



AMBAG EXECUTIVE/FINANCE COMMITTEE AGENDA

DATE: November 10, 2021

TIME: 5:00 pm

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

On September 16, 2021, Governor Newsom signed AB 361 into law. The provisions enacted by AB 361 provide flexibility to meet remotely during a proclaimed emergency and will sunset on January 1, 2024. The AMBAG Executive/Finance Committee meeting will be conducted via Conference Call as established by Resolution 2021-9 adopted by the AMBAG Board of Directors on October 13, 2021. The AMBAG Executive/Finance Committee will participate in the meeting from individual remote locations.

Members of the public will need to attend the meeting remotely via Conference Call. We apologize in advance for any technical difficulties.

Persons who wish to address the AMBAG Executive/Finance Committee on an item to be considered at this meeting are encouraged to submit comments in writing at info@ambag by Tuesday, November 9th at 5 pm. The subject line should read "Public Comment for the November 10, 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.

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- 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. Resolution in accordance with AB 361 regarding the Ralph M. Brown Act and Finding of Imminent Risk to Health and Safety of In-Person Meetings as a Result of the Continuing COVID-19 Pandemic State of Emergency Declared by Governor Newsom

Adopt a resolution in accordance with AB 361 regarding the Ralph M. Brown Act and finding of imminent risk to health and safety of in-person meetings as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom. (Page 5)

B. Draft Minutes of the September 8, 2021 Meeting

Approve the draft minutes of the September 8, 2021 meeting. (Page 7)

C. Draft Minutes of the September 29, 2021 Special Meeting

Approve the draft minutes of the Special September 29, 2021 meeting. (Page 9)

D. List of Warrants as of July 31, 2021

Accept the list of warrants. (Page 11)

E. Accounts Receivable as of July 31, 2021

Accept the accounts receivable. (Page 13)

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 15)

6. 6th Cycle Regional Housing Needs Allocation Methodology

Recommended Action: INFORMATION

- Heather Adamson, Director of Planning

Receive a report on the 6th Cycle Regional Housing Needs Allocation methodology. (Page 21)

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.

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A RESOLUTION

**OF THE ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS EXECUTIVE/FINANCE COMMITTEE
ADOPTING A RESOLUTION REGARDING THE RALPH M BROWN ACT AND FINDING OF IMMINENT RISK TO
HEALTH AND SAFETY OF IN-PERSON MEETING AS A RESULT OF THE CONTINUING COVID-19 PANDEMIC
STATE OF EMERGENCY DECLARED BY GOVERNOR NEWSOM**

WHEREAS, on March 4, 2020, Governor Newsom issues a Proclamation of State of Emergency in response to the COVID-19 pandemic; and,

WHEREAS, the proclaimed state of emergency remains in effect; and,

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20 that suspended the teleconferencing rules set forth in the California Open Meeting law, Government code Section 54950 et seq. (the “Brown Act”), provided certain requirements were met and followed; and,

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21 that clarified the suspension of the teleconferencing rules set forth in the Brown Act, and further provided that those provisions would remain suspended through September 30, 2021; and,

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361 that provides that a legislative body subject to the Brown Act may continue to meet without fully complying with the teleconferencing rules in the Brown Act provided the legislative body determines that meeting in person would present imminent risk to the health and safety of attendees, and further requires that certain findings be made by the legislative body every (30) days; and,

WHEREAS, California Department of Public Health (“CDPH”) and the federal Centers for Disease Control and Prevention (“CDC”) caution that the Delta variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus, may cause more severe alarming rates of COVID-19 cases and hospitalizations (<https://cdc.gov/coronavirus/2019-ncov/variants/delta-variant.html>); and,

WHEREAS, other variants of COVID-19 exist, and it is unknown at this time whether other variants may result in a new surge in COVID-19 cases; and,

WHEREAS, the CDC has established a “Community Transmission” metric with 4 tiers designated to reflect a community’s COVID-19 case rate and percent positivity; and,

WHEREAS, Monterey and Santa Cruz Counties currently have a Community Transmission metric of “substantial” and San Benito County currently has a Community Transmission metric of “high” which is the most serious of the tiers; and,

WHEREAS, the Executive/Finance Committee for the Association of Monterey Bay Area Governments (AMBAG) is empowered to take actions necessary to protect public, health, welfare and safety within the region; and,

WHEREAS, AMBAG has an important governmental interest in protecting the health, safety and welfare of those who participate in meetings of AMBAG's various legislative bodies subject to the Brown Act; and,

WHEREAS, in the interest of the public health and safety, as affected by the emergency cause by the spread of COVID-19, the AMBAG Executive/Finance Committee deems it necessary to find that meeting in person for meetings of all AMBAG related legislative bodies as well as subcommittees of the board of Directors subject to the Ralph M. Brown Act, would present imminent risk to the health or safety of attendees, and thus intends to invoke the provisions of AB 361 related to teleconferencing as provided in subdivisions (e) of Government Code section 54953; and,

WHEREAS, all teleconference meetings of the AMBAG Board of Directors, AMBAG Executive/Finance Committee, as well as all subcommittees of the Board of Directors shall comply with the requirements to provide the public with access to meetings as prescribed in paragraph (2) of subdivision (e) of Government Code section 54953;

NOW, THEREFORE, BE IT RESOLVED that the AMBAG Executive/Finance Committee does hereby approve as follows:

1. The AMBAG Executive/Finance Committee finds that meeting in person for meeting of all AMBAG related legislative bodies subject to the Ralph M. Brown Act would present imminent risk to the health or safety of attendees.
2. This finding applies to all AMBAG related legislative bodies subject to the Brown Act, including but not limited to, the AMBAG Board of Directors meeting; the AMBAG Executive/Finance Committee; the RAPS, Inc. Board of Directors meeting, and any other standing committees.
3. Staff is directed to return to the Executive/Finance Committee no later than thirty (30) days after the adoption of this resolution, or by next Executive/Finance Committee meeting (whichever comes first), with an item for the Committee to consider making the findings required by AB361 in order to continue meeting under its provisions.
4. The AMBAG Executive Director and AMBAG Counsel are directed to take such other necessary or appropriate actions to implement the intent and purposes of this resolution.

PASSED AND ADOPTED this 10th day of November 2021.

Steve McShane, President

Maura F. Twomey, Executive Director

DRAFT
EXECUTIVE/FINANCE COMMITTEE MEETING
MINUTES

Conference Call

September 8, 2021

1. Call to Order

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

2. Roll Call

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

Absent: None

Others Present: Maura Twomey, Executive Director & 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 August 11, 2021 meeting; 2) warrants as of June 30, 2021; and 3) accounts receivable as of June 30, 2021.

Motion made by Director Smith 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. 6th Cycle Regional Housing Needs Allocation Methodology

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

Director Smith stated that the links in the objectives and factors attachment are broken. Heather Adamson responded that she would ensure the links were fixed.

7. Other Items

None.

8. Adjournment

The meeting adjourned at 5:16 p.m.

DRAFT
AMBAG EXECUTIVE/FINANCE COMMITTEE MEETING
ATTENDANCE & VOTING RECORD

MEETING DATE: September 8, 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	Y	Y

**DRAFT
SPECIAL MEETING OF THE
EXECUTIVE/FINANCE COMMITTEE
MINUTES**

Conference Call

September 29, 2021

1. Call to Order

The meeting was called to order by President McShane at 4:00 p.m.

2. Roll Call

Present: Directors Freeman, Funk, McShane, Petersen, Smith, and Walker
Absent: None
Others Present: Maura Twomey, Executive Director & Ana Flores, Clerk of the Board

3. Resolution in accordance with AB 361 regarding the Ralph M. Brown Act and Finding of Imminent Risk to Health and Safety of In-Person Meetings as a Result of the Continuing COVID-19 Pandemic State of Emergency Declared by Governor Newsom

Resolution 2021-7 was adopted.

Motion made by Director Smith, seconded by Director Freeman to adopt Resolution 2021-7 in accordance with AB 361 regarding the Ralph M. Brown Act and finding of imminent risk to health and safety of in-person meetings as a result of the continuing COVID019 pandemic state of emergency declared by Governor Newsom.

4. Public Comments

There were no written or oral comments from the public.

5. Other Items

There were no other items discussed.

8. Adjournment

The meeting adjourned at 4:05 p.m.

DRAFT
AMBAG EXECUTIVE/FINANCE COMMITTEE MEETING
ATTENDANCE & VOTING RECORD

MEETING DATE: September 29, 2021

Attendance (Y= Present; AB= Absent) Voting (Y= Yes; N=No; A=Abstain)			
MEMBER	AMBAG REP	Attendance	Item# 3
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	Y	Y

AMBAG
Check Register
August 2021

Date	Check Number	Name	Description	Amount
08/12/2021	1026	REAP - AMBAG ADMIN (WE 343)	REAP ADMIN - Q4 FY2020-21	3,546.44
08/12/2021	1027	REAP - AMBAG PROJECT (WE 344)	REAP PROJECT - Q4 FY2020-21	18,039.00
08/12/2021	1028	REAP - City of Atascadero (WE 344)	REAP PROJECT - Q4 FY2020-21	5,981.15
08/12/2021	1029	REAP - City of Buellton (WE 344)	City of Buellton- REAP PROJECT - Q4 FY2020-21	202.50
08/12/2021	1030	REAP - City of Carpinteria (WE 344)	Carpinteria - REAP PROJECT - Q4 FY2020-21	28,392.09
08/12/2021	1031	REAP - City of Del Rey Oaks (WE 344)	Del Rey Oaks - REAP PROJECT - Q4 FY2020-21	5,526.50
08/12/2021	1032	REAP - City of Guadalupe (WE 344)	City of Guadalupe - REAP PROJECT - Q4 FY2020-21	11,190.00
08/12/2021	1033	REAP - City of King City (WE 344)	City of King City - REAP PROJECT - Q4 FY2020-21	578.55
08/12/2021	1034	REAP - City of Marina (WE 344)	Marina - REAP PROJECT - Q4 FY2020-21	14,876.54
08/12/2021	1035	REAP - City of Salinas (WE 344)	City of Salinas- REAP PROJECT - Q4 FY2020-21	11,353.89
08/12/2021	1036	REAP - City of San Luis Obispo (WE 344)	City of SLO - REAP PROJECT - Q4 FY2020-21	23,302.89
08/12/2021	1037	REAP - City of Santa Maria (WE 344)	Santa Maria - REAP PROJECT - Q4 FY2020-21	39,860.02
08/12/2021	1038	REAP - County of Santa Cruz (WE 344)	County of Santa Cruz - REAP PROJECT - Q4 FY2020-21	313.23
08/12/2021	1039	REAP - SBCAG (WE 344)	SBCAG - REAP PROJECT - Q4 FY2020-21	128,852.48
08/12/2021	1040	REAP - SBtCOG (WE 344)	SBtCOG - REAP PROJECT - Q4 FY2020-21	5,235.57
08/12/2021	1041	REAP - SLOGOG (WE 344)	SLOGOG - REAP PROJECT - Q4 FY2020-21	19,858.15
08/12/2021	29597	AT&T (FAX Line)	Fax Line Billed in Advance From 8/02/21 - 9/01/21	125.55
08/12/2021	29598	BOD - Bea Gonzales	BOD Meeting 8/11/21	50.00
08/12/2021	29599	BOD - Bob Tiffany	BOD Meeting 8/11/21	50.00
08/12/2021	29600	BOD - Carla Strobbridge	BOD Meeting 8/11/21	50.00
08/12/2021	29601	BOD - Carlos Victoria	BOD Meeting 8/11/21	50.00
08/12/2021	29602	BOD - Derek Timm	BOD Meeting 8/11/21	50.00
08/12/2021	29603	BOD - Ed Smith	BOD Meeting 8/11/21	50.00
08/12/2021	29604	BOD - Eduardo Montesino	BOD Meeting 8/11/21	50.00
08/12/2021	29605	BOD - Greg Caput	BOD Meeting 8/11/21	50.00
08/12/2021	29606	BOD - John Freeman	BOD Meeting 8/11/21	50.00
08/12/2021	29607	BOD - John Phillips	BOD Meeting 8/11/21	50.00
08/12/2021	29608	BOD - Jon Wizard	BOD Meeting 8/11/21	50.00
08/12/2021	29609	BOD - Justin Cummings	BOD Meeting 8/11/21	50.00
08/12/2021	29610	BOD - Karen Ferlito	BOD Meeting 8/11/21	50.00
08/12/2021	29611	BOD - Kim Shirley	BOD Meeting 8/11/21	50.00
08/12/2021	29612	BOD - Kristen Petersen	BOD Meeting 8/11/21	50.00
08/12/2021	29613	BOD - Lance Walker	BOD Meeting 8/11/21	50.00
08/12/2021	29614	BOD - Lisa Berkley	BOD Meeting 8/11/21	50.00
08/12/2021	29615	BOD - Manu Koenig	BOD Meeting 8/11/21	50.00
08/12/2021	29616	BOD - Mary Ann Carbone	BOD Meeting 8/11/21	50.00
08/12/2021	29617	BOD - Rick Perez	BOD Meeting 8/11/21	50.00
08/12/2021	29618	BOD - Scott Funk	BOD Meeting 8/11/21	50.00
08/12/2021	29619	BOD - Steve McShane	BOD Meeting 8/11/21	50.00
08/12/2021	29620	CALCOG	FY 2021-2022 CALCOG Membership Dues	10,307.00
08/12/2021	29621	Caltronics Business Systems, Inc	Copier Usage Bill for 6/22/21 - 7/21/21	104.33
08/12/2021	29622	Errol Osteraa	Expense Reimbursement for External Hard Drives	311.33

Date	Check Number	Name	Description	Amount
08/12/2021	29623	Iron Mountain, Inc.	Offsite Document Storage for July 2021	124.33
08/12/2021	29624	MacLeod Watts, Inc	Actuarial valuation of other post-retirement benefits for FY 2019-2020 and 2020-2021	1,950.00
08/12/2021	29626	Monterey Computer Corporation, Inc.	IT Support Services for August and remainder for July 2021	1,416.00
08/12/2021	29627	Monterey Peninsula Chamber of Commerce	Annual Membership Fees 09/01/2021 - 09/01/2022	505.00
08/12/2021	29628	Planeteria Media	Website Development and Maintenance - July 2021	400.00
08/12/2021	29629	Rayne Water, Inc.	Water for the Period of 08/01/2021 through 08/31/2021	64.09
08/12/2021	29630	Santa Cruz Sentinel(MediaNews Group, Inc.	Public Notice - MTIP FFY 2020-21 FFY 2023-24	232.00
08/12/2021	29631	VISA Mechanics Bank - 3667	Storage, Event Registration	774.00
08/12/2021	29632	Visa Mechanics Bank - 4089	Supplies, Event Registration, Membership, Subscription, Recruiting	1,534.33
08/12/2021	29633	Monterey Computer Corporation, Inc.	HP DL380 Network Storage Servers Qty 2	77,185.31
08/12/2021	EFT	Verizon Wireless, Inc	Broadband Account for Broadband Devices and iPads New Plan	236.55
08/12/2021	EFT	Pachex, Inc.	Net Payoll and Related Expenses for Period Ending 8/15/21	103,657.03
08/23/2021	29634	AT&T (Silver Cloud VoIP 2019)	Monthly Charges for VoIP Lines (Main Line, Staff Lines) and Fiber MIS - 08/11/21 - 09/10/21	541.43
08/23/2021	29635	Comcast - Monterey	High Speed Internet for 08/22/2021 - 09/21/2021	475.02
08/23/2021	29637	Elizabeth Hurtado-Espinosa	Expense Reimbursement - Amazon: Ergonomic WALI Monitor Arm	38.05
08/23/2021	29638	Hayashi & Wayland, LLP	1st Billing for FY 2020-21 Audit	11,360.00
08/23/2021	29640	Monterey Bay Air Resources District	September 2021 Rent	5,968.00
08/23/2021	29641	Population Reference Bureau (PRB)	Forecast Related Services Completed in July 2021	2,399.61
08/23/2021	29642	Rincon Consultants, Inc.	2045 MTP/SCS/RTP - EIR Services for Period 6/1/21 - 6/30/21	18,295.50
08/23/2021	29643	Staples Credit Plan, Inc.	Office Supplies, Office Equipment, IT Hardware	482.60
08/23/2021	29644	The Sohagi Law Group	Legal Services 2045 MTP/SCS through 7/31/21	300.00
08/31/2021	EFT	Paychex, inc.	Net Payoll and Related Expenses for Period Ending 8/31/21	86,172.56
			Total	\$ 643,168.62

unaudited

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

Date	Num	Name	Memo	Due Date	Aging	Open Balance	Paid
08/31/2021	4163	CA Department of Housing (HCD)	ALL AMBAG (ACCRUAL ONLY)	08/31/2021		3,507.48	
08/31/2021	4164	CA Department of Housing (HCD)	ALL AMBAG (ACCRUAL ONLY)	08/31/2021		18,692.58	
08/31/2021	4167	San Benito Council of Governments	ALL AMBAG	08/31/2021		213.44	
08/31/2021	4170	RAPS A/R	ALL AMBAG	08/31/2021		2,706.52	PAID
08/31/2021	4171	RAPS A/R	ALL AMBAG	08/31/2021		671.17	PAID
08/31/2021	4172	RAPS A/R	ALL AMBAG	08/31/2021		1,336.39	PAID
08/31/2021	4159	SJVCEO - CCEW (WE 332)	ALL AMBAG	09/30/2021		4,950.00	
08/31/2021	4160	Caltrans, D5	ACCRUAL ONLY	09/30/2021		439,059.48	
08/31/2021	4165	GHG Inventories (WE 331)	ALL AMBAG (ACCRUAL ONLY)	09/30/2021		9,014.49	
07/31/2021	4155	SJVCEO - CCEW (WE 332)	ALL AMBAG	08/30/2021	1	4,455.00	PAID
06/30/2021	4154	Caltrans, D5	Caliper \$4,637.50, Rincon \$11,343.21	07/30/2021	32	193,707.79	PAID
07/31/2021	4161	RAPS A/R	ALL AMBAG	07/31/2021	31	8,259.91	PAID
07/31/2021	4162	RAPS A/R	ALL AMBAG	07/31/2021	31	132.72	PAID
07/31/2021	4166	San Benito Council of Governments	ALL AMBAG	07/31/2021	31	805.07	PAID
06/30/2021	4152	San Benito Council of Governments	ALL AMBAG	06/30/2021	62	2,356.24	PAID
07/01/2021	4141	City of Seaside	ALL AMBAG	07/01/2021	61	5,746.00	PAID
07/01/2021	4142	City of Soledad.	ALL AMBAG	07/01/2021	61	3,882.00	PAID
07/01/2021	4144	County of Monterey	ALL AMBAG	07/01/2021	61	34,237.00	PAID
07/01/2021	4147	City of Monterey Harbor/Marina Div.	ALL AMBAG	07/01/2021	61	10,000.00	PAID
		Net AMBAG Receivables				<u>\$ 743,733.28</u>	

PAID Reflects payments received subsequent to August 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: November 10, 2021

RECOMMENDATION:

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

BACKGROUND/ DISCUSSION:

The enclosed financial reports are for the 2021-2022 Fiscal Year (FY) and are presented as a consent item. The attached reports contain the cumulative effect of operations through August 31, 2021, as well as a budget-to-actual comparison. Amounts in the Financial Update Report are unaudited.

