



Planning Directors Forum

Monday, October 18, 2021

10:00 – 11:30 a.m.

Go To Webinar

AGENDA

<https://attendee.gotowebinar.com/register/1185816008312570379>

You must register to attend the meeting. After registering, you will receive a confirmation email containing information about joining the webinar. You will need to download the Go To Webinar software to attend the meeting.

1. **Welcome/Roll Call (5 mins)**
2. **2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (Heather Adamson, AMBAG) (10 mins)**

AMBAG staff will provide an updated on the 2045 Metropolitan Transportation Plan Sustainable Communities Strategy.

3. **AMBAG 6th Cycle RHNA Methodology (Heather Adamson and Paul Hierling, AMBAG) (45 mins)**

AMBAG staff will provide an update on the RHNA methodology for the 6th Cycle RHNA and comments received at the October 13, 2021 AMBAG Board of Directors meeting.

4. **Regional Early Action Program (REAP) 2.0 (Heather Adamson, AMBAG) (5 mins)**

AMBAG staff will provide an update on the REAP 2.0.

5. **Other Items (5 mins)**

6. **Next Steps/Adjourn**

Staff Contact

Heather Adamson, AMBAG

(831) 264-5086

hadamson@ambag.org



MEMORANDUM

TO: AMBAG Board of Directors

FROM: Maura F. Twomey, Executive Director

RECOMMENDED BY: Heather Adamson, Director of Planning

SUBJECT: 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy Update

MEETING DATE: October 13, 2021

RECOMMENDATION: Information

Receive an update on the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS).

BACKGROUND/DISCUSSION:

AMBAG adopted the 2040 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) in June 2018. Federal and state law requires that AMBAG prepare a long-range transportation plan for the tri-county region. In accordance with state and federal guidelines, the 2045 MTP/SCS is scheduled for adoption by the Board of Directors in June 2022.

Draft 2045 MTP/SCS

Solutions to the region’s transportation needs require a comprehensive planning effort that coordinates land use and transportation and develops an integrated, multimodal and equitable transportation system. The 2045 MTP/SCS is built on a set of integrated policies, strategies, and investments to maintain and improve the transportation system to meet the diverse needs of the region through 2045.

Over the past few months, staff has evaluated the various scenarios for the MTP/SCS and Environmental Impact Report (EIR) using the Regional Travel Demand Model (RTDM). Output from the RTDM will be used to produce the performance measures for both the 2045 MTP/SCS and EIR. The draft Plan will meet the required greenhouse gas (GHG) reduction targets established for AMBAG by the California Air Resources Board. AMBAG staff is finalizing the draft Plan including the required mapping per state and

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federal requirements. The Draft 2045 MTP/SCS is scheduled to be released in November 2021.

Programmatic Environmental Impact Report

Work on the programmatic EIR is underway and will serve as the EIR for the 2045 MTP/SCS as well as the EIR for each of the RTPA's county level Regional Transportation Plan (RTPs). AMBAG and the RTPAs coordinate on the EIR to reduce duplication of efforts for environmental documentation, for budgetary efficiency and to assure consistency in environmental review between plans. AMBAG is the lead for developing the programmatic EIR, working with the RTPAs, an environmental consulting firm and an environmental legal firm to develop the joint EIR. The draft EIR also is scheduled to be released for public comment in November 2021.

2045 MTP/SCS Public Involvement Program

AMBAG staff continues to implement the outreach strategies included in the Public Involvement Plan. AMBAG held virtual workshops in May 2021 on the development of the draft 2045 MTP/SCS and to gather input on SCS priorities and strategies to include in the draft Plan. Public workshops and hearings will be scheduled for January 2022 to receive comments and input on the Draft 2045 MTP/SCS and Draft EIR.

Next Steps

The AMBAG Board of Directors will be asked to release the Draft 2045 MTP/SCS and Draft EIR in November 2021 for an extended public review period. Public workshops and hearings are expected to be held in January 2022 to receive public comment on the draft documents.

ALTERNATIVES:

N/A

FINANCIAL IMPACT:

Planning activities for the 2045 MTP/SCS are funded with FHWA PL, FTA 5303 and SB 1 planning funds and are programmed in the FY 2021-22 Overall Work Program and Budget.

COORDINATION:

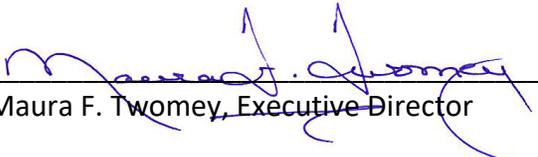
All MTP/SCS planning activities are coordinated with the MTP/SCS Executive Steering Committee and Staff Working Group which includes participation from Caltrans District 5, Monterey Salinas Transit, Santa Cruz Metropolitan Transit District, Santa Cruz County

Regional Transportation Commission, San Benito County Council of Governments, and the Transportation Agency for Monterey County, as well as the Planning Directors Forum and the RTPAs Technical Advisory Committees which includes the local jurisdictions.

