opportunity Indices	X	X	X	X	X	X
Transit Access	X		X		X	X
Housing Income Parity Adjustment	X	X		X		X
Other: Overcrowding, Cost Burden, Wildfire, Preserved Land Adjustments				X	X	

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