FINANCIAL IMPACT:

The Balance Sheet for August 31, 2021, reflects a cash balance of \$3,647,705.41. The accounts receivable balance is \$743,733.28, while the current liabilities balance is \$260,999.17. 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 \$6,327.77. Although AMBAG's Balance Sheet as of August 31, 2021 reflects a deficit Net Position, AMBAG's Profit and Loss Statement reflects an excess of revenue over expense of \$148,356.14.

Planning Excellence!

The following table highlights key Budget to Actual financial data:

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

Expenditures	Budget Through August 2021	Actual Through August 2021	Difference
Salaries & Fringe Benefits	\$ 386,495.00	\$ 361,447.94	\$ 25,047.06
Professional Services	\$ 1,265,955.00	\$ 167,801.75	\$ 1,098,153.25
Lease/Rentals	\$ 15,167.00	\$ 13,192.98	\$ 1,974.02
Communications	\$ 4,133.00	\$ 2,756.91	\$ 1,376.09
Supplies	\$ 18,567.00	\$ 5,220.60	\$ 13,346.40
Printing	\$ 2,783.00	\$ -	\$ 2,783.00
Travel	\$ 11,700.00	\$ (20.00)	\$ 11,720.00
Other Charges	\$ 54,492.00	\$ 68,577.70	\$ (14,085.70)
Total	\$ 1,759,292.00	\$ 618,977.88	\$ 1,140,314.12
Revenue			
Federal/State/Local Revenue	\$ 1,808,046.00	\$ 767,334.02	\$ 1,040,711.98
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 \$7,931,330 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.

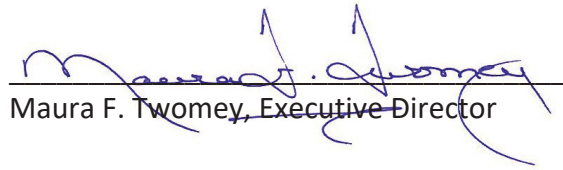
COORDINATION:

N/A

ATTACHMENTS:

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

APPROVED BY:



Maura F. Twomey, Executive Director

Accrual Basis
Unaudited

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

	<u>August 31, 2021</u>		<u>August 31, 2021</u>
Assets		Liabilities & Net Position	
Current Assets		Liabilities	
Cash and Cash Equivalents		Current Liabilities	
Mechanics Bank - Special Reserve	300,583.25	Accounts Payable	128,801.21
Mechanics Bank - Checking	217,424.14	Employee Benefits	132,197.96
Mechanics Bank - REAP Checking	3,125,515.29	Mechanics Bank - Line of Credit	0.00
Petty Cash	500.00	Total Current Liabilities	<u>260,999.17</u>
LAIF Account	3,682.73		
Total Cash and Cash Equivalents	<u>3,647,705.41</u>		
Accounts Receivable		Long-Term Liabilities	
Accounts Receivable	743,733.28	Deferred Inflows - Actuarial	258,986.95
Total Accounts Receivable	<u>743,733.28</u>	Net Pension Liability (GASB 68)	1,888,153.69
		OPEB Liability	3,523.88
Other Current Assets		Deferred Revenue	3,129,309.11
Due from PRWFPA/RAPS	251.76	Total Long-Term Liabilities	<u>5,279,973.63</u>
Prepaid Items	37,374.95		
Total Other Current Assets	<u>37,626.71</u>	Total Liabilities	<u>5,540,972.80</u>
Total Current Assets	<u>4,429,065.40</u>		
Long-Term Assets		Net Position	
Net OPEB Asset	96,473.00	Beginning Net Position	(154,683.91)
FY 2002-2003 Housing Mandate Receivable	82,186.00	Net Income/(Loss)	148,356.14
Allowance for Doubtful Accounts	(16,437.20)	Total Ending Net Position	<u>(6,327.77)</u>
Deferred Outflows - Actuarial	533,833.49		
Deferred Outflows - PERS Contribution	272,963.59	Total Liabilities & Net Position	<u>5,534,645.03</u>
Total Long-Term Assets	<u>969,018.88</u>		
Capital Assets			
Capital Assets	308,700.80		
Accumulated Depreciation	(172,131.05)		
Total Capital Assets	<u>136,569.75</u>		
Total Assets	<u>5,534,654.03</u>		

Accrual Basis
Unaudited

AMBAG
Profit & Loss - Attachment 2
July - August 2021

	July - August 2021	July - August 2021
Income		
AMBAG Revenue		174,226.11
Cash Contributions		91,332.15
Grant Revenue		461,259.60
Non-Federal Local Match		40,516.16
Total Income		767,334.02
Expense		
Salaries		230,908.12
Fringe Benefits		130,539.82
Professional Services		167,801.75
Lease/Rentals		13,192.98
Communications		2,756.91
Supplies		5,220.60
Travel		(20.00)
Other Charges:		
BOD Allowances	1,100.00	
GIS Licensing/CCJDC Support	11,700.00	
SB1/MTIP/MTP/SCS/OWP/Public Participation Expenses	232.00	
Recruiting	489.95	
Dues & Subscriptions	5,442.84	
Depreciation Expense	3,206.02	
Maintenance/Utilities	128.18	
Insurance	5,757.16	
Interest/Fees/Tax Expense	5.39	
Total Other Charges		28,061.54
Non-Federal Local Match		40,516.16
Total Expense		618,977.88
Net Income/(Loss)		148,356.14

AMBAG
Cash Activity - Attachment 3
For September 2021

[illegible]



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: November 10, 2021

RECOMMENDATION:

This is an informational item only.

BACKGROUND:

California State Housing Element Law governs the process for local governments to adequately plan to meet the housing needs of everyone within their communities. The RHNA process is used to determine how many new homes, and the affordability of those homes, each local government must plan for in its Housing Element in order to meet the housing needs of households of all income levels.

The Housing Element Law requires AMBAG, acting in the capacity of Council of Governments (COG), to develop a methodology for allocating existing and projected housing needs to local jurisdictions within the AMBAG region, located in Monterey and Santa Cruz Counties. The Housing Element Law 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 further all five statutory objectives and include consideration of 13 factors to develop the methodology that allocates regional housing needs (Attachment 1). The Council of San Benito County Governments (SBtCOG) performs this same function for San Benito County.

RHNA is an estimate of additional housing units needed for all income levels in the region 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.

As part of the RHNA process, State law (Government Code 65584 et seq.) requires AMBAG to develop a methodology to allocate a portion of the Regional Housing Need Determination (RHND) need to every local government in the AMBAG Region. 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 RHND of 33,274 units from HCD in late August 2021 for the planning period beginning June 30, 2023 and ending December 15, 2031.

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 and assisted in the development of the 2023-2031 RHNA methodology and plan, similar to the process used for the 2014-2023 RHNA Plan.

Draft RHNA Methodology – October 2021

For the past six months, AMBAG has been discussing with the PDF and Board potential options for developing a RHNA methodology based on HCD's 6th Cycle RHND. In October 2021, AMBAG staff presented a draft RHNA methodology to the AMBAG Board and PDF, as shown in Table 1.

Table 1: AMBAG RHNA Allocation Methodology (as presented in October 2021)

	Draft RHNA Methodology	Units
2022 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	

*Affirmatively furthering fair housing (AFFH)

All data used in the development of RHNA methodology is based on the following publicly-available sources:

- Regional Growth Forecast (RGF): Housing growth from the 2025-2035 period from the AMBAG 2022 RGF (accepted for planning purposes by the AMBAG Board in November 2020), based on California Department of Finance (2020)
- Employment: AMBAG 2022 RGF, based on InfoUSA and California Employment Development Department (2020)
- Transit: Existing (2020) transit routes with 15- and 30-minutes headways, based on existing transit routes and stops from transit operators
- Resiliency: Percent not in high fire risk or 2' sea level rise risk, CALFIRE, California Public Utilities Commission (CPUC), and National Oceanic and Atmospheric Administration (NOAA)
- Affirmatively Furthering Fair Housing (AFFH): 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, based on HCD/California Tax Credit Allocation Committee (TCAC) Opportunity Map

RHNA methodologies are unique to every region throughout the state in response to each region's unique housing situation and needs. The AMBAG region is predominately a suburban/rural region and has unique demographic and housing issues, such as a predominance of rural jurisdictions and significant farmworker housing needs. The

AMBAG RHNA methodology focuses on furthering, supporting, and balancing between each of the five statutory RHNA objectives and 13 RHNA factors (See Attachment 2).

The Legislature declared that insufficient housing in job centers hinders the state's environmental quality and runs counter to the state's environmental goals. (Gov. Code, § 65584(a)(3).) A key allocation factor in the draft RHNA methodology is allocating a portion of RHNA by jobs. Allocating RHNA near existing job centers promotes both equity and environmental goals because workers are often forced to commute long distances when adequate housing is not available near jobs. Thus, when those seeking affordable housing are forced to drive longer distances to work, an increased amount of greenhouse gases and other pollutants are released and jeopardizes the achievement of the state's climate goals. This RHNA methodology puts emphasis on proximity to jobs that can simultaneously promote both the state's housing equity and environmental goals. AMBAG's draft methodology addresses job proximity by allocating a large portion of RHNA to jurisdictions that act as job centers. This meets the RHNA objectives of increasing the housing supply in an equitable manner and improving intraregional relationship between jobs and housing. (Gov. Code, § 65584(d)(1-2).) Because a large share of the region's total jobs are agricultural, allocating units based on jobs addresses farmworker housing needs, a statutory factor included to develop the RHNA methodology. (Gov. Code, § 65584.04(e)(8).)

The RHNA methodology takes into consideration the proportional share of jobs within each jurisdiction within the AMBAG region. Some public comments have suggested that the RHNA methodology should consider allocating housing based on job proximity, rather than based on the number of jobs within a jurisdiction. Allocating a significant amount of RHNA using proximity of both jobs within and outside of each jurisdiction would result in extremely small jurisdictions having RHNA allocations similar to some of the largest jurisdictions in the region and would drastically reduce RHNA in some of the largest jurisdictions with large low-income populations and existing housing equity concerns such as overcrowding. It would also give Counties some of the highest job-proximity allocations since Counties are within driving distance of all cities, hence they would get a share of the housing allocation far beyond their regional job proportions. This approach presents equity challenges because it directs affordable housing away from larger concentrated population centers and areas that currently experience high rates of overcrowding.

This RHNA methodology allocates housing units to jurisdictions based on their number of jobs and their access to high quality transit. The methodology allocates a large

number of units to jurisdictions that currently have symptoms of high housing need such as cost burden and overcrowding. Allocating a low number of units to these jurisdictions would pose an equity problem by ignoring existing housing need, including farmworker housing need.

First Step in RHNA Methodology: 2022 Regional Growth Forecast Base Allocation

This RHNA methodology allocates a portion of housing units (15,655) based on data for projected housing growth from 2025-2035, the Regional Growth Forecast (RGF). The 2022 RGF was used in the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). The use of the same data within the RGF is important to meeting the RHNA plan statutory objectives of protecting environmental and agricultural resources and achieving the region's greenhouse gas reduction targets. (Gov. Code, § 65584(d)(2).) Use of the 2022 RGF ensures that this RHNA methodology would be consistent with the 2045 Metropolitan Transportation Plan/SCS, which is scheduled to be released later this year.

The 2022 RGF is the most accurate growth forecast available for the region, is more granular than any other available projections, included significant quality control, was reviewed and approved by executive planning staff in all jurisdictions for accuracy, and has been accepted by the AMBAG Board. Using the 2022 RGF in this RHNA methodology assures that large jurisdictions do not get inappropriately small allocations which do not fulfill the needs of their populations, and small jurisdictions do not get inappropriately large allocations that exceed the feasible capacity of developable land. This supports the furtherance of a RHNA plan statutory objective, which focuses on 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. (Gov. Code, § 65584.04(d)(2).)

The 2022 RGF allocation step is just one factor in the RHNA methodology; jobs, transit, and resiliency are all used to allocate housing units, which go above and beyond existing jurisdictions' general plans. In fact, HCD's 6th Cycle RHND of 33,274 units is higher than the number of units that jurisdictions within the AMBAG region have planned for through 2050, so general plan changes will be necessary and are not precluded by using the 2022 RGF as a part of the allocation.

Second Step in RHNA Methodology: Jobs, Transit and Resiliency

The second step in the RHNA methodology is to allocate the remaining units (17,619 units) based on jobs, transit and resiliency factors. Existing (2020) jobs account for 85% of the housing remaining housing units, jurisdictions with existing (2020) transit routes with 15- and 30-minute headways account for 5% and the remaining 10% of units is allocated those jurisdictions who have the smallest percentages of high fire or high sea level risk.

Third Step in RHNA Methodology: Income Allocation

The RHNA methodology considers other statutorily mandated factors such as overcrowding housing needs of farmworkers and directing growth towards incorporated jurisdictions (Gov. Code §65584.04(e)(7), §65584.04(e)(8), and §65584.04(e)(4), respectively). For those reasons, the RHNA methodology allocates an above average share of the total units to non-high income jurisdictions like Gonzales, Greenfield and Salinas. However, RHNA objective 1 must ensure that the plan allocates 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. To accomplish that objective, the methodology shifts units across income categories. This shift ensures that non-high income jurisdictions do not get a disproportionate share of lower income units.

In the income allocation step, the RHNA methodology redistributed a portion of very low and low income units out of jurisdictions with no high/highest resource areas, and shifted those units to jurisdictions with high/highest resource areas based on the proportion of their jurisdiction's households in a high/highest resource area, using HCD/California Tax Credit Allocation Committee (TCAC) Opportunity Map.

Revised Draft RHNA Methodology – November 2021

AMBAG received comments on the initial draft RHNA methodology at both the October 13, 2021 Board meeting and October 18, 2021 PDF meeting. AMBAG staff was asked to explore applying a different equity analysis other than the HCD/TCAC Opportunity Maps data as well as looking into how the low and very low income units are shifted in the AFFH factor. This revised draft methodology was presented to the PDF on November 1, 2021.

Racially Concentrated Areas of Affluence

Addressing the income equity disparities of the AMBAG region's jurisdictions was a key focus of the income allocation methodology. Though jurisdiction level disparities cannot be completely corrected within a single RHNA cycle, PDF and AMBAG Board members recommended to allocate a high weight to this factor.

AMBAG staff, the PDF, and the AMBAG Board considered the 2020 version of the TCAC Opportunity Map for Monterey and Santa Cruz counties as it was developing the draft RHNA methodology. Unfortunately, the TCAC Opportunity Map does not include some of the most advantaged communities within the AMBAG region, such as Del Rey Oaks, as high/highest resource and completely omits data for some tracts and block groups, such as areas near Gonzales and Elkhorn. In addition, urban/suburban and rural areas are not equally comparable within the TCAC Opportunity Map data because rural high/highest resource block groups are ranked independently from the urban/suburban census tracts.

As a result of concerns with the TCAC data, AMBAG developed a local measure of Racially Concentrated Areas of Affluence (RCAAs), based on data from the U.S. Census Bureau and a framework described by the U.S. Department of Housing and Urban Development. Consensus from the PDF was that the RCAAs analysis better reflected the AMBAG region's areas of opportunity than the HCD/TCAC Opportunity Map data (see Attachment 3, Racially Concentrated Areas of Affluence for the AMBAG Region).

In addition to incorporating the RCAA data, the percentage of units shifted from above moderate/moderate units to low/very low units was increased from 25% in the initial October 2021 draft methodology to 50% in the revised November 2021 draft methodology. This increase was based on discussions with HCD and the enhanced importance of equity in the 6th Cycle. The revised draft methodology shown here results in RCAAs getting a higher share of their RHNA in the lower income categories. In RCAA jurisdictions approximately 74% of the RHNA allocation is very low or low income. The comparable share for non-RCAA jurisdictions is 24%

Some external comments suggested that total units could have been allocated based on equity. However, AMBAG found that shifting units to higher-income jurisdictions would have resulted in lower unit total allocations to areas with high overcrowding and high need for farmworker housing. Shifting more of the lower-income units to RCAAs allows

the AMBAG region to improve equity in the distribution of affordable housing while also directing housing to the communities where it is needed.

Affirmatively Furthering Fair Housing

AMBAG received a comment to consider shifting the very low and low income units differently than was proposed in the initial draft methodology. Attachment 4 shows two options on how the very low and low income units can be shifted. The initial draft methodology presented in October 2021 included Option A, which shifted Moderate income units to Very Low and Above Moderate units to Low. Option B shifts Above Moderate units to Very Low and Moderate units to Low. Feedback from the PDF was mixed: most found Option B acceptable but a few preferred Option A. After further review and discussions with HCD, AMBAG staff recommends Option B because it furthers the RHNA objective of 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. (Gov. Code, § 65584.04(d)(4).)

The revised draft RHNA methodology unit allocation estimates by factor and both options for income allocation are provided in Attachment 4. The revised draft RHNA methodology allocates the total RHNA units in the same way that the initial draft methodology did, however, how income allocation is calculated has changed. The proportion of units allocated based on RCAAs have been increased from 25% to 50%. In addition, there are two options for shifting very low and low income units.

Jobs Data

In reviewing the methodology, a handful of jurisdictions have requested an opportunity to review the jobs data that underlie the methodology. The jobs data used for the draft RHNA methodology is from the 2022 RGF, based on address-level data from the California Employment Development Department (confidential) and InfoUSA. Over several months AMBAG staff reconciled the two databases and engaged in extensive ground-truthing (the process of gathering the proper objective (provable) data), which included multiple rounds of review with each jurisdiction as part of the RGF process. The result of these extensive efforts is a comprehensive inventory of jobs by place of work that is consistent across jurisdictions in the AMBAG region. In preparing the 2022 RGF, AMBAG met with each local jurisdiction multiple times to review all the jobs, population and housing data in 2019 and 2020. No concerns were identified with the jobs data at that time. In November 2020, the AMBAG Board unanimously approved the use of the

2022 RGF for planning purposes in the development of RHNA and the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy.

It is important to note that there are multiple sources of jobs data, and multiple ways to define jobs. It was suggested that jobs data from other sources, such as the U.S. Census Bureau LODES data, would be better for use in the RHNA methodology. However, the U.S. Census Bureau LODES database excludes military, self-employed, and informal jobs as well as well-documented challenges associated with “headquartering” whereby all jobs are assigned to a headquarters location, such as a school district office, rather than to the place of work, such as the school. More importantly, if another jobs dataset were to be used, the distribution of jobs across jurisdictions or percent share for each jurisdiction would largely be the same. Because RHNA is based on the distribution of jobs or percent share, rather than total number of jobs, AMBAG staff recommends that the 2020 jobs data be used for the RHNA methodology.

Statutory Adjustments

AMBAG has received several comments and questions regarding statutory adjustments to the RHNA methodology allocations. AMBAG issued a statutory mandated survey of statutory factors to local jurisdictions on July 1, 2021 and survey responses were due on August 15, 2021. AMBAG received completed surveys from all jurisdictions. The completed surveys will be included in the draft RHNA plan. Similar to what was done in the 5th Cycle, statutory adjustments will be considered after a methodology is selected. Any statutory adjustments will be made and documented as part of the draft RHNA Plan.

Next Steps

Upon approval from the Board of Directors on the revised draft methodology, AMBAG will submit the revised draft methodology to HCD for review and approval. Following approval from HCD, the AMBAG Board of Directors is scheduled to consider approval of the final RHNA methodology and direct staff to issue the draft RHNA Plan with RHNA allocations by jurisdiction in early 2022.