ATTACHMENTS:

N/A

APPROVED BY:


Maura F. Twomey, Executive Director



MEMORANDUM

TO: AMBAG Board of Directors

FROM: Maura F. Twomey, Executive Director

RECOMMENDED BY: Heather Adamson, Director of Planning

SUBJECT: 6th Cycle Regional Housing Needs Allocation
Methodology

MEETING DATE: October 13, 2021

RECOMMENDATION:

The Board of Directors is asked to provide input on a preferred draft methodology for the 6th Cycle Regional Housing Needs Allocation.

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 13 housing-related factors and five statutory objectives (Attachment 1). 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 increased the California Department of Housing and Community Development's (HCD's) determinations.

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

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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. AMBAG received its 6th Cycle Regional Housing Need Determination (RHND) of 33,274 units from HCD in late August 2021.

AMBAG is responsible for developing a methodology to allocate 33,274 units amongst all the jurisdictions within the COG region. Throughout this process, the Planning Directors Forum (PDF) representatives from member jurisdictions in Monterey and Santa Cruz counties serve 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. Housing elements are each jurisdiction’s local plan 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 2045 MTP/SCS adoption date, and statutory requirements and deadlines provided by HCD.

Figure 1: Revised RHNA Schedule

TARGET SCHEDULE	TASK
Spring - Fall 2021	Discussions with Planning Directors Forum on potential RHNA methodology options and factors
Summer – Fall 2021	Potential RHNA methodology options discussed by AMBAG Board
September 8, 2021	HCD presents at AMBAG Board Meeting
November 2021	Selection of preferred 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
February/March 2022	Local jurisdictions may appeal RHNA allocation within 45 days of release of the draft RHNA plan/allocations
April/May 2022	Local jurisdictions and HCD may comment on appeals within 45 days of the close of the appeal period (if needed)
May 2022	AMBAG to hold public hearing on appeals (if needed)
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

RHNA Methodology

For the past six months, AMBAG has been working with the PDF and Board on reviewing potential options for developing a RHNA methodology.

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 discussions with the PDF and the Board on various RHNA methodology approaches, priority factors were identified:

- Regional Growth Forecast
- Employment
- Transit
- Resiliency (wildfire and sea level rise)
- Affirmatively Furthering Fair Housing (AFFH)

During the June 30, 2021 PDF meeting AMBAG staff used previous feedback received to prepare potential RHNA methodology options for discussion. The PDF indicated a preference for key RHNA allocation methods using employment as a significant allocation factor, transit as a minor allocation factor, and AFFH as a medium-high factor for allocation by income. The PDF also expressed interest in AMBAG staff considering a minor wildfire risk factor.

AMBAG staff presented RHNA allocation methodology factors at the August 11, 2021 AMBAG Board of Directors meeting. The Board generally agreed to the factors of employment, transit, AFFH and asked AMBAG staff to look further into addressing sea level rise.

During the August 23, 2021 PDF meeting, AMBAG received feedback to return with two options. In the options, employment is maintained as a significant allocation factor and transit as a low factor. Feedback indicated that the wildfire factor was important to include and that sea level rise should be accommodated as well. Wildfire and sea level

rise were combined into a single resiliency factor to reduce RHNA allocations in areas affected by these risks. AMBAG staff was also asked to explore a higher AFFH factor.

Building on this feedback and the RHND, AMBAG prepared two potential options to further facilitate the RHNA allocation methodology discussion. These options were discussed at the September 8, 2021 Board meeting and the September 20, 2021 PDF meeting. With the AMBAG’s RHND issued, AMBAG staff has provided allocation estimates for the draft methodology by factor in Attachment 2. This is only an initial estimate since other statutory adjustments based on the jurisdictional RHNA survey may affect the RHNA methodology allocation. These statutory adjustments will be made after a preferred RHNA methodology is selected.

Table 1: Draft Preferred AMBAG RHNA Allocation Methodology for Discussion

	Draft Preferred RHNA Methodology	Units
Regional Growth Forecast	High	15,655
Employment	High (85%)	17,619
Transit	Low (5%)	
Resiliency Factor (Wildfire and Sea Level Rise)	Low (10%)	
AFFH*	High	

*AFFH only affects the proportion of very low/low/moderate/above moderate. It does not affect the absolute number of housing units a jurisdiction is allocated.

Regional Growth Forecast

The regional growth forecast (RGF) is the initial step in the RHNA allocation. This helps assure the RHNA is distributed according to regionally recognized housing growth rates and helps fulfill the statutory requirement that RHNA be consistent with the MTP/SCS, which is also based on the RGF. RGF housing growth is applied as a base RHNA allocation to each jurisdiction. On August 31, 2021, HCD provided the Regional Housing Needs Determination (RHND) of 33,274 units for the AMBAG COG region. This has allowed AMBAG to calculate the proportion of RHNA allocated by projected housing growth: 15,655 units. This initial allocation factor accounts for nearly half of the RHND.

The RHND is higher than the RGF projected housing growth due to statutory adjustments upwards by HCD to account for more ideal housing conditions. The remaining 17,619 RHNA housing units required by the RHND will be allocated among

jurisdictions based on the AMBAG RHNA allocation methodology factors. The draft priority factors are employment, transit, resiliency, and AFFH.