ALTERNATIVES:

The Board of Directors may modify the revised draft methodology or choose not to accept a draft methodology to send to HCD for review. If a draft methodology is not approved at the November 10, 2021 Board meeting, it will delay the scheduled release

of the Draft RHNA Plan and approval of the Final RHNA Plan, which in turn will reduce the amount of time local jurisdictions have to complete their 6th Cycle Housing Element by December 15, 2023.

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.

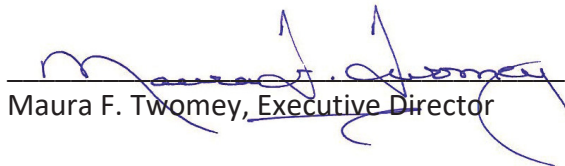
COORDINATION:

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. Summary of Factors for Consideration in 6th Cycle RHNA
3. Racially Concentrated Areas of Affluence for the AMBGA Region
4. Revised Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
5. Letter Received from California YIMBY, Santa Cruz YIMBY, and YIMBY Law with attachment: https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/A.Osterberg_APA_Best_Practices_for_Allocating_and_Evaluating_RHNA_.pdf
6. Letter Received from M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County
7. Letter Received from City of Monterey
8. AMBAG Letter to EDD Requesting to Disclose Employment Data
9. Summary of Comments Received on RHNA Methodology

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

Factors for Consideration in 6th Cycle RHNA

Highlight Reflects Jurisdictions Where Factor Should be Considered

Region	2020 Census Population	Jobs & Housing Relationship J/H Ratio	Opportunities & Constraints to Development Sq.Mi. % Resilient	Resil. Sq. Mi.	Max. Transit & Transportation Infrastructure High Qual. Transit	Directing Growth to Incorporated Areas Agreement	High Housing Cost Burdens % Burdened
Region	709,896	1.5					41%
Monterey County	439,035						40%
Carmel-By-The-Sea	3,220	1.0	1	64%	< 1	no	41%
Del Rey Oaks	1,592	1.0	< 1	44%	< 1	yes	32%
Gonzales	8,647	3.2	2	100%	2	no	39%
Greenfield	18,937	2.0	2	100%	2	no	50%
King City	13,332	2.4	4	100%	4	no	50%
Marina	22,359	0.8	10	89%	9	yes	38%
Monterey	30,218	3.0	12	63%	8	yes	43%
Pacific Grove	15,090	1.0	4	95%	4	no	36%
Salinas	163,542	1.8	24	100%	24	yes	43%
Sand City	325	11.1	3	100%	3	yes	59%
Seaside	32,366	1.0	9	77%	7	yes	47%
Soledad	24,925	2.2	5	96%	4	no	36%
Uninc. Monterey	104,482	1.5	3695	19%	695	yes	33%
Santa Cruz County	270,861						41%
Capitola	9,938	2.2	2	83%	1	no	46%
Santa Cruz	62,956	1.8	16	75%	12	yes	45%
Scotts Valley	12,224	2.1	5	50%	2	yes	37%
Watsonville	52,590	2.0	7	95%	6	yes	49%
Uninc. Santa Cruz	133,153	0.8	578	13%	77	yes	37%

Sources:

Jobs: AMBAG 2022 RGF, based on InfoUSA and California Employment Development Department (2020)

Housing: AMBAG 2022 RGF, based on California Department of Finance (2020)

Area: U.S. Census Bureau TIGER geographic files (2019)

Resilience (percent not in high fire risk or 2' sea level rise risk): CALFIRE, CPUC, NOAA

High Quality Transit (has at least 30 minute headways): AMBAG 2015-2020 transit routes and stops

Directing growth: Jurisdiction survey

Cost Burden: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS)

Factors for Consideration in 6th Cycle RHNA

Highlight Reflects Jurisdictions Where Factor Should be Considered

Region	Rate of Over-Crowding % Crowded	Farmworker Housing Needs % Reg. Ag. Jobs	Housing Needs of College Students	Pov. Rate	Improving Equity % Above 200% Pov.	% White
Monterey County	14%			13%	64%	27%
Carmel-By-The-Sea	6%	0%		3%	88%	87%
Del Rey Oaks	1%	0%		5%	87%	68%
Gonzales	18%	5%		10%	59%	5%
Greenfield	29%	16%		13%	56%	3%
King City	20%	2%		19%	45%	7%
Marina	12%	0%	CSUMB	13%	64%	33%
Monterey	4%	0%		11%	80%	63%
Pacific Grove	8%	0%		7%	85%	71%
Salinas	19%	22%		17%	58%	11%
Sand City	10%	0%		16%	66%	50%
Seaside	12%	0%	CSUMB	13%	65%	29%
Soledad	24%	5%		14%	52%	8%
Uninc. Monterey	10%	31%	CSUMB	9%	72%	45%
Santa Cruz County	7%			13%	71%	54%
Capitola	7%	0%		16%	72%	65%
Santa Cruz	5%	0%	UCSC	21%	66%	58%
Scotts Valley	3%	0%		4%	87%	72%
Watsonville	21%	11%		15%	53%	12%
Uninc. Santa Cruz	5%	8%		10%	79%	66%

Sources:

Overcrowding, Poverty, Percent White: U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census

Jobs: AMBAG 2022 RGF, based on InfoUSA and California Employment Development Department (2020)

Other factors (data not available):

Loss of assisted housing units

Housing needs of those experiencing homelessness

Loss of units during emergency

SB 375 GHG reduction targets

Attachment 3

Defining Racially Concentrated Areas of Affluence (RCAAs) for the AMBAG Region

Region	Affluent	Racially-Concentrated		RCAA	
	% Population Above 200% of Poverty Level	Higher Than Regional Avgerage	% White	Higher Than Regional Avgerage	Both Higher Income and Less Diverse
	67%		37%		
Monterey County					
Carmel-By-The-Sea	88%	yes	87%	yes	yes
Del Rey Oaks	87%	yes	68%	yes	yes
Gonzales	59%		5%		
Greenfield	56%		3%		
King City	45%		7%		
Marina	64%		33%		
Monterey	80%	yes	63%	yes	yes
Pacific Grove	85%	yes	71%	yes	yes
Salinas	58%		11%		
Sand City	66%		50%	yes	
Seaside	65%		29%		
Soledad	52%		8%		
Unincorp. Monterey	72%	yes	45%	yes	yes
Santa Cruz County					
Capitola	72%	yes	65%	yes	yes
Santa Cruz	66%		58%	yes	
Scotts Valley	87%	yes	72%	yes	yes
Watsonville	53%		12%		
Unincorp. Santa Cruz	79%	yes	66%	yes	yes

Data sources: U.S. Census Bureau, American Community Survey (2015-2019), and 2020 Census

Attachment 4

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Oct. 27, 2021

Option A with RCAA: Unit Allocation

Region	RHNA Total 33,274	Housing	Jobs 85%			Transit 5%			Resiliency (Wildfire & Sea Level Rise) 10%				RHNA
	Forecast Unit Change 2025- 2035		Jobs		Units	Transit		Units	% Area Not in High Risk Zone	Normalized (% Area x Unit Chg)	% Region	Units	Total
			2020	% Region		Score	% Region						
Region	15,655				14,976			881				1,762	33,274
Monterey County													
Carmel-By-The-Sea	13		3,566	1%	140	0	0%	0	64%	8	0%	1	154
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%	314	0	0%	0	95%	116	1%	15	451
Salinas	5,416		78,874	21%	3,084	2	17%	151	100%	5,416	40%	702	9,353
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.

Statutory adjustments may be made after a methodology has been selected.

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Option A: Income Allocation (Shifting M. to V.L. and A.M. to L.)

Region	Baseline Income Allocation				RCAA			Raw RCAA Adjustments				Rebalance to Income Group Totals				RHNA
	V.L.	Low	Mod.	A.M.		50%	50%									
					In RCAA	Shift V.L.	Shift Low	Very Low	Low	Mod.	Above Mod.	Very Low	Low	Mod.	Above Mod.	Total
Region	7,868	5,146	6,167	14,093				6,284	4,110	7,751	15,129	7,868	5,146	6,167	14,093	33,274
Monterey County																
Carmel-By-The-Sea	36	24	29	65	yes	18	12	54	36	11	53	68	45	9	32	154
Del Rey Oaks	46	30	36	82	yes	23	15	69	45	13	66	86	56	10	41	193
Gonzales	535	350	419	958		-268	-175	267	175	687	1,132	334	219	547	1,161	2,261
Greenfield	257	168	201	460		-129	-84	128	84	330	543	160	105	263	557	1,085
King City	239	156	187	427		-120	-78	119	78	307	505	149	98	244	518	1,009
Marina	339	221	265	607		-170	-111	169	110	435	718	212	138	346	736	1,432
Monterey	525	343	412	941	yes	263	172	788	515	149	769	987	645	119	470	2,221
Pacific Grove	107	70	84	191	yes	54	35	161	105	30	155	202	132	24	93	451
Salinas	2,210	1,446	1,733	3,961		-1,105	-723	1,105	723	2,838	4,687	1,383	905	2,256	4,809	9,353
Sand City	73	48	57	130		-37	-24	36	24	94	154	45	30	75	158	308
Seaside	325	213	255	583		-163	-107	162	106	418	690	203	133	333	707	1,376
Soledad	240	157	188	431		-120	-79	120	78	308	511	150	98	245	524	1,017
Unincorp. Monterey	729	477	571	1,306	yes	365	239	1,094	716	206	1,067	1,370	896	164	653	3,083
Santa Cruz County																
Capitola	172	112	135	307	yes	86	56	258	168	49	251	323	210	39	154	726
Santa Cruz	679	444	532	1,216		-340	-222	339	222	872	1,437	424	278	694	1,474	2,870
Scotts Valley	129	84	101	230	yes	65	42	194	126	36	188	243	158	29	114	544
Watsonville	620	406	486	1,111		-310	-203	310	203	796	1,315	388	254	633	1,349	2,624
Unincorp. Santa Cruz	607	397	476	1,087	yes	304	199	911	596	172	888	1,141	746	137	543	2,567

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

RCAA = Racially Concentrated Areas of Affluence

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

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Oct. 27, 2021

Option B: Income Allocation (Shifting A.M. to V.L. and M. to L.)

Region	Baseline Income Allocation				RCAA			Raw RCAA Adjustments				Rebalance to Income Group Totals				RHNA
	V.L.	Low	Mod.	A.M.		50%	50%									
					In RCAA	Shift V.L.	Shift Low	Very Low	Low	Mod.	Above Mod.	Very Low	Low	Mod.	Above Mod.	Total
Region	7,868	5,146	6,167	14,093				6,284	4,110	7,203	15,677	7,868	5,146	6,167	14,093	33,274
Monterey County																
Carmel-By-The-Sea	36	24	29	65	yes	18	12	54	36	17	47	68	45	15	26	154
Del Rey Oaks	46	30	36	82	yes	23	15	69	45	21	58	86	56	18	33	193
Gonzales	535	350	419	958		-268	-175	267	175	594	1,225	334	219	509	1,199	2,261
Greenfield	257	168	201	460		-129	-84	128	84	285	588	160	105	244	576	1,085
King City	239	156	187	427		-120	-78	119	78	265	547	149	98	227	535	1,009
Marina	339	221	265	607		-170	-111	169	110	376	777	212	138	322	760	1,432
Monterey	525	343	412	941	yes	263	172	788	515	240	678	987	645	205	384	2,221
Pacific Grove	107	70	84	191	yes	54	35	161	105	49	136	202	132	42	75	451
Salinas	2,210	1,446	1,733	3,961		-1,105	-723	1,105	723	2,456	5,069	1,383	905	2,101	4,964	9,353
Sand City	73	48	57	130		-37	-24	36	24	81	167	45	30	69	164	308
Seaside	325	213	255	583		-163	-107	162	106	362	746	203	133	310	730	1,376
Soledad	240	157	188	431		-120	-79	120	78	267	552	150	98	229	540	1,017
Unincorp. Monterey	729	477	571	1,306	yes	365	239	1,094	716	332	941	1,370	896	284	533	3,083
Santa Cruz County																
Capitola	172	112	135	307	yes	86	56	258	168	79	221	323	210	68	125	726
Santa Cruz	679	444	532	1,216		-340	-222	339	222	754	1,555	424	278	646	1,522	2,870
Scotts Valley	129	84	101	230	yes	65	42	194	126	59	165	243	158	51	92	544
Watsonville	620	406	486	1,111		-310	-203	310	203	689	1,422	388	254	590	1,392	2,624
Unincorp. Santa Cruz	607	397	476	1,087	yes	304	199	911	596	277	783	1,141	746	237	443	2,567

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

RCAA = Racially Concentrated Areas of Affluence

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



Attachment 5

10/15/2021

Dear AMBAG Board of Directors and Planning Directors Forum Participants,

California YIMBY, Santa Cruz YIMBY, and YIMBY Law are submitting this letter to the Association of Monterey Bay Area Governments to provide recommendations for adopting a Regional Housing Needs Allocation methodology, based on best practices developed through rigorous academic analysis by experts in the field of planning and housing development, of various methodologies that have already been adopted by Councils of Governments in other regions during the 6th Housing Element Cycle. We also offer our own analysis of the ability of the currently proposed RHNA methodology to meet the statutory requirements for the RHNA process, and make specific recommendations for modifications to the methodology that would further the required statutory objectives, beyond what has been proposed, which we believe to be inadequate.

Accompanying this letter we have included a copy of the RHNA Methodologies Best Practices report from the UC Berkeley Turner Center for Housing Innovation. This report highlights some important policy considerations which we believe AMBAG have, to date, not incorporated sufficiently into its proposed allocation methodology. There are a number of best practices COGs can use to increase the likelihood that their allocation promotes the statutory objectives of RHNA. These are highlighted in this letter with bullet points.

- **Put more emphasis on strategies that promote both RHNA's equity and environmental goals simultaneously.** Allocating RHNA near existing job centers promotes both equity and environmental goals because workers are often forced to commute long distances when adequate housing isn't available near jobs. COGs should put more emphasis on factors such as proximity to jobs that can simultaneously promote both the state's equity and environmental goals.

In an equitable distribution, we would expect to see, at the very least, no pattern of lower-income jurisdictions consistently taking on a larger share of the RHNA allocation relative to their share of the region's population or jobs. Ideally, given that wealthier jurisdictions have historically used exclusionary policies to limit growth within their jurisdictional boundaries, we would see higher-income jurisdictions taking on a larger share of the regional RHNA allocation relative to their share of the region's population and jobs. On the following page is a chart of AMBAG's RHNA distribution as currently proposed in the staff's recommended methodology compared to existing housing stock. This chart shows the total number of housing units in each jurisdiction according to the 2020 US Census, as well as the

percentage growth that the proposed allocation has, based on their 2020 total number of housing units.

As currently proposed, AMBAG's regional methodology does an extremely poor job at promoting equity. According to the 2020 US Census, the AMBAG region has a total of 249,976 housing units. With a determination of 33,274 units for the region, the total regional growth is 13.3%. As currently proposed, some of the wealthiest, most exclusive jurisdictions in our region, such as Carmel and Pacific Grove, are being allocated much smaller growth rates, less than 6%, compared to the region as a whole; while less affluent, more rural communities such as Greenfield and King City are being allocated over 25% growth rates, and two jurisdictions, Sand City and Gonzales, are each being allocated over 100% growth rates. We strongly encourage AMBAG to adopt a more equitable allocation strategy to ensure areas of highest opportunity and access to employment are allocated higher than average growth rates, not lower than average growth rates, as is currently the case.

Label	Monterey Co.	Santa Cruz Co.	Capitola	Carmel	Del Rey Oaks	Gonzales	Greenfield	King City	Marina	Monterey	Pacific Grove	Salinas	Sand City	Santa Cruz	Scotts Valley	Seaside	Soledad	Watsonville
Total Housing Units (2020 Census):	143,631	106,345	5,485	3,056	739	2,088	4,207	3,465	8,022	13,787	8,121	44,405	186	24,014	4,934	10,801	4,524	14,585
Occupied	131,789	96,261	4,624	1,721	699	2,042	4,090	3,282	7,608	12,399	6,772	43,163	163	21,731	4,690	10,149	4,447	14,239
Vacant	11,842	10,084	861	1,335	40	46	117	183	414	1,388	1,349	1,242	23	2,283	244	652	77	346
Unincorporated Balance	40,230	57,327																
Proposed RHNA	3,083	2,567	726	153	193	2,261	1,085	1,009	1,432	2,221	450	9,355	308	2,870	544	1,376	1,017	2,624
% change to existing housing stock	7.7%	4.5%	13.2%	5.0%	26.1%	108.3%	25.8%	29.1%	17.9%	16.1%	5.5%	21.1%	165.6%	12.0%	11.0%	12.7%	22.5%	18.0%

- **Consider equity directly when determining how many total RHNA units a jurisdiction will receive.** Using explicit equity-focused factors—such as measures of segregation or opportunity—when determining each jurisdiction's total RHNA allocation can help ensure lower-income and racially segregated areas are not taking on more than their fair share of RHNA, while also funneling more RHNA to higher income areas with access to key resources that promote economic mobility.

We note that AMBAG's current methodology does *not* consider equity directly when determining total RHNA allocations. Instead, staff have proposed an "income-shift" approach that swaps low-income units from lower-opportunity jurisdictions with the higher-income units from higher opportunity areas. The intended outcome of the staff approach is to affirmatively further fair housing by increasing the percentage of low-income units planned for in higher opportunity areas, however, we believe a better approach would be to instead allocate additional total numbers of low income units to areas of high opportunity, instead of just shifting the percentages.

ABAG calls our preferred approach the "Bottom-Up" AFFH methodology. In contrast to the Income Shift, the Bottom-Up income allocation approach does not start with a total allocation assigned with a factor-based methodology. Instead, this approach builds up the total allocation by using factors to determine allocations for the four income categories separately. Factors are selected for the lower two income categories, and then for the upper two income categories, and a jurisdiction's allocation within each income category is determined based on how the jurisdiction scores relative to the rest of the region on the selected factors. The jurisdiction's total allocation is calculated by summing the results for each income category. The bottom-up approach ensures that more low income units go to where they are needed most: near higher paying jobs, and in historically exclusive communities.

COG planning staff in other regions argue that simply performing an income shift to affirmatively further fair housing for RHNA allocation is sufficient, given that what really matters is how much lower-income RHNA wealthier jurisdictions receive, not their total RHNA allocation. This is due to the fact that lower-income RHNA must be accommodated with a higher zoned density (generally 30 units per acre). Therefore, if suburban or rural jurisdictions receive a large allocation of lower-income units, they will likely accommodate the RHNA with parcels located near the urban core (given that they won't want high density buildings located on the outskirts of town). On the other hand, if these jurisdictions receive a large allocation of higher-income units, they may find that the easiest way to accommodate their RHNA is to zone for single-family housing on undeveloped land – which could lead to sprawl. Consequently, some COGs argue that ensuring non-urban jurisdictions receive a high percentage of lower-income units and a relatively small total RHNA allocation is the best strategy for promoting both RHNA's equity and environmental objectives.

The proposed methodology that AMBAG staff are recommending does not follow the recommended strategy of low total allocations to non-urban jurisdictions. In fact, unincorporated Monterey County, the most rural jurisdiction in the region, is proposed to be allocated the second highest total number of housing units of any jurisdiction in the region after the city of Salinas, while another relatively rural jurisdiction, Gonzales, is proposed to be allocated over a 100% unit increase from 2020 levels, with over 66% of the proposed 2,261 units being moderate or above moderate housing units. Gonzales' proposed total allocation is nearly as large as the proposed allocation for unincorporated Santa Cruz County, which is a much larger, more urban, higher-resourced jurisdiction with over ten times the existing housing stock. Using a bottom-up approach to affirmatively further fair housing would not only help to reduce the likelihood of sprawl development in rural communities such as

Gonzales, but would help ensure more homes in our region will be built for people of lower incomes in areas of the highest opportunities.

- **Consider a jurisdiction’s connection to the regional job market, rather than the number of jobs located within a jurisdiction.** There is existing data that measures how many jobs are within a 30-minute commuting distance by car of census blocks across the state. Using this data to allocate RHNA can ensure that smaller, wealthier jurisdictions that might be located adjacent to a job center, but don’t have a large number of jobs within their jurisdictional boundary, are still allocated their fair share of RHNA.

We are glad to see that the currently proposed AMBAG RHNA methodology is considering using proximity to jobs, regardless of which jurisdiction the jobs are in, when incorporating employment as an allocation factor. We hope the final version maintains this commitment to creating housing near job centers regardless of jurisdictional boundaries.

- **Carefully weigh whether basing the RHNA allocation on the land use projections in the SCS is appropriate.** Some SCS land use projections incorporate factors—such as the speed by which jurisdictions approve housing permits and a jurisdiction’s current zoned capacity—that arguably should not be considered at any point in the RHNA allocation process based on statutory guidelines. Further, allocating RHNA based on these land use projections can result in an allocation that does not further the statutory objectives of RHNA. In these cases, COGs should not assume they are legally required to allocate RHNA based on the SCS.

The AMBAG Sustainable Communities Strategy states that “All growth is consistent with General Plans and was based on direction from jurisdiction planning staff.” This makes it problematic to use the SCS as the primary basis for assigning RHNA when RHNA may specifically require general plan amendments to implement. Relying on the SCS for a baseline allocation bakes in the constraints from jurisdictions existing general plans, and doubles down on existing patterns of systemic segregation and inequity to the extent that those are undressed in the existing general plans. AMBAG staff currently propose to allocate part of the RHNA, approximately half, based on the land use projections in their SCS, which is primarily designed to help the region meet its greenhouse gas reduction goals. When equity is taken into account, it is as a secondary step that only affects what percentage of a jurisdiction’s RHNA allocation falls into each of the four income buckets.

AMBAG’s SCS gives jurisdictions that believe they are already “built out” a lower proportion of the projected population growth, even if they also have high access to jobs and other key resources. AMBAG’s SCS incorporates factors—such as the speed by which jurisdictions approve housing permits and a jurisdiction’s current zoned capacity—that should not be

considered at any point in the RHNA allocation process given statutory guidelines. Further, depending on how the SCS incorporates existing zoned capacity into its growth projections, predominantly using the SCS to allocate RHNA could result in a distribution that does not further any of the five statutory objectives.

- **Use publicly available data from objective, external sources.** Allocating RHNA based on COGs' internal data that incorporates local input raises equity concerns, because it allows small, wealthy jurisdictions that have a significant political incentive to minimize local housing development an opportunity to bias the RHNA allocation. Wherever possible, COGs should use publicly available data from external sources within their RHNA allocation methodology.

We request that all sources of data be cited and made available to the public and to the AMBAG Directors prior to the draft methodology approval. We are particularly concerned that the data selected for the proposed draft methodology to date does not identify the cities of Del Rey Oaks or Scotts Valley to be jurisdictions of high opportunity, despite the fact that they both have much higher than average median incomes compared to the region as a whole. Without datasets that reflect our shared understanding of reality, it is hard to believe the intended outcomes of the selected methodology will accurately reflect the values AMBAG emphasizes in its allocation approach. More transparency for datasets is crucial for an informed decision-making process.

- **Develop strategies that allow stakeholders to meaningfully participate in discussions about how to allocate RHNA.** The RHNA process is very complex, but some COGs have developed tools that allow the public to understand more intuitively how different RHNA allocation strategies affect the spatial distribution of RHNA. More COGs should use these tools to ensure that stakeholders can meaningfully weigh in during the RHNA methodology development process.

We are dismayed that AMBAG has not been able to produce a tool that allows the public to understand how various allocation strategies, as determined by any proposed methodology, will result in distribution of housing units to each of the jurisdictions. We have only been able to estimate distributions based on the calculations staff have produced for their recommended methodology, but both the public and AMBAG Directors have not been afforded the opportunity to review calculations for alternative methodological options to see how those options might change the distributions assigned to each city or unincorporated county in the Monterey Bay Area. While at this stage we recognize it's unreasonable to develop a tool such as ABAG's methodology visualization tool, we encourage the staff to at least provide calculations for distributions of multiple methodology alternatives, including those we are recommending in this letter. Understanding the extent to which a methodology promotes RHNA's statutory objectives requires not only understanding the broad theoretical approach employed by a COG, but also an analysis of the plan's actual output.

We hope that the leaders of the Monterey Bay Area region recognize the seriousness of the task at hand: planning for the region's state-mandated future growth for the next decade. While this process may be new to some of you, or familiar to others, what differentiates RHNA and the Housing Element now, in this current planning cycle, from previous cycles is the added legal weight that the state has placed on local jurisdictions to ensure that the planned housing goals are actually achieved. In years past, a city or county could get away with failing to zone for affordable housing at the required densities, or failing to facilitate the planned housing growth by falling short of its RHNA objectives; that is no longer the case. Now that state lawmakers have beefed up the enforcement mechanisms to ensure compliance with state law, with potential fines, reductions in funding, and loss of control of local land use decision making, it is imperative that the RHNA process be executed carefully and intentionally.

Since housing growth based on RHNA allocations is now expected to actually be achieved, and since there are serious consequences for failing to meet the requirements of the law, it's important that the RHNA methodology be adopted with as much care and diligence as possible. We believe the best outcomes for the Monterey Bay Area region: more affordable housing where it's needed most, reduced greenhouse gas emissions, more opportunities for social mobility, economic growth, and improved quality of life, will be best achieved by learning from what worked and what didn't work in other regions, and applying those lessons to the task at hand. Please take heed of our recommendations and review the attached RHNA Methodologies Best Practices report from the UC Berkeley Turner Center on Housing Innovation. We also want to extend an offer to meet with any representative from any AMBAG jurisdiction who would like to discuss our recommendations in greater detail prior to the adoption of the draft methodology at your November board meeting.

Sincerely,

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California YIMBY is a movement dedicated to ending our state's housing crisis and building a more inclusive, affordable, and accessible state for ALL Californians. **Santa Cruz YIMBY** is a chapter of YIMBY Action, a network of pro-housing activists fighting for more inclusive housing policies and a future of abundant housing. **YIMBY Law** is a project of the 501(c)(3) nonprofit Yes In My Back Yard. We are dedicated to making housing in California more accessible and affordable.



November 2, 2021

Via e-mail

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Heather Adamson, Planning Director
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Re: Draft RHNA Methodology

Dear Ms. Twomey and Ms. Adamson:

I write on behalf of LandWatch Monterey County regarding the draft proposed RHNA methodology and to follow up on the concerns we raised at the Planning Director's Forum Monday.

LandWatch suggests a substantial reduction in the initial allocation of 3,083 units that would be assigned to the unincorporated area of Monterey County on the basis of the draft proposed methodology. In particular, LandWatch recommends no units be allocated to the unincorporated area of Monterey County on the basis of its share of regional jobs because the draft proposed methodology over-allocates units on that basis: the unincorporated area of the County does not have a jobs/housing imbalance. LandWatch proposes that AMBAG staff recommend this reduction as an adjustment when applying the 13 statutory factors mandated by Government Code Section 65584.04(e) because a number of these statutory factors justify such a reduction.

1. Over-allocation of units to unincorporated Monterey County based on jobs.

The primary factors used to make the initial allocation in the proposed draft methodology are the housing units for each jurisdiction projected in the Regional Growth Forecast from 2025-2035 (637 units for the County) and the percentage of regional jobs for each jurisdiction (resulting in an additional 2,357 units allocated to the County).

LandWatch generally supports using jobs as a primary basis to allocate RHNA for cities. This is consistent with the statutory objective to promote an “improved intraregional relationship between jobs and housing.” (Gov. Code, § 65584(d)(3).) For cities, the focus on employment is also consistent with the statutory objective to promote “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.” (Gov. Code, § 65584(d)(2).)

However, for the unincorporated area of Monterey County the allocation of housing units based on the percentage of regional jobs conflicts with the objective to promote infill development, protection of the environment and agricultural resources, efficient development patterns, and attainment of GHG reduction targets. Although locating housing units in a city that has jobs can minimize GHG emissions by limiting commutes to the dimensions of the city, there can be no assurance that the County can or will develop housing that is proximate to jobs. Average VMT is higher for both home-based and employment-based trips in the unincorporated County than it is in incorporated areas, so it makes sense to concentrate new units in cities.¹ The zoning the County may create to respond to the County’s RHNA allocation may be very distant from the available jobs, whereas workers in jobs dispersed in the County, e.g., the 13.3% of County workers who are in agricultural work, could likely be housed in the cities proximate to their jobs.² We note almost five times as many agricultural workers in Monterey County live in cities than in unincorporated areas.³

Furthermore, allocating housing units to the unincorporated area of the County is the antithesis of supporting compact urban growth and efficient development patterns. And allocating housing units to the County is likely to consume farmland.

¹ Staff Report to Monterey County Planning Commission, Jan. 13, 2021, re VMT Thresholds and Exhibit B, Table summary of preliminary VMT figures, available at <http://monterey.legistar.com/gateway.aspx?M=F&ID=fa5798d5-bf42-4bb6-86e3-bdb9820d8aca.pdf> and <http://monterey.legistar.com/gateway.aspx?M=F&ID=cf0c6f16-580d-49e6-95eb-80e7539b898f.pdf>.

² Monterey County, 2015-2023 Housing Element, p. 9, available at <https://www.co.monterey.ca.us/home/showpublisheddocument/23939/636276873490100000>. Note that agriculture is only the second highest employment in the unincorporated County or the County as a whole.

³ *Id.*

LandWatch is also concerned that the draft methodology allocates so many units to the County based on jobs even though the unincorporated County does not have a jobs/housing imbalance. This is evident from your presentation to the Planning Directors, in which the unincorporated area is not identified as one of the seven areas in Monterey County in which the jobs/housing relationship “should be considered.”⁴ The jobs/housing ratio for unincorporated Monterey County is 1.5, equal to the regional average and lower than the County average of 1.7.⁵ In short, there is no jobs/housing problem in the unincorporated area that needs to be fixed by allocating so many housing units.

Despite this, the draft methodology assigns 2,357 additional units to the unincorporated area on the basis of a jobs/housing imbalance, almost four times as many as the 637 units that are allocated to meet the Regional Growth Forecast. No other jurisdiction except the cities of Monterey and Carmel are allocated more units for jobs than for their Regional Growth Forecast. However, unlike the unincorporated County, Monterey and Carmel are clearly communities suffering huge jobs/housing imbalances, as evidenced by substantial in-commuting.⁶ Carmel has a net in-commute of 1,604 persons, i.e., persons living outside the city commuting into it minus persons living in the city commuting out of it. Monterey has a net in-commute of 11,506 persons. By contrast, the unincorporated County has a net out-commute of 421 persons.

2. Statutory factors warrant a substantial reduction in the allocation to unincorporated Monterey County.

While the employment-based allocation may work for cities, it does not work for the unincorporated area of Monterey County. Fortunately, the over-allocation to the County can be corrected without disturbing the employment-based allocation to cities, simply by applying one or more of the 13 statutory factors enumerated in Government Code Section 65584.04(e)(1) through (13). The AMBAG staff's proposed methodology expressly

⁴ AMBAG, Planning Directors Forum, Agenda Package, Nov. 1, 2021, page 12, “Factors for Consideration in 6th Cycle RHNA [“Highlight Reflects Jurisdictions Where Factor Should Be Considered”], available at [https://www.ambag.org/sites/default/files/2021-10/PDF%20Agenda%20Packet 110121.rev .pdf](https://www.ambag.org/sites/default/files/2021-10/PDF%20Agenda%20Packet%20110121.rev.pdf).

⁵ *Id.*

⁶ See U.S. Census, Inflow/Outflow Job Counts, Monterey County jurisdictions, attached and available at <https://onthemap.ces.census.gov/>.

contemplates that adjustments will be made to the initial allocation to account for the other factors set out in Government Code Section 65584.04(e).⁷

These factors mandate a substantial reduction in the allocation to unincorporated Monterey County. (Gov. Code, § 65584.04(e) [where data available, the COG “shall include the following factors to develop the methodology that allocates regional housing needs . . .”].)

First, Government Code Section 65584.04(e)(4) mandates that the RHNA methodology shall include as one of its factors any "agreements between a county and cities in a county to direct growth toward incorporated areas of the county." The County has previously recognized the need to focus growth in cities by entering into just such MOAs and MOUs with cities to direct growth into incorporated areas.⁸

Second, Government Code Section 65584.04(e)(2)(D) mandates that the RHNA methodology shall include consideration of “County policies to preserve prime agricultural land.” Monterey County General Plan Agricultural Element contains numerous policies that seek to preserve prime agricultural land, and in particular, seek to avoid conversion of that land to non-agricultural use. For example, Policy AG-1.4 provides that on lands classified as Prime, of Statewide Importance, Unique, or of Local Importance, agriculture uses shall be conserved and that “agriculture shall be established as the top land use priority for guiding further economic development on agricultural lands.”⁹

Third, Government Code Section 65584.04(e)(12) mandates that the RHNA methodology shall include consideration of the region’s greenhouse gas targets. As noted above, VMT associated with unincorporated Monterey County housing and employment is higher than

⁷ Maura Twomey memorandum to AMBAG Board of Directors, Oct. 13, 2021, p. 4 [“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.”].

⁸ See MOA – City of Gonzales, March 25, 2014; MOA – City of Greenfield, June 11, 2013; MOU – City of Salinas Aug. 29, 2006, all available at <https://www.co.monterey.ca.us/government/departments-a-h/housing-community-development/planning-services/resources/mous>.

⁹ Monterey County, 2010 General Plan, Agriculture Element, page AG-4, available at <https://www.co.monterey.ca.us/home/showpublisheddocument/45812/636389938528430000>.

the average VMT for the rest of the County, i.e., higher than the VMT for the cities within the County. Thus, GHG emissions are higher.

Again, no fundamental change to the initial allocation methodology is required in order to reduce the County's allocation in recognition of these statutory factors and in recognition that jobs/housing imbalance rationale does not fit the unincorporated area the way it fits cities. Thus, in applying the Government Code Section 65584.04(e) factors, LandWatch proposes that the units initially allocated to the unincorporated area of Monterey County be reduced by the 2,357 units representing the over-allocation of units based on employment.

Yours sincerely,

M. R. WOLFE & ASSOCIATES, P.C.



John Farrow

JHF:hs

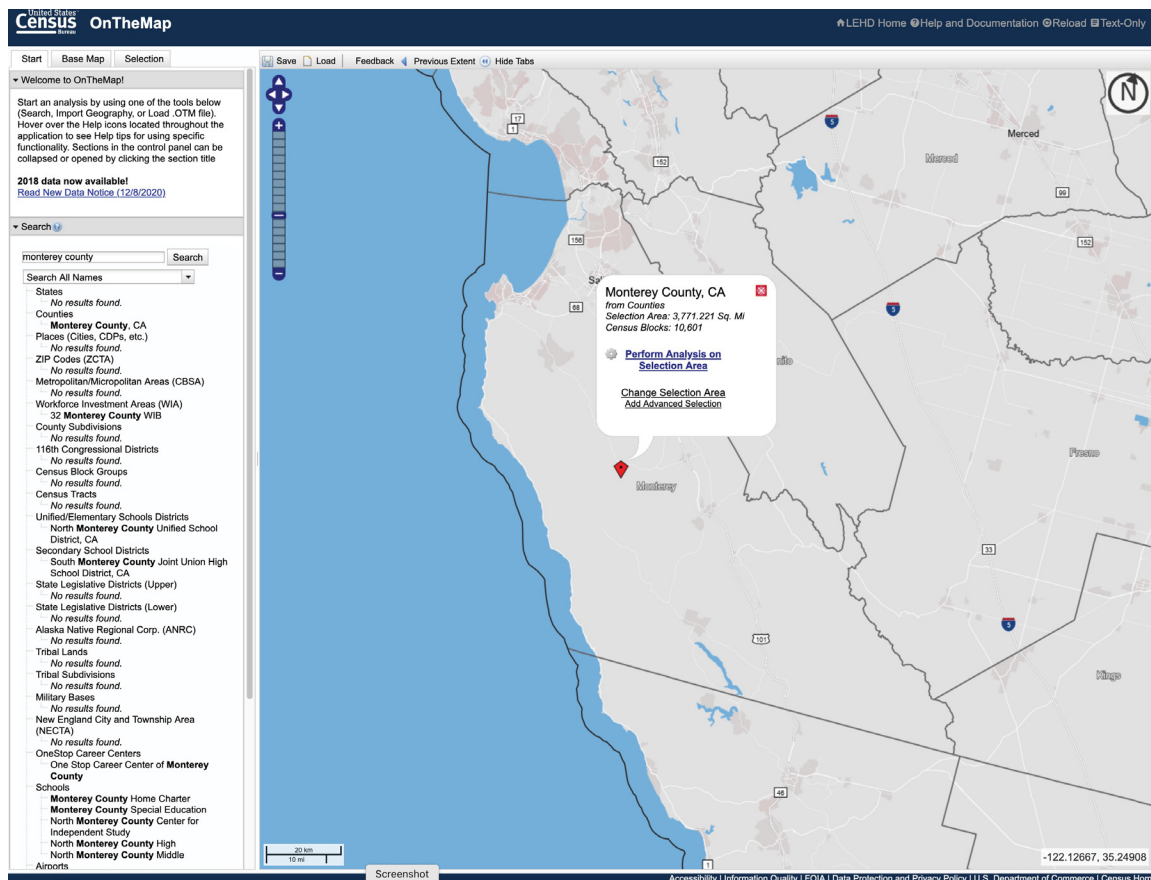
cc: Erik Lundquest, County of Monterey
Ashley Paulsworth, County of Monterey
Mary Adams, County of Monterey
John Phillips, County of Monterey
Michael DeLapa, LandWatch

Attachment:

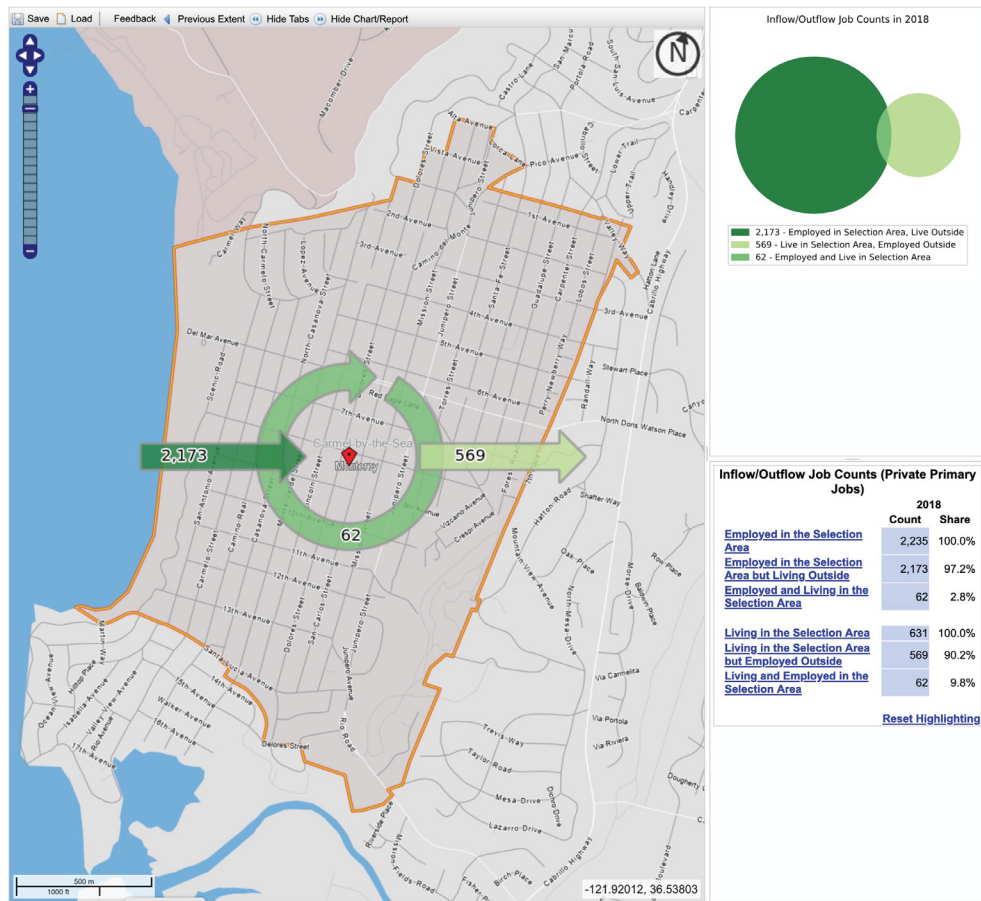
U.S. Census, Inflow/Outflow Job Counts, Monterey County jurisdictions

U.S. Census Inflow/Outflow Data for Monterey County

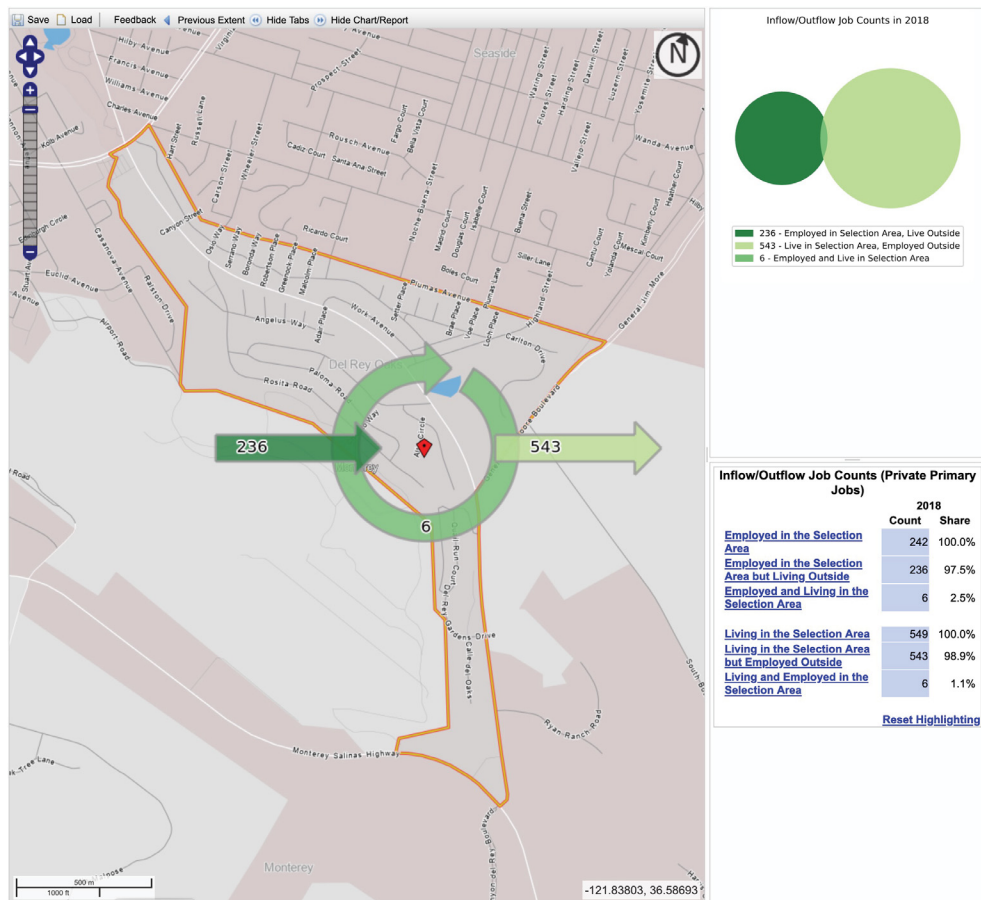
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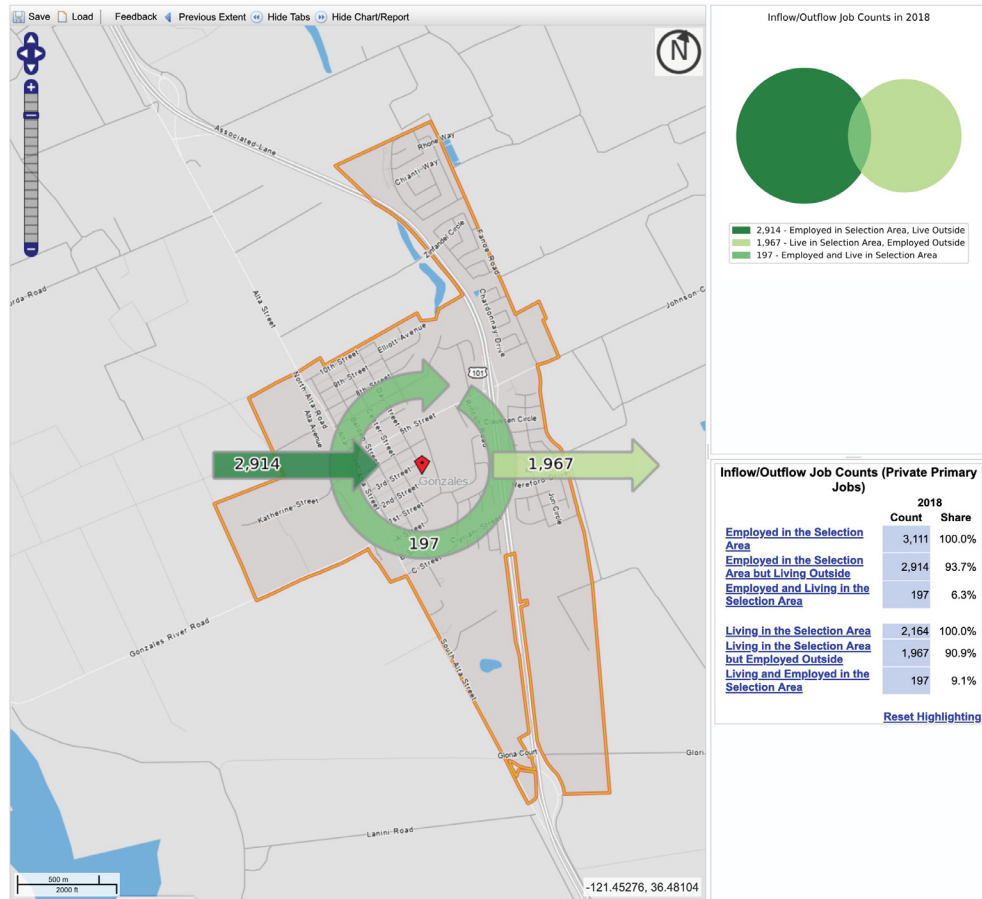
Carmel