- Data Source: Housing growth from the 2025-2035 period from the 2022 RGF (accepted for planning purposes by AMBAG Board in November 2020).
- Implementation: Distribute a portion of RHNA by projected housing growth in the RGF 2025-2035.

Employment

Allocating RHNA by employment encourages jurisdictions to build additional housing near employment centers, helping to resolve jobs/housing imbalances. Locating more planned housing near employment centers results in several benefits including reducing congestion, reducing vehicle miles traveled (VMT), encouraging more active transportation, and reducing greenhouse gas emissions. During PDF meeting discussions, existing employment was preferred over future employment.

- Data Source: 2020 total employment from 2022 RGF.
- Implementation: Allocate 85% of 17,619 units by existing (2020) employment

This factor allows the RHNA methodology to meet the statutory objective of “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.”

Transit

Transit is incorporated into RHNA by identifying high frequency transit service in a jurisdiction with 15 minute headways or 30 minute headways. For this analysis, jurisdictions with 30 minute transit headways have a share of this allocation, while jurisdictions with 15 minute transit headways have a higher allocation.

- Data Source: Existing (2015-2020) transit routes with 15-30 minutes headways from transit operators
- Implementation: Allocate 5% of 17,619 units by existing transit service. Jurisdictions with 30 minutes headways have a share of this allocation. Jurisdictions with route with both 15 and 30 minute headways have a higher transit allocation.

This factor supports the statutory requirement of “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.”

Resiliency Factor (Wildfire and Sea Level Rise)

With recent catastrophic fires threatening homes throughout the state, and sea level rise risks along the coast, resiliency risks are becoming more of a concern for many jurisdictions. Both the PDF and the AMBAG Board have expressed interest in considering a wildfire and sea level rise risk RHNA allocation factor to recognize that these areas are high risk locations for housing. Using the portion of the jurisdiction's acreage affected by one of these risks, fewer units would be allocated to jurisdictions with a larger share of high risk areas.

The most recent Fire Hazard Severity Zones Maps from the Department of Forestry and Fire Protection (CALFIRE) are more than a decade old (2007-2008) and may not account for recent changes to fire frequency and severity.

The California Public Utilities Commission (CPUC) also produces "fire threat" maps called the CPUC Fire-Threat maps. These maps identify fire threats as Elevated (Tier 2) or Extreme (Tier 3) and were originally created in 2017. The maps can be viewed at: <https://ia.cpuc.ca.gov/firemap/>

The National Oceanic and Atmospheric Administration (NOAA) provide maps for various sea level rise scenarios from one foot to 10 feet.

- Data Sources: Both CALFIRE and California Public Utilities Commission (CPUC) data; National Oceanic and Atmospheric Administration (NOAA) Sea Level Rise Viewer v.3.0.0.
- Implementation: Allocate 10% of 17,619 units by resiliency factor. RHNA allocation lower for jurisdictions with a larger share of their area in a high fire risk zone and/or affected by 2 feet of sea level rise.

This factor furthers achievement of the statutory requirement of "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."

Affirmatively Furthering Fair Housing (AFFH)

The AFFH allocation factor shifts the proportion of low income category housing each jurisdiction receives according to each jurisdiction's opportunity levels. The purpose of the AFFH factor is to allocate lower income households to jurisdictions to avoid further concentrating racial and ethnic segregation and concentrations of poverty, providing these households with improved access to opportunities such as better employment, better schools, and access to areas of lower crime.

The AFFH allocation approach does not increase or decrease the number of housing units a jurisdiction is assigned. The HCD/California Tax Credit Allocation Committee

(TCAC) Opportunity Map Index (Attachment 3) is the key data set used to meet the AFFH requirement since it is the data set HCD uses to judge compliance with statutory AFFH RHNA methodology requirements.

- Data source: HCD/TCAC Opportunity Areas
- Implementation: Redistribute a portion of very low and low income units out of jurisdictions with no high/highest resource areas, and shift those units to jurisdictions with high/highest resource areas based on the proportion of their jurisdiction's households in a high/highest resource area.

This factor allows the RHNA methodology to meet the statutory requirement of affirmatively furthering fair housing by "...furthering fair housing by taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." The factor also furthers the statutory requirement of promoting regional income parity.

Next Steps

Pending feedback from the AMBAG Board members, AMBAG will bring back the draft RHNA methodology for approval at the November 10, 2021. Following approval of a draft methodology, AMBAG will submit the draft methodology for HCD review and approval.

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.

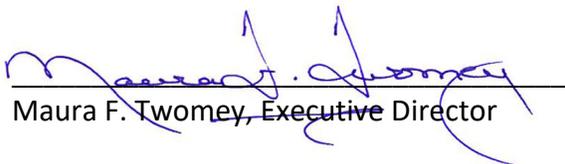
COORDINATION:

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. Draft Preferred Methodology RHNA Allocation for Discussion
3. HCD/TCAC Opportunity Map Index Indicators
4. RHNA FAQs

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)

Draft Preferred AMBAG RHNA Allocation Methodology for Discussion

Oct. 13, 2021

Housing Unit Allocation

RHNA Total 33,274	Housing	Jobs 85%			Transit 5%			Resiliency (Wildfire & Sea Level Rise) 10%				RHNA
	Forecast Unit Change 2025- 2035	Jobs 2020	% Region	Units	Transit Score	% Region	Units	% Area Not in High Risk Zone	Normalized (% Area x Unit Chg)	% Region	Units	Total
Region	15,655			14,976			881				1,762	33,274
Monterey County												
Carmel-By-The-Sea	13	3,566	1%	139	0	0%	0	64%	8	0%	1	153
Del Rey Oaks	86	748	0%	29	1	8%	73	44%	38	0%	5	193
Gonzales	1,783	6,326	2%	247	0	0%	0	100%	1,783	13%	231	2,261
Greenfield	688	7,882	2%	308	0	0%	0	100%	688	5%	89	1,085
King City	610	8,195	2%	320	0	0%	0	100%	610	4%	79	1,009
Marina	988	6,548	2%	256	1	8%	73	89%	883	7%	115	1,432
Monterey	504	40,989	11%	1,603	1	8%	73	63%	315	2%	41	2,221
Pacific Grove	122	8,016	2%	313	0	0%	0	95%	116	1%	15	450
Salinas	5,416	78,874	21%	3,086	2	17%	151	100%	5,416	40%	702	9,355
Sand City	135	2,092	1%	82	1	8%	73	100%	135	1%	18	308
Seaside	811	10,476	3%	410	1	8%	73	77%	628	5%	82	1,376
Soledad	591	9,010	2%	352	0	0%	0	96%	568	4%	74	1,017
Unincorporated Monterey	637	60,293	16%	2,357	1	8%	73	19%	120	1%	16	3,083
Santa Cruz County												
Capitola	223	12,250	3%	479	0	0%	0	83%	184	1%	24	726
Santa Cruz	986	43,865	11%	1,715	1	8%	73	75%	742	5%	96	2,870
Scotts Valley	71	10,109	3%	395	1	8%	73	50%	35	0%	5	544
Watsonville	1,279	28,514	7%	1,115	1	8%	73	95%	1,212	9%	157	2,624
Unincorporated Santa Cruz	712	45,264	12%	1,770	1	8%	73	13%	95	1%	12	2,567

Calculations are performed on unrounded numbers. Numbers shown here are rounded to the nearest whole number.

For example 0% in the table above may be 0.00-0.49%

Transit Score: 1 = has transit service with 30-minute headways. 2 = has transit service with both 15- and 30-minute headways.

Adjustments may be made after a methodology has been selected.

Draft Preferred AMBAG RHNA Allocation Methodology for Discussion

Oct. 13, 2021

Income Allocation

Region	Baseline Income Allocation				AFFH			Raw AFFH Adjustments				Rebalance				RHNA
	V.L.	Low	Mod.	A.M.	% in High/Highest	25% Shift V.L.	25% Shift Low	Very Low	Low	Mod.	Above Mod.	Very Low	Low	Mod.	Above Mod.	Total
Region	7,868	5,146	6,167	14,093				6,894	4,508	7,141	14,731	7,868	5,146	6,167	14,093	33,274
Monterey County																
Carmel-By-The-Sea	36	24	28	65	100%	9	6	45	30	19	59	51	34	16	52	153
Del Rey Oaks	46	30	36	82	0%	-12	-8	34	22	48	89	39	25	41	88	193
Gonzales	535	350	419	958	0%	-134	-88	401	262	553	1,045	458	299	478	1,026	2,261
Greenfield	257	168	201	460	0%	-64	-42	193	126	265	501	220	144	229	492	1,085
King City	239	156	187	427	0%	-60	-39	179	117	247	466	204	134	213	458	1,009
Marina	339	221	265	607	0%	-85	-55	254	166	350	662	290	189	302	651	1,432
Monterey	525	343	412	941	73%	96	63	621	406	316	878	709	463	273	776	2,221
Pacific Grove	106	70	83	191	100%	27	18	133	88	56	173	152	100	48	150	450
Salinas	2,211	1,446	1,735	3,961	0%	-553	-362	1,658	1,084	2,288	4,325	1,892	1,237	1,977	4,249	9,355
Sand City	73	48	57	130	0%	-18	-12	55	36	75	142	63	41	65	139	308
Seaside	325	213	255	583	0%	-81	-53	244	160	336	636	278	183	290	625	1,376
Soledad	240	157	188	431	0%	-60	-39	180	118	248	471	205	135	214	463	1,017
Unincorp. Monterey	729	477	571	1,306	10%	18	12	747	489	553	1,294	853	559	478	1,193	3,083
Santa Cruz County																
Capitola	172	112	135	307	97%	42	27	214	139	93	280	244	159	80	243	726
Santa Cruz	679	444	532	1,216	22%	37	24	716	468	495	1,191	817	534	427	1,092	2,870
Scotts Valley	129	84	101	230	0%	-32	-21	97	63	133	251	111	72	115	246	544
Watsonville	620	406	486	1,111	0%	-155	-102	465	304	641	1,214	531	347	554	1,192	2,624
Unincorp. Santa Cruz	607	397	476	1,087	34%	51	33	658	430	425	1,054	751	491	367	958	2,567

Calculations are performed on unrounded numbers. Numbers shown here are rounded to the nearest whole number.