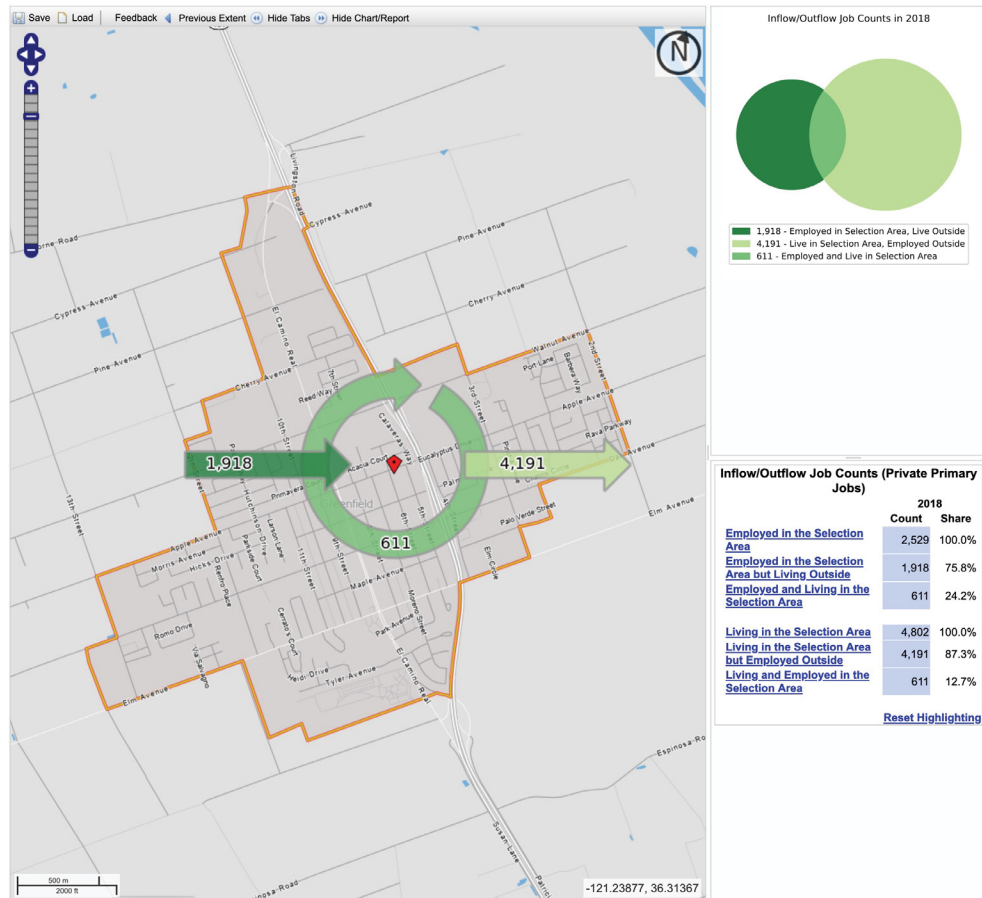
Del Rey Oaks



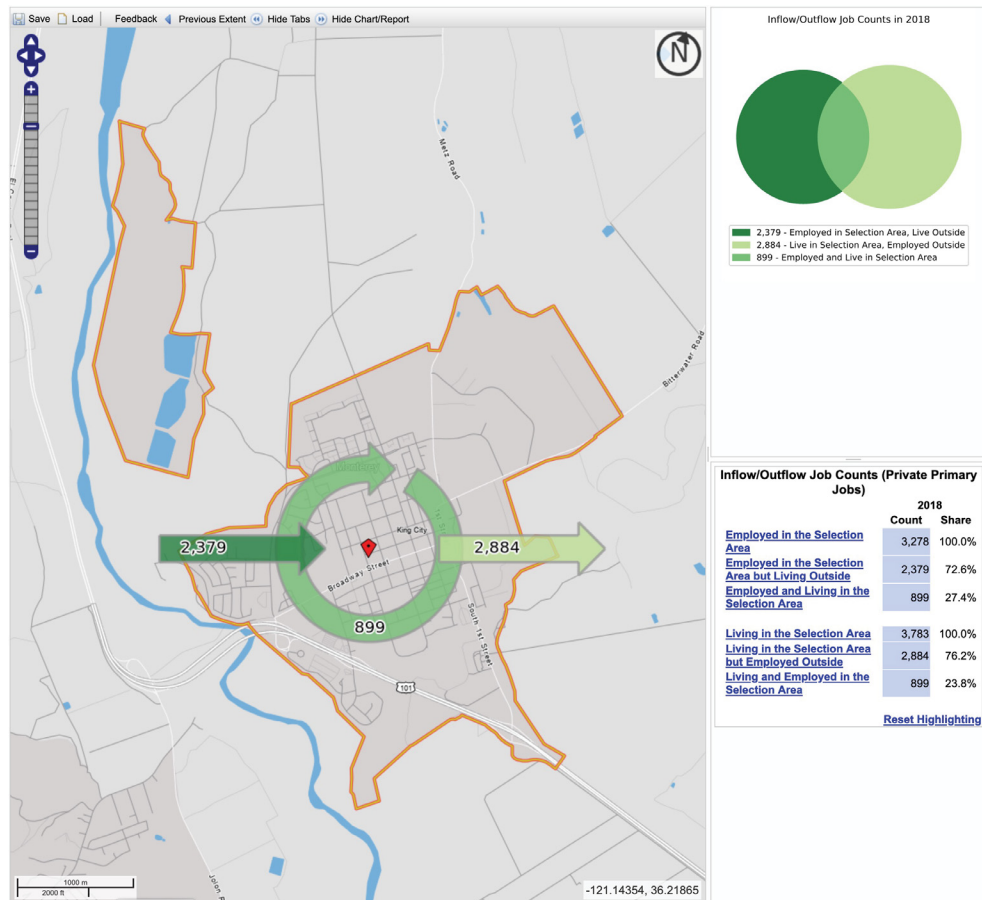
Gonzales



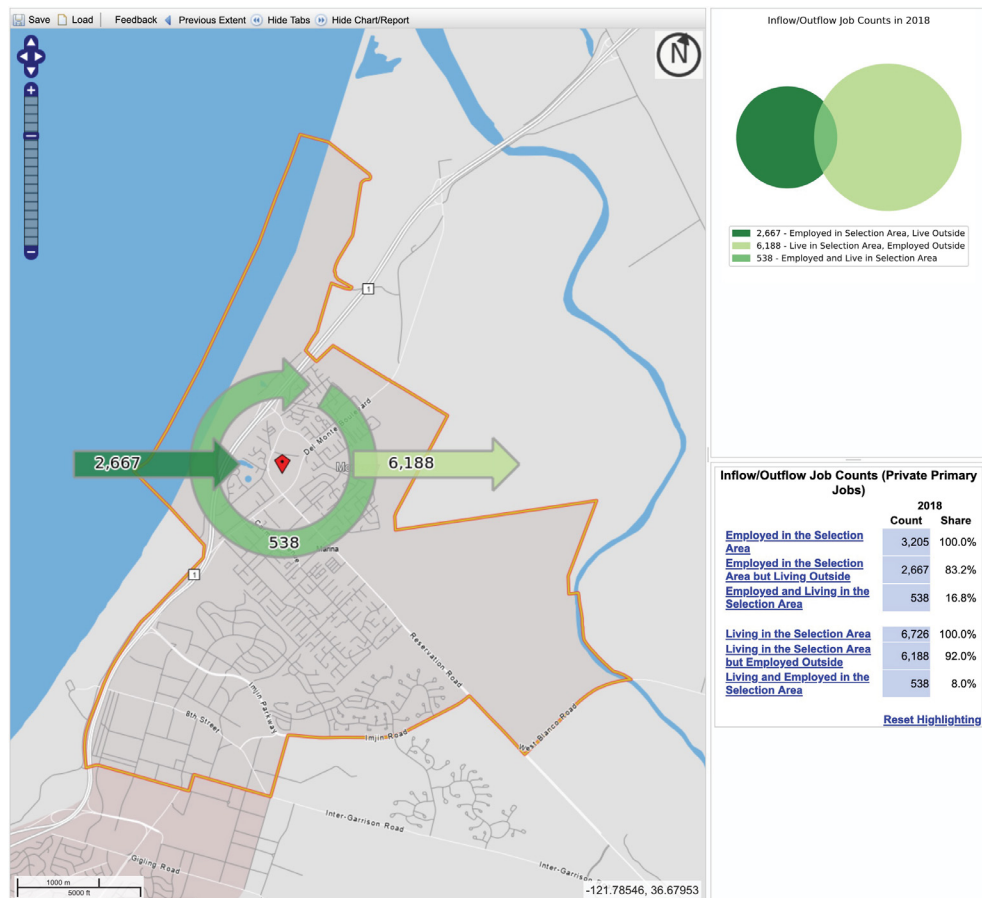
Greenfield



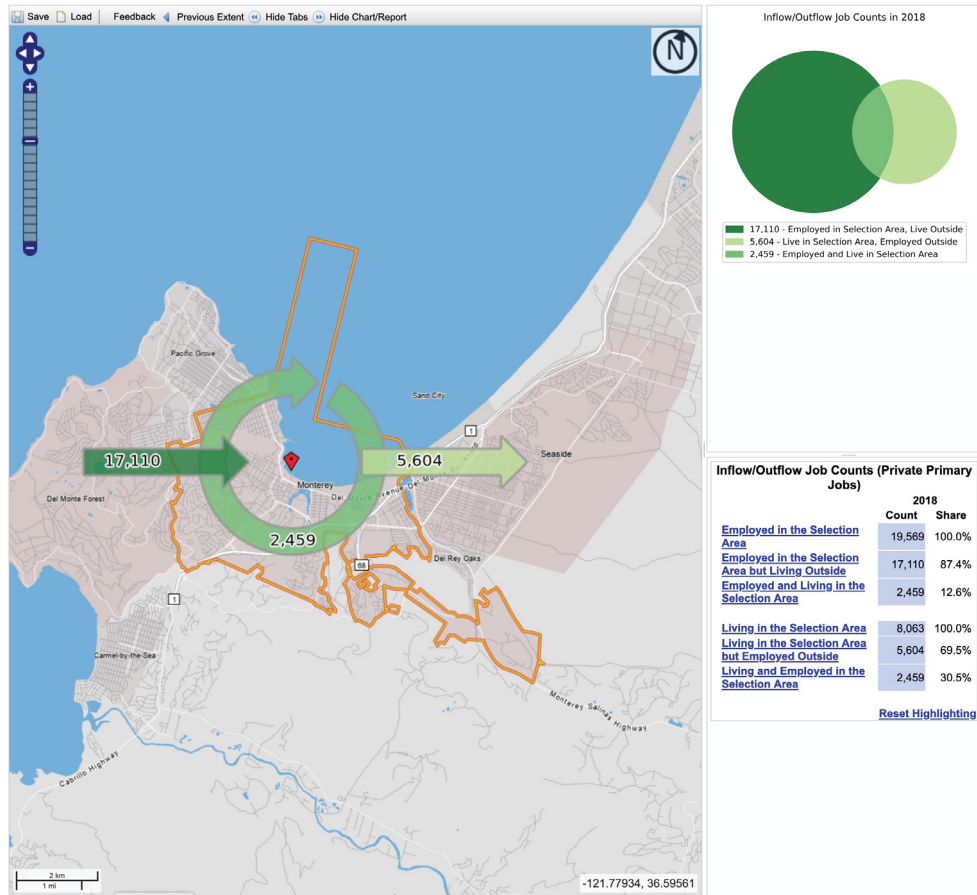
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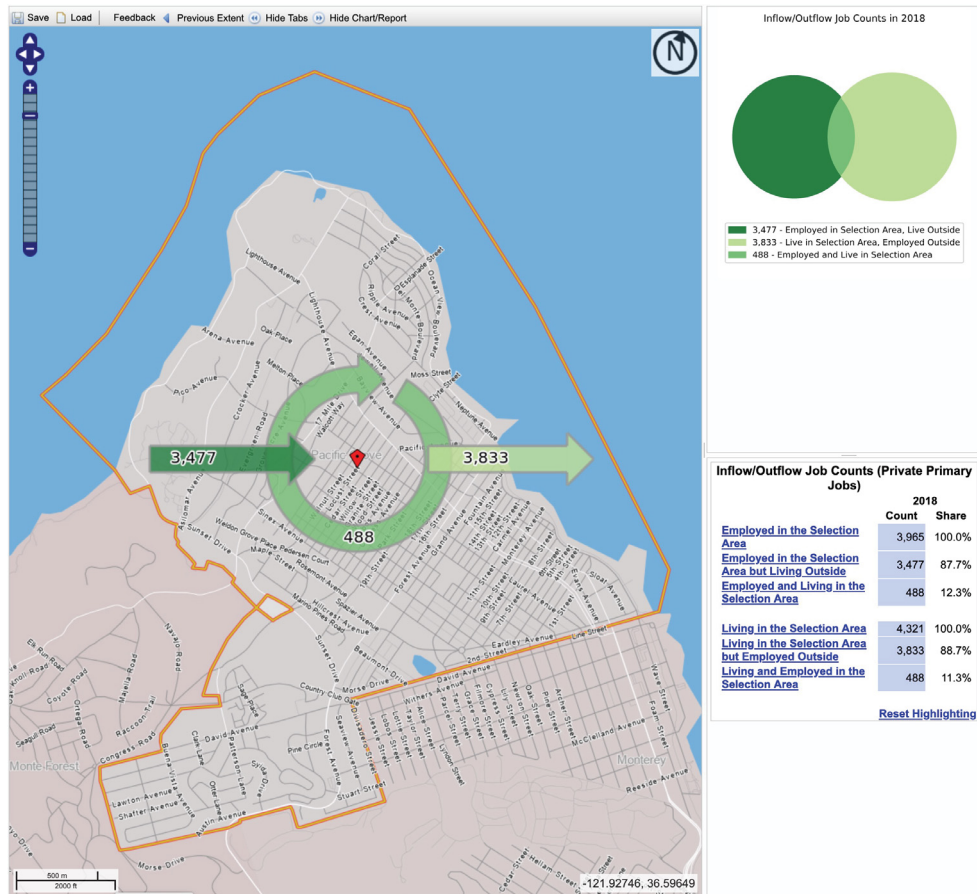
Marina