For example 10% in the table above may be 9.50-10.49%

% in High/Highest = % of households in census tracts designated "High Resource" or "Highest Resource" in 2021 TCAC/HCD Opportunity Area Maps

AFFH adjustments shift units between Moderate and Very Low (V.L.) categories, and between Above Moderate (A.M.) and Low.

Attachment 3
HCD/TCAC OPPORTUNITY MAP INDEX INDICATORS

Domain	Indicator	Measure	Data Source	Table
Economic	Poverty	Percent of population with income above 200% of federal poverty line	2014-2018 ACS	Table C17002
	Adult Education	Percent of adults with a bachelor's degree or above	2014-2018 ACS	Table B15003
	Employment	Percent of adults aged 20-64 who are employed in the civilian labor force or in the armed forces	2014-2018 ACS	Table B23004
	Job Proximity	Number of jobs filled by workers with less than a BA that fall within a given radius (determined by the typical commute distance of low-wage workers in each region) of each census tract population-weighted centroid	2017 LEHD LODES	Origin-Destination and Workplace Area Characteristics Tables
	Median Home Value	Value of owner-occupied units	2014-2018 ACS	Table B25077
Environmental ⁵	CalEnviroScreen 3.0 indicators	CalEnviroScreen 3.0 Pollution indicators (Exposures and Environmental Effect indicators) and processed values	CalEnviroScreen3.0	Variables: Ozone, PM2.5, Diesel PM, Drinking Water, Pesticides, Tox. Release, Traffic, Cleanup Sites, Groundwater Threats, Hazardous Waste, Impaired Water Bodies, Solid Waste Sites

Education	Math proficiency	Percentage of 4 th graders who meet or exceed math proficiency standards	2018-2019 California Department of Education (DOE)	
	Reading proficiency	Percentage of 4 th graders who meet or exceed literacy standards	2018-2019 CA DOE	
	High school graduation rates	Percentage of high school cohort that graduated on time	2018-2019 CA DOE	
	Student poverty rate	Percent of students not receiving free or reduced-price lunch	2019-2020 CA DOE	
		Measure	Data Source	
Filter ⁶	Poverty and Racial Segregation	<p>Poverty: Tracts with at least 30% of the population falling under the federal poverty line</p> <p>Racial Segregation: Tracts with a racial Location Quotient of higher than 1.25 for Black, Hispanic, Asian, or all people of color in comparison to the county</p>	<p>2014-2018 ACS Estimate</p> <p>2010 Decennial Census</p>	<p>ACS Table B17020</p> <p>Census Table SF1DP1</p>



Attachment 4

FREQUENTLY ASKED QUESTIONS ABOUT RHNA

REGIONAL HOUSING NEEDS ALLOCATION (RHNA) OVERVIEW

What is RHNA?

Local housing is enshrined in state law as a matter of “vital statewide importance” and, since 1969, the State of California has required that all local governments (cities, towns and counties, also known as local jurisdictions) adequately plan to meet the housing needs of everyone in our communities. To meet this requirement, each city or county must develop a Housing Element as part of its General Plan (the local government’s long-range blueprint for growth) that shows how it will meet its community’s housing needs. There are many laws that govern this process, and collectively they are known as [Housing Element Law](#).

The Regional Housing Need Allocation (RHNA) process is the part of Housing Element Law used to determine how many new homes, and the affordability of those homes, each local government must plan for in its Housing Element. This process is repeated every eight years, and for this cycle the Monterey Bay Area is planning for the period from 2023 to 2031.

How does RHNA assist in addressing the Monterey Bay Area’s housing crisis?

State law is designed to match housing supply with demand—particularly for affordable homes. Each new RHNA cycle presents new requirements to address dynamic housing markets, which in recent years have seen demand dramatically outstrip supply across all affordability levels. RHNA provides a local government with a minimum number of new homes across all income levels for which it must plan in its Housing Element. The Housing Element must include sites zoned for enough capacity to meet the RHNA goals as well as policies and strategies to expand housing choices and increase housing affordability.

Who is responsible for RHNA?

Responsibility for completing RHNA is shared among state, regional, and local governments:

- The **role of the State** is to identify the total number of homes for which each region in California must plan in order to meet the housing needs of people across the full spectrum of income levels, from housing for very low-income households all the way to market rate housing. This is developed by the [California Department of Housing and Community Development \(HCD\)](#) and is known as the Regional Housing Need Determination (RHND).

- The **role of the region** is to allocate a share of the RHND to each local government in the region. As the Council of Governments (COG) for Monterey and Santa Cruz Counties, the Association of Monterey Bay Area Governments (AMBAG) is responsible for developing the methodology for sharing the RHND among the cities and two counties in the region. AMBAG does this in conjunction city and county staff and the AMBAG Board of Directors. The Council of San Benito County Governments performs this same function for the three local jurisdictions in San Benito County.
- The **role of local governments** is to participate in the development of the allocation methodology and to update their Housing Elements and local zoning to show how they will accommodate their share of the RHND, following the adoption of the RHNA methodology.

What are the steps in the RHNA process?

Conceptually, RHNA starts with the Regional Housing Needs Determination (RHND) provided by HCD, which is the total number of housing units the AMBAG region needs over the eight-year period, by income group. The heart of AMBAG’s work on RHNA is developing the methodology to allocate a portion of housing needs to each city and county in the region. AMBAG is working with the Planning Directors Forum which to develop RHNA methodology options. The AMBAG Board of Directors is schedule to approve the proposed methodology in November 2021.

Following HCD’s findings that the draft RHNA methodology furthers the RHNA objectives, AMBAG is scheduled to adopt a final methodology and draft allocations for every local government in the AMBAG region in January 2022. The Draft 2023-2031 RHNA Plan is scheduled to be released in January/February 2022.

A local government or HCD can appeal any local government’s draft allocation. After AMBAG takes action on any appeals, it will issue the final allocations by the summer 2022. Local governments must update Housing Elements by December 2023, including identifying sites that are zoned with enough capacity to meet the RHNA allocation. AMBAG’s role in the RHNA process ends once it has allocated a share of the Regional Housing Needs Determination (RHND) to each local government in the AMBAG region; HCD then reviews and approves local Housing Elements.

What’s the timeline for completing RHNA?

The RHNA process is currently underway and will be complete by the summer 2022. Local governments will then have until December 2023 to update their Housing Elements.

This is the 6th cycle for RHNA. What’s different this time?

Recent legislation resulted in the following key changes for this RHNA cycle:

- There is a higher total regional housing need. HCD's identification of the region's total housing needs has changed to account for unmet existing need, rather than only projected housing need. HCD now must consider overcrowded households, cost burdened households (those paying more than 30% of their income for housing), and a target vacancy rate for a healthy housing market (with a minimum of 5%).
- RHNA and local Housing Elements must affirmatively further fair housing. According to HCD, achieving this objective includes preventing segregation and poverty concentration as well as increasing access to areas of opportunity. HCD has mapped [Opportunity Areas](#) and has developed guidance for jurisdictions about [how to address affirmatively furthering fair housing in Housing Elements](#). As required by Housing Element Law, AMBAG has surveyed local governments to understand fair housing issues, strategies, and actions across the region.
- There will be greater HCD oversight of RHNA. AMBAG must now submit the draft allocation methodology to HCD for review and comment. HCD can also appeal a jurisdiction's draft allocation.
- Identifying Housing Element sites for affordable units will be more challenging. There are new limits on the extent to which jurisdictions can reuse sites included in previous Housing Elements and increased scrutiny of small, large, and non-vacant sites when these sites are proposed to accommodate units for very low- and low-income households.

How can I be more involved in the RHNA process?

Public participation is encouraged throughout the RHNA process especially at public meetings and during official public comment periods following the release of discussion documents and board decisions. Visit the AMBAG website to view upcoming meetings.

Is AMBAG's prior RHNA available to review?

Yes, you can find more information about the [2014-2023 RHNA Plan](#) on the AMBAG website.

REGIONAL HOUSING NEEDS DETERMINATION (RHND) FROM HCD

What is the Regional Housing Needs Determination?

The California Department of Housing and Community Development (HCD) identifies the total number of homes for which each region in California must plan in order to meet the housing needs of people at all income levels. The total number of housing units from HCD is separated into four income categories that cover everything from housing for very low-income households all the way to market rate housing. AMBAG is responsible for developing a methodology to allocate a portion of this housing need to every local government in the Bay Area.

The four income categories included in the RHND are:

- Very Low Income: 0-50% of Area Median Income
- Low Income: 50-80% of Area Median Income
- Moderate Income: 80-120% of Area Median Income
- Above Moderate Income: 120% or more of Area Median Income

What are the objectives and factors that must be considered in the RHNA methodology?

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. The RHNA factors include a longer list of considerations that must be incorporated into the methodology to the extent that sufficient data is available.

Summary of RHNA objectives [from [Government Code §65584\(d\)](#)]:

1. Increase housing supply and mix of housing types, with the goal of improving housing affordability and equity in all cities and counties within the region.
2. Promote infill development and socioeconomic equity; protect environmental and agricultural resources; encourage efficient development patterns; and achieve greenhouse gas reduction targets.
3. Improve intra-regional jobs-to-housing relationship, including the balance between low-wage jobs and affordable housing units for low-wage workers in each jurisdiction.
4. Balance disproportionate household income distributions (more high-income allocation to lower-income areas, and vice-versa)
5. Affirmatively further fair housing

Summary of RHNA factors [from [Government Code §65584.04\(d\)](#)]:

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)

What does it mean to “affirmatively further fair housing?”

For the 2023-2031 RHNA (6th Cycle), recent legislation added a new objective that requires the RHNA plan to “affirmatively further fair housing.” According to [Government Code Section 65584\(e\)](#), this means:

“Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.”

In addition to this requirement for promoting fair housing as an outcome for RHNA, statutes required AMBAG to collect information about fair housing issues, strategies, and actions in its survey of local jurisdictions about data to inform the development of the RHNA allocation methodology.

Lastly, a local jurisdiction’s Housing Element must also affirmatively further fair housing and includes a program that establishes goals and actions to do so. HCD has developed guidance for jurisdictions about [how to address affirmatively furthering fair housing in Housing Elements](#).