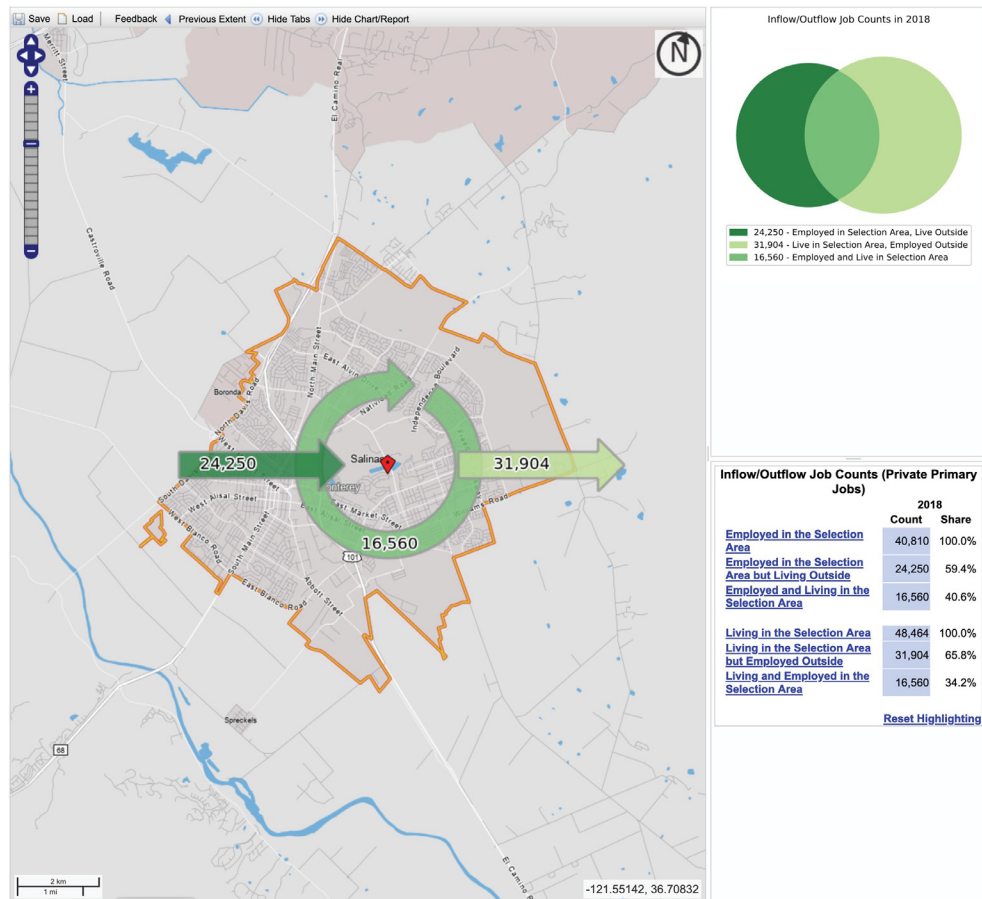
Monterey



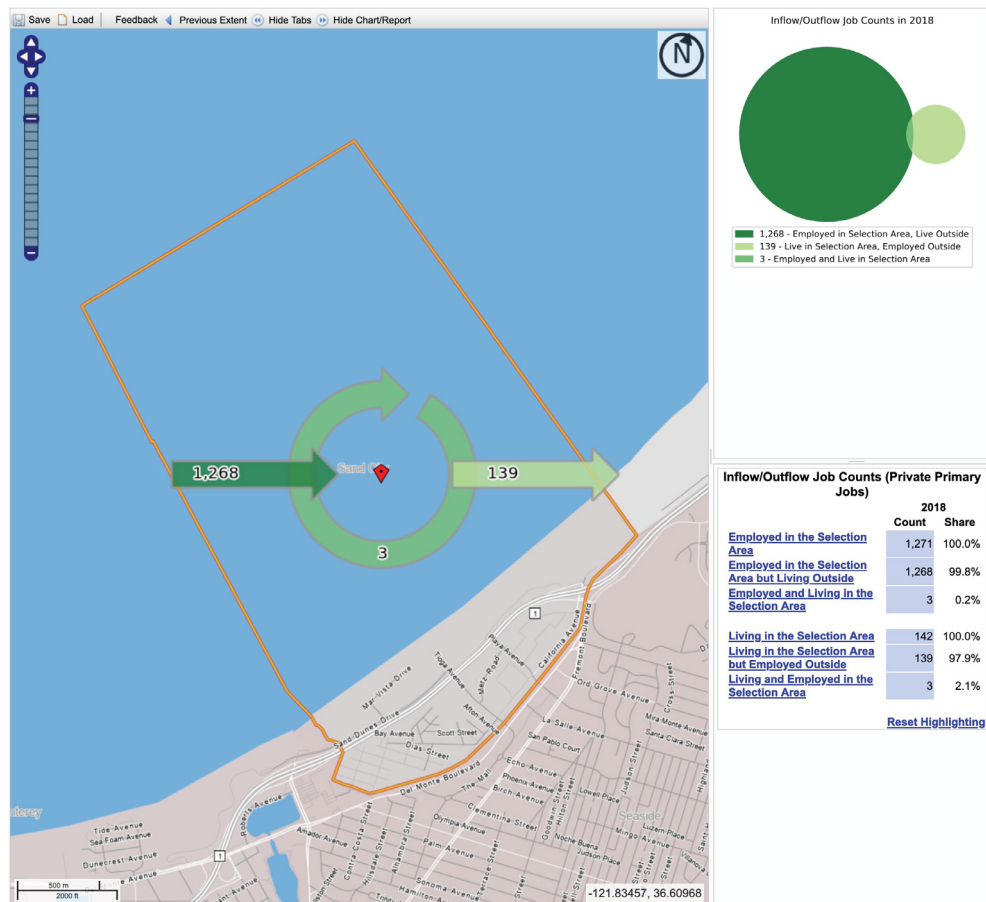
Pacific Grove



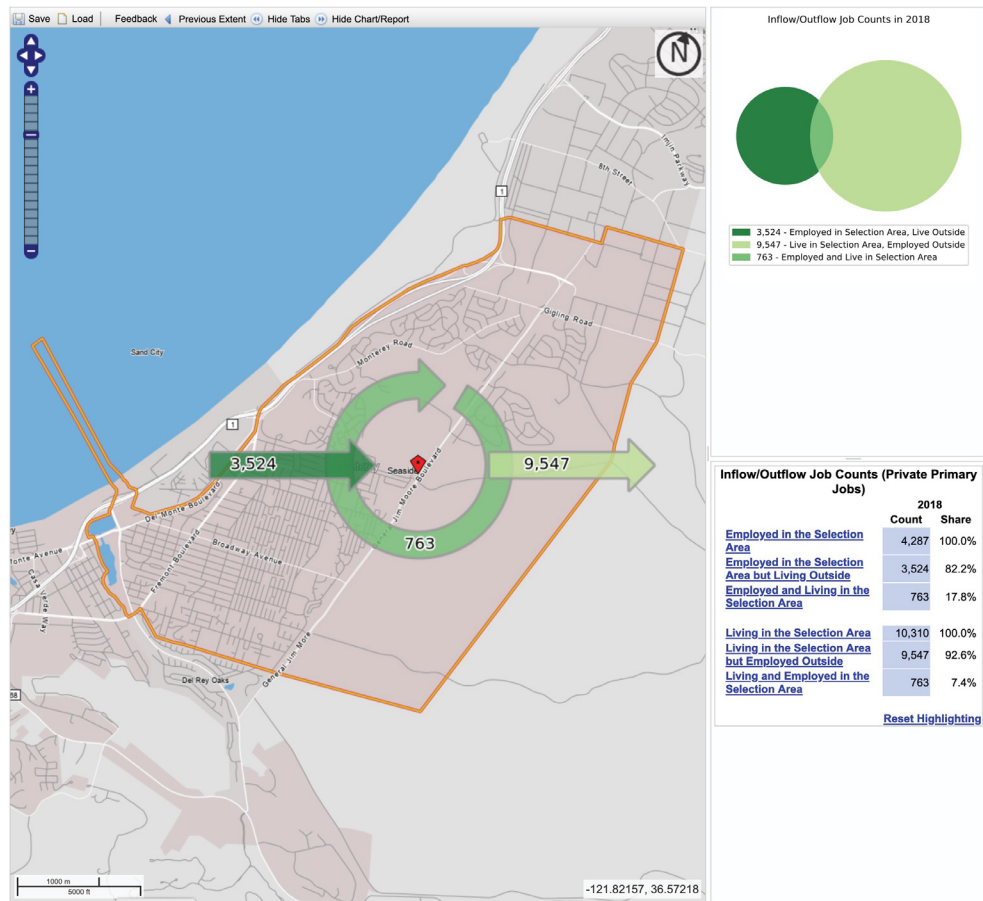
Salinas



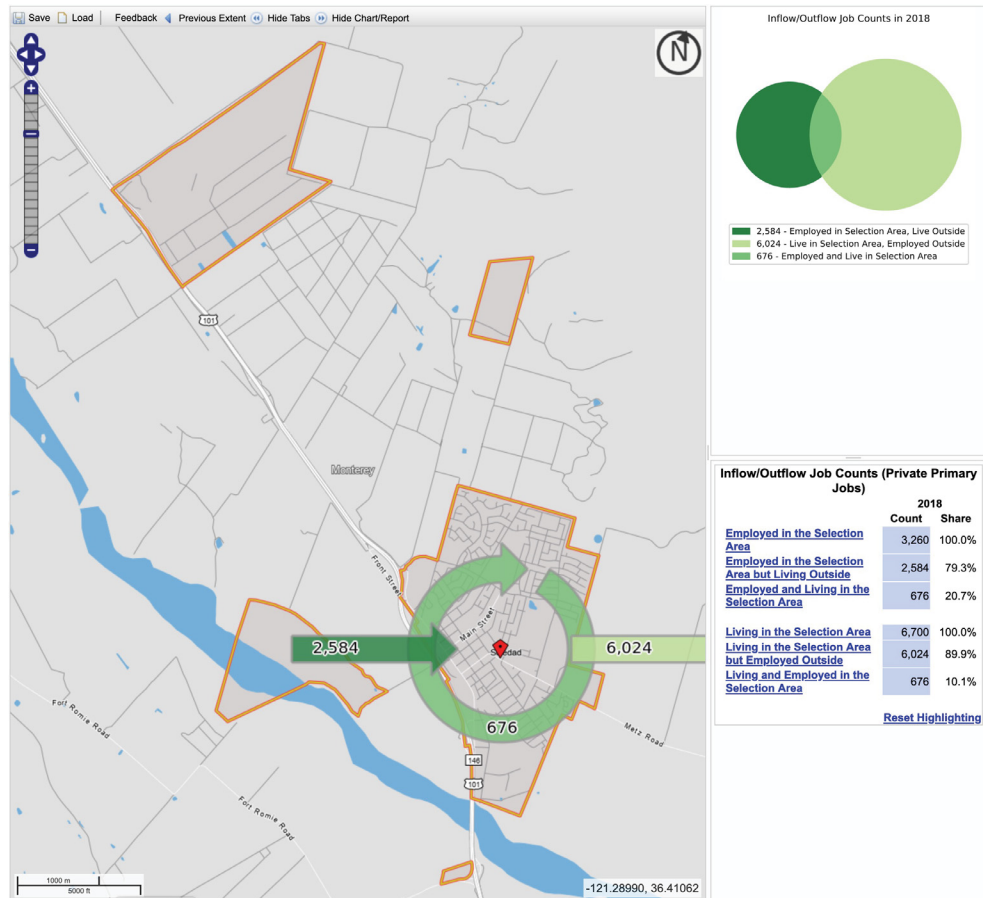
Sand City



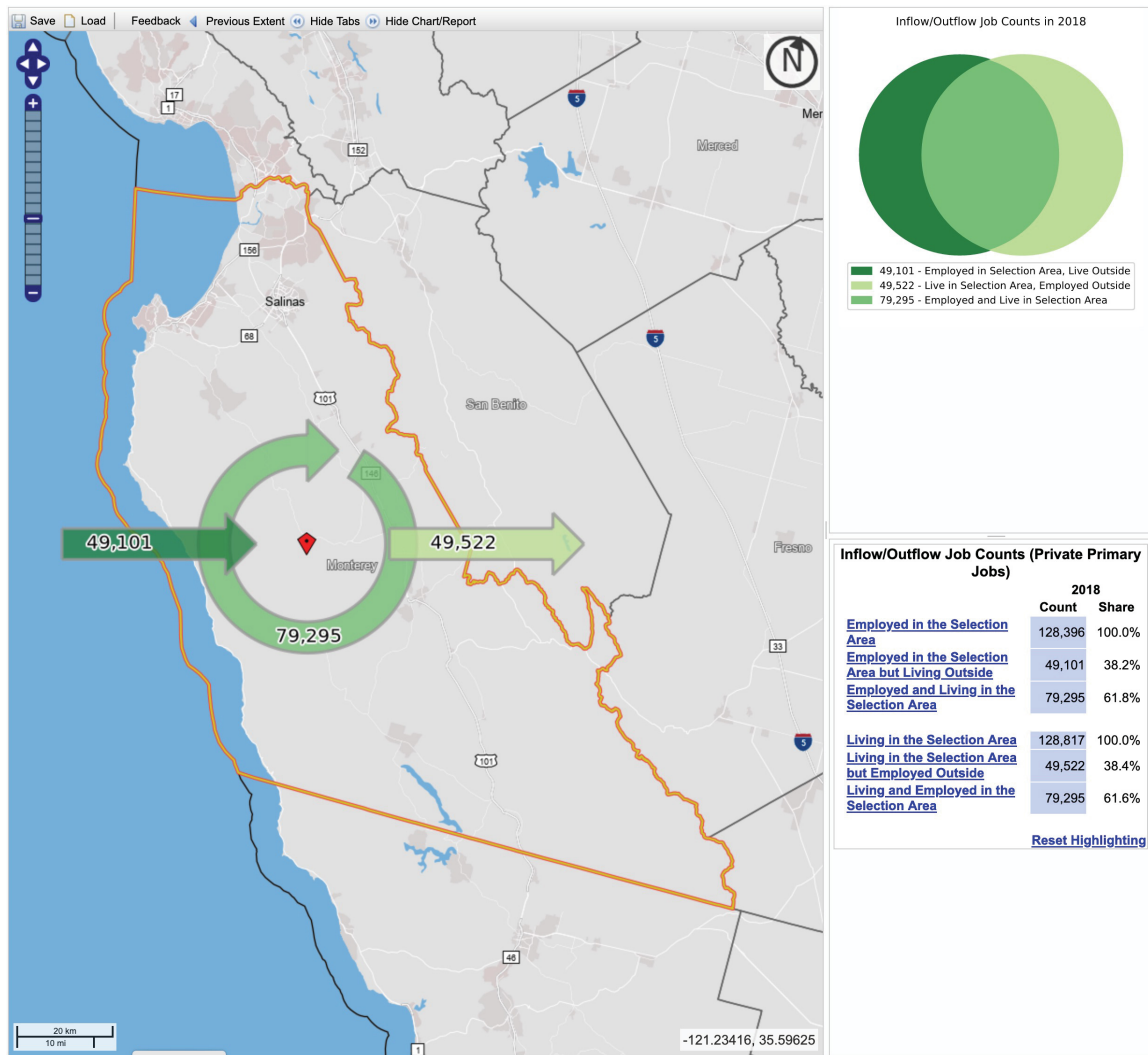
Seaside



Soledad



Unincorporated Monterey County





November 5, 2021

AMBAG Board of Directors
24580 Silver Cloud Ct
Monterey, CA 93940

RE: Regional Housing Needs Allocation

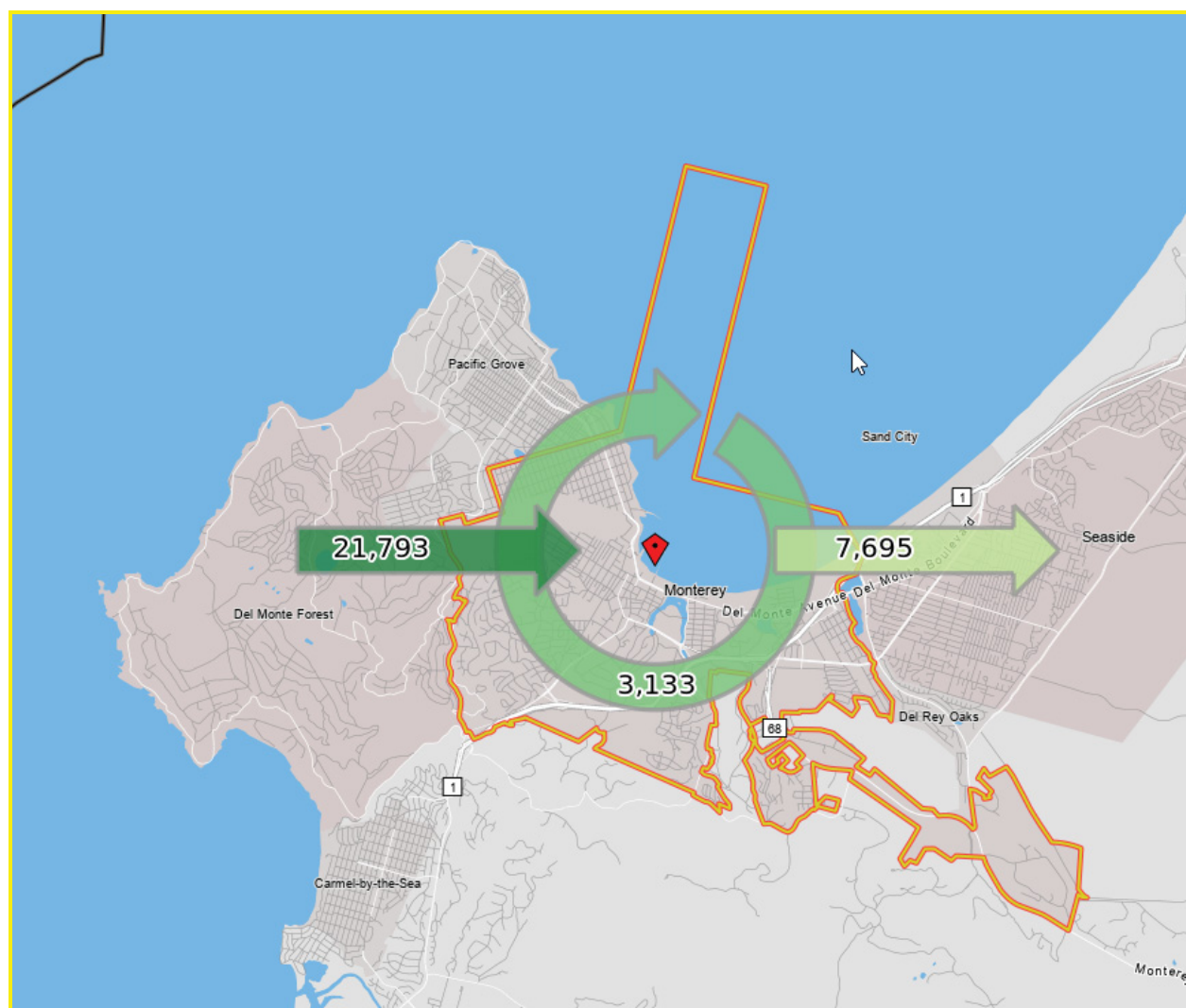
Dear AMBAG Board of Directors,

The City of Monterey requests that the AMBAG Board delay adoption of the Regional Housing Needs Allocation until AMBAG staff provides a detailed presentation on the two sources of data that were used to develop the employment numbers (InfoUSA and State of California Employment Development Department - EDD). Eighty-five percent of the proposed RHNA allocation is weighted on employment and regionally we need confidence in the employment numbers for the allocation to proceed.

AMBAG signed a confidentiality agreement with EDD regarding the data, and AMBAG staff recently recommended that each City contact EDD for their own agreement to verify the information. In our opinion, this is an inefficient and not transparent approach. We are asking that the Board direct the AMBAG staff to have the agreement with EDD modified so they can share the data with qualified staff members from each jurisdiction so we can verify the numbers. It would also be helpful if AMBAG shared the InfoUSA data in a format that can be verified by the local jurisdictions (versus the raw GIS data). Alternatively, the City and other cities will need adequate time to enter into an agreement with EDD and prepare the GIS maps.

For the City of Monterey, the US Census just reported their latest 2019 employment numbers:

Inflow/Outflow Job Counts (All Jobs)		
	2019	
	Count	Share
<u>Employed in the Selection Area</u>	24,926	100.0%
<u>Employed in the Selection Area but Living Outside</u>	21,793	87.4%
<u>Employed and Living in the Selection Area</u>	3,133	12.6%
<u>Living in the Selection Area</u>	10,828	100.0%
<u>Living in the Selection Area but Employed Outside</u>	7,695	71.1%
<u>Living and Employed in the Selection Area</u>	3,133	28.9%
Reset Highlighting		



In contrast, the confidential EDD data used in the AMBAG projections estimates 40,989 jobs in Monterey in 2020. AMBAG staff explained that the Census and publicly available EDD data is based on number of employees versus jobs. Our City, and we suspect other cities as well, needs to understand the employment data in more detail to gain confidence in the difference between 24,926 and 40,989 jobs.

In summary, the City is urging the AMBAG Board to delay adoption of the Regional Housing Needs Allocation until clarification of the employment data can be provided at a detailed level to qualified staff members and the Board of Directors. We hope that this clarification could occur before the end of the calendar year.

Sincerely,

A handwritten signature in black ink, appearing to read "Hans Uslar". The signature is fluid and cursive, with the first name "Hans" being more legible than the last name "Uslar".

Hans Uslar
City Manager

E: Monterey City Council
Kim Cole, Community Development Director
Heather Adamson, AMBAG
Maura Twomey, AMBAG



November 5, 2021

Ms. Cindy Wong
Confidential Data Coordinator
Employment Development Department
Labor Market Information Division
800 Capitol Mall, MIC 57
Sacramento, CA 95814

Re: Public Records Act Request for EDD Jobs Data

Dear Ms. Wong:

On September 1, 2017, AMBAG and EDD entered into Agreement No. M8107738 “for the release and use of EDD confidential information.” That information is included “confidential Quarterly Census of Employment and Wages (QCEW) data.” Subsection 5(k) further states “No release the confidential EDD information to any other public or private entity, including AMBAG member cities and counties, *without EDD's prior written consent.*”

On October 27, 2021 AMBAG received a Public Records Act request from the City of Monterey for “California Employment Development Department (EDD) jobs data for the AMBAG region.” Pursuant to subsection 5(k) referenced above, AMBAG is requesting consent to disclose this information to the City of Monterey.

Sincerely,

Maura F. Twomey
Executive Director

Attachment 9

Public Comments Received on the AMBAG 6th Cycle RHNA Methodology

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
1	Public	Lee	Ruckus	<p>In Consideration of 5th Cycle Results and</p> <ul style="list-style-type: none"> •Historical exclusion of Extremely-Low Income (ELI) category from RHNA goals despite statutory objectives [Equal representation does not necessitate an asterisk] •AMBAG 6th Cycle RHNA goals for the lowest-incomes: ratios of Very-Low Income (VLI) over "Above 120% AMI" (56%) and Low Income (LI) over "Above 120% AMI" (37%), per Agenda, p8 •Available land historically prioritized for luxury/market-rate housing while "kicking can down the road" on "truly affordable" housing (ELI, VLI, LI) via in-lieu fees and/or land donations without developer under contract •Silicon Valley boundary encroachment into AMBAG counties •AMI increase due to that encroachment, e.g., rental rates @100% AMI <p>1-person (only, regardless of square footage) household unit, monthly rental rate, per 2021 AMI Santa Cruz County: \$1958.75 (= \$78,350/12 x 0.3); "Above 120% AMI" = above \$2350.50 San Benito County: \$1587.50 (= \$63,500/12 x 0.3); "Above 120% AMI" = above \$1905 Monterey County: \$1427.50 (= \$57,100/12 x 0.3); "Above 120% AMI" = above \$1713</p> <p>1-person (only, regardless of square footage) household unit, monthly rental rate, per 2018 AMI Santa Cruz County: \$1522.50 (= \$60,900/12 x 0.3) San Benito County: \$1418.75 (= \$56,750/12 x 0.3) Monterey County: \$1208.75 (= \$48,350/12 x 0.3)</p>	HCD provides the units by income categories as part of its Regional Housing Need Determination.	Email	9/7/2021
2	Public	Lee	Ruckus	<p>Either</p> <ul style="list-style-type: none"> •Establish an overriding timeline in each of the AMBAG designated areas for the lowest-income RHNA goals FOR EVERY TWO YEARS of the 8.5-year 6th Cycle (6/30/23 – 12/15/31), similar to AMBAG 6th Cycle RHNA goal ratios of Very-Low Income (VLI) over "Above 120% AMI" (56%) and Low Income (LI) over "Above 120% AMI" (37%), per Agenda, p8. Suspend permit approvals for "Above 120% AMI" housing units should that timeline goal for the lowest-income-level housing units not be accomplished at the end of each two-year period. Or Require the State to provide the funds up front (not via grant lotteries, tax credits, etc) to fulfill the lowest-income RHNA goals. How about taxing Tech and luxury-rate real estate developers —those purveyors of rooftop pools and bars— to contribute to that purpose? 	AMBAG does not have land use authority. Each local jurisdiction is responsible for preparing a housing element and permitting housing units.	Email	9/7/2021
3	Public	Lee	Ruckus	<p>The Hubris of Density Up in a Seismic Zone</p> <p>No engineer or architect can design an "earthquake-proof" structure. That concept does not exist in reality, despite its common usage. They design toward the goal of "earthquake-resistance" to minimize lateral movement, but they cannot guarantee that any structure they design will be habitable... or standing... after every earthquake.</p> <p>They can cite a low probability of failure based on statistical analyses, but earthquakes are unique and unpredictable.</p> <p>And there are other variables, including the inherent faulty construction practices and materials that may not be discovered until after successive ground movement has occurred to expose them.</p> <p>"Earthquake design is a fuzzy proposition. You can't ask an engineer to guarantee that a building will never collapse in an earthquake. That is not fair, and it is not the deal that society has made with the construction world. You can ask that it will behave as well as possible, meeting at least the code requirements. Even that's a heavy responsibility." —Leonard Joseph, Principal, Seismic Performance-Based Design, Thornton Tomasetti</p>	Comment noted.	Email	9/7/2021
4	Santa Cruz YIMBY	Sonnenfeld	Rafa	<p>Santa Cruz YIMBY advocates for more affordable housing to meet the needs of our growing population in response to the ever-increasing cost of living and the housing crisis in our region. We have been closely following the RHNA methodology discussion that has been occurring this year, and recommend the following changes to the staff-proposed RHNA allocation methodologies in order to improve the housing-construction feasibility and social equity that come out of the RHNA allocation:</p> <p>Use AFFH as a significant factor in allocation housing totals, not just adjusting the share of allocation for Low/Very Low Income. This will ensure that high opportunity areas receive higher numbers of both low income units as well as market rate units, instead of the proposed income shift methodology that assigns more market rate units to low opportunity communities, which could exacerbate gentrification.</p>	AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.	Letter	9/20/2021
5	Santa Cruz YIMBY	Sonnenfeld	Rafa	<p>Use jobs access as the other major factor, and base that on jobs proximity instead of within jurisdiction jobs-housing balance.</p>	By putting more housing where the largest number of jobs are, that meets the statutory RHNA objective of improving jobs/housing balance. Objective 2 of RHNA states "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." ABAG's assessment of Objective 2, recommended by HCD, was to assess RHNA's performance based on jurisdiction-level jobs data, not job proximity.	Letter	9/20/2021

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
6	Santa Cruz YIMBY	Sonnenfeld	Rafa	Set up a strong evaluative framework to assess methodology performance (and base it primarily on the number of units allocated, not the % at different income levels).	AMBAG's evaluation framework is to ensure the allocation meets the five statutory objectives and addresses the 13 statutory factors. AMBAG proposes using an evaluation framework of metrics as presented in the revised draft methodology to the Planning Directors meeting on November 1, 2021. Evaluation of each jurisdiction's progress towards fulfilling their RHNA allocation is done by HCD through their Annual Progress Reporting process.	Letter	9/20/2021
7	Santa Cruz YIMBY	Sonnenfeld	Rafa	We find that the proposed methodologies presented in the August planning directors meeting do not adequately account for the need for Farmworker Housing. Farmworker jobs are not necessarily accurately captured in the Census data; to ensure that homes are adequately distributed to farmworker communities, we suggest a methodology factor that explicitly allocates approximately 900-1000 80% AMI farmworker housing units (the number of farmworker housing units identified as feasible to construct in the Pajero/Salinas Valley Farmworker Housing study) between the following jurisdictions: Unincorporated Santa Cruz and Monterey Counties, Watsonville, and all Salinas Valley jurisdictions including Gonzalez, Greenfield, King City, Salinas, and Soledad.	Ag jobs are included in our jobs data. We are not using "Census" jobs data—we're using address-level data from the California Employment Development Department, InfoUSA, and nearly a year of extensive ground-truthing the data by AMBAG staff. These data sources do include agricultural jobs as well as agricultural support jobs. If the number of ag jobs in the 2022 RGF appears low, it is not because we missed ag jobs, it's because of industry classifications. Within NAICS classifications, support activities for agricultural or animal production (e.g., harvesting contractors, farm labor contractors, crop packaging, warehousing) appear in manufacturing, transportation and warehousing, or wholesale. In addition, a comprehensive review of AMBAG region firms listed in the agriculture NAICS sector showed many support activities. AMBAG staff re-classified these to manufacturing, wholesale, or retail. For these reasons, allocating by total jobs does help to ensure that housing will be planned where farmworkers live. Perhaps more importantly: The listed jurisdictions (Gonzales, Greenfield, King City, Salinas, Soledad, Unincorporated Monterey, Watsonville, and Unincorporates Santa Cruz) account for nearly 2/3rds of the Very Low and Low income allocation (more than 8,000 units) under the proposed framework. Allocating an additional 1,000 units to those jurisdictions (many of which are already lower-income) would necessitate taking lower-income units away from high-resource jurisdictions, and thus perpetuating existing inequalities—a principle RHNA is designed to protect against.	Letter	9/20/2021
8	Santa Cruz YIMBY	Sonnenfeld	Rafa	We recommend using separate allocation methodologies for low-income units assigned to jurisdictions in Monterey County vs Santa Cruz County: in Santa Cruz County, it is reasonable for jurisdictions in Santa Cruz County to plan for low-income units assigned to them on the basis of AFFH high opportunity areas. However in Monterey County, the unincorporated portion of the county has many high opportunity areas that are not good candidates for low income housing due to lack of transportation and other infrastructure necessary to be competitive for affordable housing tax credit financing. We recommend using a methodology that results in reassigning AFFH-based low-income units in Monterey County that would have been assigned to the unincorporated county to instead be allocated to incorporated cities with high opportunity such as Monterey, Pacific Grove, and Carmel.	AMBAG receives one number for both counties. There is a process for becoming a subregion and receiving a separate determination from HCD for that subregion. The timing for that has passed. Monterey and Santa Cruz counties share the same characteristics such as: a sizable inter-county commute flow, need for farmworker and college housing, jobs/housing imbalance, a large share of agriculture and tourism based jobs, etc.	Letter	9/20/2021
9	Monterey Bay Economic Partnership (MBEP)	Madrigal	Elizabeth	<p>I would like to submit the attached policy brief as written comment under agenda item 10.B, 6th Cycle Regional Housing Needs Allocation Methodology for the 10/13 AMBAG Board of Directors meeting.</p> <p>Introduction: MBEP's housing initiative is aimed at promoting the increase of housing at all income levels in the Monterey Bay region via data driven policies, funding solutions, and advocacy. The purpose of this brief is to bring clarity to the methodology options that are best suited to equitably meet the housing demands of our region, as well as the intricate issues we face. MBEP's goal is to play a proactive role in convening housing advocates to build a common understanding and developing housing production oriented recommendations for consideration by local government staff and elected officials</p> <p>The Regional Housing Needs Assessment (RHNA) is one of the tools available to the State of California to address our state wide housing crisis. RHNA requires that jurisdictions adequately plan for existing and future growth within their respective region. The RHNA process can be summed up in four phases, which include: 1) Regional Housing Needs Determination (RHND), 2) RHNA methodology, 3) RHNA plan, and 4) Housing Element updates. For additional information on the Housing Element and all it entails, please refer to MBEP's Housing Element FAQ.</p> <p>The Association of Monterey Bay Area Governments (AMBAG) prepares the RHNA plan for Monterey and Santa Cruz counties. The Council of San Benito County Governments (SBCOG) assumes the same role as AMBAG, but for San Benito County. As of the writing of this brief, AMBAG is in Phase 2 - preparing a draft methodology which will be used to allocate a share of the Regional Housing Needs Determination (RHND) to each locality within AMBAG. SBCOG is recently received its Regional Housing Needs Determination from HCD, and is beginning to embark on Phase 2.</p>	Thank you for your comments.	Letter	10/8/2021