Does RHNA dictate how local governments meet their communities’ housing needs or where new housing goes within a given city or county?

It is important to note the primary role of the RHNA methodology is to encourage a pattern of housing growth for the Monterey Bay Area. The final result of the RHNA process is the allocation of housing units by income category to each jurisdiction as a whole. It is in the local Housing Element that local governments will select the specific sites that will be zoned for housing and the policies and strategies for addressing a community’s specific housing needs, such as addressing homelessness, meeting the needs of specific populations, affirmatively furthering fair housing, or minimizing displacement.

CONNECTIONS BETWEEN RHNA AND 2045 METROPOLITAN TRANSPORTATION PLAN/SUSTAINABLE COMMUNITIES STRATEGGY

How are RHNA and 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy related?

The 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) is the Monterey Bay region's next long-range regional plan for transportation, housing, the economy, and the environment, focused on resilient and equitable strategies for the next 25 years. Anticipated to be adopted in June 2022, the 2045 MTP/SCS will establish a blueprint for future growth and infrastructure. The 2045 MTP/SCS must meet or exceed a wide range of federal and state requirements, including a per-capita greenhouse gas reduction target of 6 percent by 2035. Upon adoption by AMBAG, it will serve as the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) for the Monterey Bay Area.

By law, the RHNA Plan is required to be consistent with the development pattern from the 2045 MTP/SCS. These two planning processes seek to address the Monterey Bay area's housing needs over different time horizons: 2045 MTP/SCS has a planning horizon of 2045, while the 6th cycle of RHNA addresses the need to address short-term housing needs, from 2023 to 2031. To achieve the required consistency, both the overall housing growth for the region, as well as housing growth on a more localized level, must be greater in the long-range plan than over the eight-year RHNA cycle.

How is the 2045 MTP/SCS used as part of the RHNA methodology?

Data from the [2022 Regional Growth Forecast](#), which was accepted for planning purposes by the AMBAG Board of Directors in November 2020, is proposed to be incorporated into the draft RHNA methodology as the baseline allocation. The baseline allocation is used to assign each jurisdiction an initial share of the RHND. A jurisdiction's baseline share is then adjusted up or down based on how the jurisdiction scores relative to the rest of the region on the factors included in the draft RHNA methodology.

THE RHNA APPEALS PROCESS

What is the RHNA appeals process?

The release of draft RHNA Plan including the local jurisdiction's allocations initiates the appeals phase of RHNA. [Government Code Section 65584.05](#) allows a jurisdiction or HCD to appeal the draft RHNA allocation for **any** jurisdiction.

Where can I find my jurisdiction's draft RHNA allocation?

Following adoption of the final RHNA methodology by the AMBAG Board, AMBAG will issued the draft RHNA Plan including allocations. This is scheduled for January/February 2022.

What is the filing deadline for appeals? When will AMBAG review appeals?

The deadline for a local jurisdiction or HCD to file an appeal will be 45-days after the release of the draft RHNA Plan/allocations which is scheduled for January/February 2022. If appeals are

received, there is a then be a 45-day comment period on any appeals filed. AMBAG will conduct a public hearing to consider the appeals and comments received in May/June 2022.

Who can file an appeal?

Any jurisdiction in the AMBAG region, as well as HCD, could file an appeal of any jurisdiction's draft RHNA allocation within the AMBAG region. A jurisdiction could file an appeal of its own draft RHNA allocation and/or one or more appeals of the draft allocations of other jurisdictions.

Is there a limit to the number of appeals one jurisdiction could file?

Every jurisdiction could file multiple appeals and there was no limit on the number of appeals filed by each jurisdiction. The filed appeals could request increases or decreases to draft RHNA allocations.

What are the reasons a jurisdiction or HCD could submit an appeal?

State Housing Element law allows an appeal to be filed **only** for the following three reasons:

1. AMBAG failed to adequately consider the information submitted as part of the local jurisdiction survey (see [Government Code Section 65584.04\(b\)](#) for more details about the survey). AMBAG conducted this survey in summer 2021 and received responses from every local jurisdiction.
2. AMBAG did not determine the jurisdiction's allocation in accordance with its adopted methodology and in a manner that furthers, and does not undermine, the RHNA objectives identified in [Government Code Section 65584\(d\)](#).
3. A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted as part of the local jurisdiction survey. *Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.*

[Government Code Section 65584.04\(g\)](#) also specifies criteria that **cannot** be used a basis for reducing a jurisdiction's allocation:

- Any local ordinance, policy, voter-approved measure or standard limiting residential development.
- Underproduction of housing from the last RHNA cycle.
- Stable population numbers in a jurisdiction.

How will AMBAG conduct the public hearing to consider RHNA appeals?

Housing Element Law requires AMBAG to hold a public hearing to consider RHNA appeals. Depending on the number of appeals AMBAG receives, the hearing may occur over several days. RHNA appeals will be heard by the AMBAG Board of Directors, which will have final

authority for decisions on appeals. A Board member must recuse him/herself on an appeal affecting his/her jurisdiction.

Will there be an opportunity to challenge an appeal of my jurisdiction's allocation filed by another jurisdiction?

A jurisdiction that is the subject of an appeal filed by another jurisdiction will have the opportunity to challenge the appeal and present their case at the appeal public hearing.

What happens to the units if the appeal of a jurisdiction's draft RHNA allocation is successful?

[Housing Element Law](#) requires AMBAG to allocate all of the housing units assigned to the Monterey Bay Area by HCD. If the appeal of a jurisdiction's draft RHNA allocation is successful, AMBAG must redistribute the units to other local governments in the region.

AMBAG will redistribute units to all local governments in the region in proportion to a jurisdiction's share of the RHND after appeals are determined and prior to the required distribution. Applicants whose appeals are upheld are not excluded from redistribution.

RHNA AND LOCAL JURISDICTIONS

How are local jurisdictions involved in RHNA? Do they help create the housing methodology?

Planning staff from each local jurisdiction are on the Planning Directors Forum. The Planning Directors Forum provides technical input into the development of allocation methodology which was provided to the AMBAG Board of Directors. The AMBAG Board of Directors includes one elected official from each city in the region and two elected supervisors from each county. The AMBAG Board of Directors has the authority to make final decisions. Local governments can provide feedback on the proposed methodology during the public comment period, and have the opportunity to provide public comment at meetings throughout the RHNA process. In 2022, local governments will have an opportunity to file appeals on the draft RHNA Plan and allocations.

How does RHNA impact local jurisdictions' general plans? What is a Housing Element?

California's Housing Element Law states that "designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals." Once a city, town or county receives its RHNA allocation, it must then update the Housing Element of its general plan and zoning to demonstrate how it will accommodate all of the units assigned for each income category. General plans serve as a local government's blueprint for how the city, town or county will grow and develop. There are seven elements that all jurisdictions are required to include in the General Plan: land use, transportation, conservation, noise, open space, safety, and housing.

What agency is responsible for the certification of Housing Elements?

AMBAG’s role in the RHNA process ends once it has allocated a share of the Regional Housing Needs Determination (RHND) to each local government in the Bay Area. The [California Department of Housing and Community Development \(HCD\)](#) reviews and approves Housing Elements and is responsible for all other aspects of [enforcing Housing Element Law](#).

Is there any funding and technical assistance available to assist local jurisdictions in creating their Housing Elements?

In the 2019-20 Budget Act, Governor Gavin Newsom allocated \$250 million for all regions, cities, and counties to do their part by prioritizing planning activities that accelerate housing production to meet identified needs of every community. With this allocation, HCD established the [Local Early Action Planning Grant Program \(LEAP\)](#) to provide funding directly to local jurisdictions for housing planning activities. In addition, a [Regional Early Action Program \(REAP\)](#) was also created to provide funding to regional COGs. AMBAG allocated nearly its entire REAP funding allocation to local jurisdictions to assist with housing planning activities, including the preparation of local housing elements. See the document [HCD Housing Element Compliance Incentives and Consequences](#) for more information.

Will my jurisdiction be penalized if we do not plan for enough housing?

State [Housing Element Law](#) requires that jurisdictions plan for all types of housing based on the allocations they receive from the RHNA process. The state requires this planning, in the form of having a compliant housing element, and submitting housing element annual progress reports, as a threshold or points-related requirement for certain funding programs (SB 1 Sustainable Community Planning Grants, SB 2 Planning Grants and Permanent Local Housing Allocation, etc.). Late submittal of a housing element can result in a jurisdiction being required to submit a four-year update to their housing element.

HCD [may refer jurisdictions to the Attorney General](#) if they do not have a compliant housing element, fail to comply with their HCD-approved housing element, or violate housing element law, the housing accountability act, density bonus law, no net loss law, or land use discrimination law. The consequences of those cases brought by the Attorney General are up to the courts, but can include financial penalties. In addition, as the housing element is one of the required components of the general plan, a jurisdiction without a compliant housing element, may risk legal challenges to their general plan from interested parties outside of HCD.

Local governments must also implement their commitments from the housing element, and the statute has several consequences for the lack of implementation. For example, failure to rezone in a timely manner may impact a local government’s land use authority and result in a carryover of RHNA to the next cycle. Failure to implement programs can also influence future housing element updates and requirements, such as program timing. HCD may investigate any action or lack of action in the housing element.

Will my jurisdiction be penalized if we do not build enough housing?

For [jurisdictions that did not issue permits for enough housing](#) to keep pace consistent with RHNA building goals, a developer can elect to use a ministerial process to get project approval for residential projects that meet certain conditions. This, in effect, makes it easier to build housing in places that are not on target to meet their building goals. See the document [HCD Housing Element Compliance Incentives and Consequences](#) for more information.

GLOSSARY OF ACRONYMS

AMBAG - Association of Bay Area Governments

AMI – Area Median Income

DOF - California Department of Finance

HCD - California Department of Housing and Community Development

RHNA - Regional Housing Need Allocation

RHND - Regional Housing Need Determination

MTP/SCS – Metropolitan Transportation Plan/Sustainable Communities Strategy

TCAC - California Tax Credit Allocation Committee