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
10	MBEP	Madrigal	Elizabeth	<p>Overview: Historically, the Monterey Bay Region has fallen short of permitting the units needed in order to fulfill the RHNA numbers stipulated for each jurisdiction. As of the latest state reporting period ending July 2021, AMBAG has only met 58.8% of its 5th Housing Element Cycle RHNA allocation, which spans 2014-2023. Further analysis determined that jurisdictions defined as high opportunity areas by the California Department of Housing and Community Development were least likely to be on track to meet their very low and low income RHNA targets. Of the six jurisdictions in AMBAG that have a minimum of three high opportunity areas within them, they were cumulatively found to have only produced 11.94% of AMBAG's overall RHNA allocation. Of note is that between all six jurisdictions in AMBAG that have a minimum of three high opportunity areas tracts within them, they have collectively only permitted 294 very low income and low income units - 7% of AMBAG's allocation for very low income and low income units (4,155 total very low and low income goal). We must continue to track and evaluate the specific practices that have led to high opportunity areas within our region underperforming, especially when it comes to very low income and low income units. As a result of HCD now taking both existing and project housing needs into account when determining the Regional Housing Determination for each COG, the determinations under the 6th Housing Element cycle have turned out to be significantly higher than past determinations. The final regional housing need determination for AMBAG is 33,274 units across four income categories - very-low (extremely-low units are included within this category), low, moderate, and above-moderate. This is a 219% increase from AMBAG's total 5th Housing Element cycle RHNA allocation of 10,430. As for SBCOG, their final regional housing need determination for the 6th Housing Element cycle is 5,005 units across the four income categories of very-low (extremely-low units are included within this category), low, moderate, and above-moderate. This amounts to a 128% increase from SBCOG's total 5th Housing Element cycle RHNA allocation of 2,194.</p> <p>Now that AMBAG has received its RHND from HCD, it is tasked with determining the methodology that will be utilized to allocate the Monterey Bay Region's housing need across jurisdictions. The priority factors AMBAG has identified in developing its methodology are: regional growth forecast, employment, transit, resiliency, and affirmatively furthering fair housing (AFFH). Of note is that the AFFH allocation approach does not affect the number of units a jurisdiction is assigned - it only adjusts the share of allocation for very low & low income units.</p>	AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.	Letter	10/8/2021
11	MBEP	Madrigal	Elizabeth	<p>Methodology Approach Case Study: In order to offer a view into a comparable region in the state, the methodology the Santa Barbara County Association of Governments (SBCAG) adopted will be broken down. Similar to AMBAG in that SBCAG is comprised of subregions that are distinct from one another, SBCAG chose to divide their allocation between the North County and South Coast subregions in order to focus on the region's sub-regional jobs-housing imbalance. Afterwards, a jobs-balance allocation method was applied, which includes a 60% weighing on current jobs, and a 40% weighing on forecasted 2020-2030 jobs from SBCAG's Regional Growth Forecast. The result of this first step allocated 60% of the region's RHNA determination to South Coast jurisdictions as this subregion is host to 60% of the region's current jobs. The remaining 40% of the RHNA determination was allocated to North County jurisdictions. Subsequently, SBCAG elected to distribute the subregional allocations to jurisdictions based on equal weighting (50%) for both overcrowding and cost burden. Lastly, SBCAG elected to have the methodology adjusted per RHNA's four income categories. This adjustment made it so that any jurisdiction with a high share of housing from a specific income category would receive a lower proportion of units of that very income category. As a result of this strong equity adjustment, 75% of the lower income RHNA figure was allocated towards high opportunity areas with access to jobs. The methodology approach SBCAG opted to move forward with ought to be further explored by AMBAG as our respective regions are both distinct subregions in which one approach would not adequately take into account the intricacies underlying each subregion. A strong equity adjustment similar to the one SBCAG implemented should also be highly considered by AMBAG in order for high resource areas within AMBAG's jurisdiction to build their fair share of very low and low income units.</p>	Objective 1 of RHNA states: 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. Housing law does not allow any jurisdiction to get 0 low- and very low income units. By allocating units to jurisdictions based on their number of jobs and their access to high-quality transit, and then shifting across income categories, the proposed methodology does funnel more very low and low income RHNA units to higher-income areas with access to key resources. In assessing the results of the draft methodology, we have also noted that jurisdictions with higher per capita unit allocations have current housing shortages, as illustrated by high rates of overcrowding and high need for farmworker housing. The proposed methodology balances existing housing needs by locating housing where it is needed, and balances equity by shifting across income categories.	Letter	10/8/2021
12	MBEP	Madrigal	Elizabeth	<p>Recommendations to Consider: Farmworker Housing - The Monterey Bay Area region is distinct from various regions in the state in that it is comprised of a multi billion dollar agricultural industry primarily concentrated in the Salinas Valley, as well as a booming tourism industry in the coastal regions of the Monterey Peninsula and Santa Cruz. On the point of economic drivers within the Monterey Bay Region, it is imperative that AMBAG specifically account for the housing needs of farmworkers, especially when factoring in the significant rates of overcrowding in our region when it comes to this special needs population. According to the Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley, farmworker households were found to be occupied at 7 People Per Dwelling (PPD) to the average PPD of 3.23 in Monterey County, and 2.60 PPD in Santa Cruz County. It is recommended that AMBAG staff explore incorporation of a factor allocating very low & low income farmworker housing units throughout the Salinas Valley jurisdictions, Watsonville, and unincorporated Monterey & Santa Cruz counties. AMBAG staff also ought to consider measures that can be taken to address the jobs-housing imbalance prevalent within coastal areas of our region with large hospitality and service sector employees.</p>	While farmworker needs must be taken into account through the RHNA process, AMBAG is mandated to allocate units based on income, not on occupant type. While the farmworker and hospitality/service sectors are located in different places, on balance the distribution jobs across lower-wage industries (ag, retail, services) very closely mirrors that of total jobs across the region. Thus, while it might seem counter-intuitive, the total jobs factor results in an allocation that also distributes units to places with lower-wage industries. Finally, AMBAG explored such an such as allocating RHNA based on type of job based on discussions with the Planning Directors Forum. Ultimately, the consensus was that total jobs made more sense. We also double checked the numbers and found if we did use such a factor as suggested, more units would be allocated to lower income areas and less units allocated to higher opportunity areas. Staff does not feel that this meets the equitable distribution factor as compared to option staff presented.	Letter	10/8/2021

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
13	MBEP	Madrigal	Elizabeth	Affirmatively Furthering Fair Housing - Another large question to consider is whether AMBAG's methodology is effectively incorporating the Affirmatively Furthering Fair Housing factor. As it currently stands, the Affirmatively Furthering Fair Housing metric AMBAG is utilizing does not affect the total number of housing units a jurisdiction is allocated - it is simply used as a shifting mechanism to adjust the share of very low & low income units a jurisdiction receives. Santa Cruz YIMBY has flagged this usage of the Affirmatively Furthering Fair Housing metric as a concern as it would in effect assign more market rate units to low opportunity communities, which has the potential to lead to gentrification. AMBAG staff ought to review and take into consideration Affirmatively Furthering Fair Housing factors other COGs in the state have utilized that have been shown to produce larger lower income RHNA allocations within high opportunity areas, such as the strong AFFH factors SBCAG and SCAG developed into their methodologies. As stated on the previous page of this brief, SBCAG was able to have 75% of the lower income RHNA numbers allocated towards high opportunity areas. As for SCAG, this COG was able to allocate 95% of their lower income RHNA figures to high and highest resource areas (with the exception of the cities of Industry and Vernon) due to their strong AFFH factor in their methodology.	There is no guidance under state law that suggests total units should be reduced in lower-income jurisdictions. Instead the law states that the RHNA plan must "(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." [Emphasis added.] In many cases reducing the total number of units could be counter-productive for equity as lower-opportunity jurisdictions tend to have high overcrowding rates and are in need of additional housing. Moreover the research on market rate housing and gentrification is mixed at best.	Letter	10/8/2021
14	MBEP	Madrigal	Elizabeth	Water for Housing - Lastly, a distinct issue that AMBAG must take into consideration when developing the RHNA methodology is that of the water supply problem the Monterey Peninsula is faced with. While AMBAG chose to adjust the RHNA allocation of cities within the Monterey Peninsula downwards during the 5th Housing Element cycle, we urge AMBAG to explore options that would not decrease the RHNA allocations of jurisdictions in the Monterey Peninsula, especially as most high opportunity areas within Monterey County are located within the Monterey Peninsula. Detailed in length in MBEP's Study on the Impact of Water on Housing Development in the Monterey Peninsula, a possible solution would be for AMBAG to develop an alternative distribution of the RHNA numbers in order to assign additional units to Peninsula jurisdictions once the Carmel River Cease and Desist order is lifted by the deadline the California State Water Resources Control Board has imposed of December 31st, 2021.9 It is equally important to acknowledge that while water is often cited as a barrier to the production of new housing in the Monterey Peninsula, it is not the main, nor the only barrier to housing development in these communities. Such barriers include community opposition to high density housing, high costs of construction on new housing development, and there not existing a guaranteed source of local affordable housing financing - to name a few. Establishing solutions to combat these challenges well before a new supply of water is available must be accomplished in order for jurisdictions to be well positioned to take advantage, and partner with developers to build housing without any delays.	Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including: 1. Jobs and housing relationship 2. Opportunities and constraints to development of additional housing (see below) 2a. Capacity for sewer and water service 2b. Availability of land suitable for urban development 2c. Lands preserved or protected from urban development 2d. 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. 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	Letter	10/8/2021
15	MBEP	Madrigal	Elizabeth	Conclusion: The RHNA methodology established by AMBAG must address the housing demands of Monterey Bay residents, both existing and projected, as well as the unique issues we face. Incorporating the considerations above including a strong Affirmatively Furthering Fair Housing factor, adequately accounting for farmworker & hospitality service housing needs, and making production oriented adjustments regarding the Monterey Peninsula's water challenges are vital when equitably planning for the future of our region. Once AMBAG and SBCOG have established their respective methodologies, they will be used to allocate a share of the Regional Housing Needs Determination to each locality that resides within AMBAG and SBCOG. After this step has been completed, each jurisdiction will have to create a Housing Element, which is required to detail how the allocated number of units will be accommodated, and any zoning changes that will need to be made to account for the units stipulated under RHNA. MBEP will be involved throughout the duration of the RHNA process, and urges advocacy groups and community members to become involved in this undertaking that directly shapes the future of our region.	Thank you for your comments.	Letter	10/8/2021
16	Public	Porter	Ed	This Ambag meeting is upon us with its planned big numbers of market rate homes and above. I'm hoping AMBAG Board members will realize that the proposed numbers are upside down. The low and very low numbers are absurdly small! (not to mention that State density bonus law RETARDS and BLOCKS application of our legally required 20% inclusionary mandate!) Guess who dreamed THAT up as a dishonest pretext to get more affordable housing! It seems like the people who proposed the published schedule (below) have not read newspapers for a few years. (haven't noticed the homeless camps?) I would challenge their methodology because it clearly delivered a ridiculous set of numbers that do not address our true and clear needs especially for very low income units. Very Low (0-50% AMI) = 817 units Low (50-80% AMI) = 534 units Moderate (80-120% AMI) = 427 units Above Moderate (120% or more of AMI) = 1,092 units	HCD provides the units by income categories as part of its Regional Housing Need Determination.	Email	10/10/2021

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17	Public	Porter	Ed	<p>As far as I am concerned, the need for moderate and especially above moderate is negligible and that's clearly demonstrated by lack of residents (vacancies) at 555 Pacific Ave. and probably at other Downtown locations like 2030 N. Pacific. Way back when I was on the SC City Council, AMBAG was setting absolutely absurd, ridiculous numbers for the City of Santa Cruz. Fact is, we had to take AMBAG to court to get reasonable numbers! I hope our elected friends who understand these things will put ideas something like this on the AMBAG record for the Wednesday meeting. Is this reasonable? "The state's requirements for the number of homes built in Santa Cruz and Monterey counties will more than triple starting in June 2023. NO! Not reasonable. It's bizarre! And how on Earth can they say with a straight face that the quota for above Moderate (120% or more of AMI) = 1,092 units? THAT's what I am calling gentrification insurance. (or Gentrification guarantees!)</p> <p>Regarding AMGAG methodology, I think the decline in the California 2020 US census population should send them back to their "drawing boards"! If there was an emergency in previous years, with a population decline since, and increased housing production on record, the emergency has ended by definition. Let's address the true deficiency especially of very low income units! THAT is a true emergency!</p>	HCD provides the units by income categories as part of its Regional Housing Need Determination.	Email	10/10/2021
18	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse Sonnenfeld	Aaron Rafa	<p>California YIMBY, Santa Cruz YIMBY, and YIMBY Law are submitting this letter to the Association of Monterey Bay Area Governments to provide recommendations for adopting a Regional Housing Needs Allocation methodology, based on best practices developed through rigorous academic analysis by experts in the field of planning and housing development, of various methodologies that have already been adopted by Councils of Governments in other regions during the 6th Housing Element Cycle. We also offer our own analysis of the ability of the currently proposed RHNA methodology to meet the statutory requirements for the RHNA process, and make specific recommendations for modifications to the methodology that would further the required statutory objectives, beyond what has been proposed, which we believe to be inadequate.</p> <p>Accompanying this letter we have included a copy of the RHNA Methodologies Best Practices report from the UC Berkeley Terner Center for Housing Innovation. This report highlights some important policy considerations which we believe AMBAG have, to date, not incorporated sufficiently into its proposed allocation methodology. There are a number of best practices COGs can use to increase the likelihood that their allocation promotes the statutory objectives of RHNA. These are highlighted in this letter with bullet points.</p>	Thank you for your comments.	Letter	10/15/2021
19	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse Sonnenfeld	Aaron Rafa	<p>Put more emphasis on strategies that promote both RHNA's equity and environmental goals simultaneously. Allocating RHNA near existing job centers promotes both equity and environmental goals because workers are often forced to commute long distances when adequate housing isn't available near jobs. COGs should put more emphasis on factors such as proximity to jobs that can simultaneously promote both the state's equity and environmental goals.</p> <p>In an equitable distribution, we would expect to see, at the very least, no pattern of lower-income jurisdictions consistently taking on a larger share of the RHNA allocation relative to their share of the region's population or jobs. Ideally, given that wealthier jurisdictions have historically used exclusionary policies to limit growth within their jurisdictional boundaries, we would see higher-income jurisdictions taking on a larger share of the regional RHNA allocation relative to their share of the region's population and jobs. On the following page is a chart of AMBAG's RHNA distribution as currently proposed in the staff's recommended methodology compared to existing housing stock. This chart shows the total number of housing units in each jurisdiction according to the 2020 US Census, as well as the Attachment 5 percentage growth that the proposed allocation has, based on their 2020 total number of housing units.</p> <p>As currently proposed, AMBAG's regional methodology does an extremely poor job at promoting equity. According to the 2020 US Census, the AMBAG region has a total of 249,976 housing units. With a determination of 33,274 units for the region, the total regional growth is 13.3%. As currently proposed, some of the wealthiest, most exclusive jurisdictions in our region, such as Carmel and Pacific Grove, are being allocated much smaller growth rates, less than 6%, compared to the region as a whole; while less affluent, more rural communities such as Greenfield and King City are being allocated over 25% growth rates, and two jurisdictions, Sand City and Gonzales, are each being allocated over 100% growth rates. We strongly encourage AMBAG to adopt a more equitable allocation strategy to ensure areas of highest opportunity and access to employment are allocated higher than average growth rates, not lower than average growth rates, as is currently the case.</p>	A substantial share of the proposed RHNA allocation is based on jobs. The proposed methodology balances existing housing needs by locating housing where it is needed, and balances equity by shifting across income categories.	Letter	10/15/2021
20	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse Sonnenfeld	Aaron Rafa	<p>Consider equity directly when determining how many total RHNA units a jurisdiction will receive. Using explicit equity-focused factors—such as measures of segregation or opportunity—when determining each jurisdiction's total RHNA allocation can help ensure lower-income and racially segregated areas are not taking on more than their fair share of RHNA, while also funneling more RHNA to higher income areas with access to key resources that promote economic mobility. We note that AMBAG's current methodology does not consider equity directly when determining total RHNA allocations. Instead, staff have proposed an "income-shift" approach that swaps low-income units from lower-opportunity jurisdictions with the higher-income units from higher opportunity areas. The intended outcome of the staff approach is to affirmatively further fair housing by increasing the percentage of low-income units planned for in higher opportunity areas, however, we believe a better approach would be to instead allocate additional total numbers of low income units to areas of high opportunity, instead of just shifting the percentages.</p>	AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.	Letter	10/15/2021

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21	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse Sonnenfeld	Aaron Rafa	<p>ABAG calls our preferred approach the "Bottom-Up" AFFH methodology. In contrast to the Income Shift, the Bottom-Up income allocation approach does not start with a total allocation assigned with a factor-based methodology. Instead, this approach builds up the total allocation by using factors to determine allocations for the four income categories separately. Factors are selected for the lower two income categories, and then for the upper two income categories, and a jurisdiction's allocation within each income category is determined based on how the jurisdiction scores relative to the rest of the region on the selected factors. The jurisdiction's total allocation is calculated by summing the results for each income category. The bottom-up approach ensures that more low income units go to where they are needed most: near higher paying jobs, and in historically exclusive communities. COG planning staff in other regions argue that simply performing an income shift to affirmatively further fair housing for RHNA allocation is sufficient, given that what really matters is how much lower-income RHNA wealthier jurisdictions receive, not their total RHNA allocation. This is due to the fact that lower-income RHNA must be accommodated with a higher zoned density (generally 30 units per acre). Therefore, if suburban or rural jurisdictions receive a large allocation of lower-income units, they will likely accommodate the RHNA with parcels located near the urban core (given that they won't want high density buildings located on the outskirts of town). On the other hand, if these jurisdictions receive a large allocation of higher-income units, they may find that the easiest way to accommodate their RHNA is to zone for single family housing on undeveloped land – which could lead to sprawl. Consequently, some COGs argue that ensuring non-urban jurisdictions receive a high percentage of lower-income units and a relatively small total RHNA allocation is the best strategy for promoting both RHNA's equity and environmental objectives. The proposed methodology that AMBAG staff are recommending does not follow the recommended strategy of low total allocations to non-urban jurisdictions. In fact, unincorporated Monterey County, the most rural jurisdiction in the region, is proposed to be allocated the second highest total number of housing units of any jurisdiction in the region after the city of Salinas, while another relatively rural jurisdiction, Gonzales, is proposed to be allocated over a 100% unit increase from 2020 levels, with over 66% of the proposed 2,261 units being moderate or above moderate housing units. Gonzales' proposed total allocation is nearly as large as the proposed allocation for unincorporated Santa Cruz County, which is a much larger, more urban, higher resourced jurisdiction with over ten times the existing housing stock. Using a bottom-up approach to affirmatively further fair housing would not only help to reduce the likelihood of sprawl development in rural communities such as Gonzales, but would help ensure more homes in our region will be built for people of lower incomes in areas of the highest opportunities.</p>	<p>AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.</p>	Letter	10/15/2021
22	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse Sonnenfeld	Aaron Rafa	<p>Consider a jurisdiction's connection to the regional job market, rather than the number of jobs located within a jurisdiction. There is existing data that measures how many jobs are within a 30-minute commuting distance by car of census blocks across the state. Using this data to allocate RHNA can ensure that smaller, wealthier jurisdictions that might be located adjacent to a job center, but don't have a large number of jobs within their jurisdictional boundary, are still allocated their fair share of RHNA.</p> <p>Consider a jurisdiction's connection to the regional job market, rather than the number of jobs located within a jurisdiction. There is existing data that measures how many jobs are within a 30-minute commuting distance by car of census blocks across the state. Using this data to allocate RHNA can ensure that smaller, wealthier jurisdictions that might be located adjacent to a job center, but don't have a large number of jobs within their jurisdictional boundary, are still allocated their fair share of RHNA.</p>	<p>Looking at any factor—including jobs—without considering jurisdiction size could lead to unreasonable results (such as thousands of units allocated to a city that is just a few square miles in area). Objective 2 of RHNA states "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."</p> <p>This does not say between the number of jobs accessible from a jurisdiction, it says "in each jurisdiction." As a legacy of Prop 13, job-heavy jurisdictions have fiscal incentives to avoid planning for housing within their jurisdiction. Diluting their imbalance by looking at neighboring areas could undermine this RHNA objective.</p>	Letter	10/15/2021
23	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse Sonnenfeld	Aaron Rafa	<p>Carefully weigh whether basing the RHNA allocation on the land use projections in the SCS is appropriate. Some SCS land use projections incorporate factors—such as the speed by which jurisdictions approve housing permits and a jurisdiction's current zoned capacity—that arguably should not be considered at any point in the RHNA allocation process based on statutory guidelines. Further, allocating RHNA based on these land use projections can result in an allocation that does not further the statutory objectives of RHNA. In these cases, COGs should not assume they are legally required to allocate</p> <p>RHNA based on the SCS. The AMBAG Sustainable Communities Strategy states that "All growth is consistent with General Plans and was based on direction from jurisdiction planning staff." This makes it problematic to use the SCS as the primary basis for assigning RHNA when RHNA may specifically require general plan amendments to implement. Relying on the SCS for a baseline allocation bakes in the constraints from jurisdictions existing general plans, and doubles down on existing patterns of systemic segregation and inequity to the extent that those are undressed in the existing general plans. AMBAG staff currently propose to allocate part of the RHNA, approximately half, based on the land use projections in their SCS, which is primarily designed to help the region meet its greenhouse gas reduction goals. When equity is taken into account, it is as a secondary step that only affects what percentage of a jurisdiction's RHNA allocation falls into each of the four income buckets. AMBAG's SCS gives jurisdictions that believe they are already "built out" a lower proportion of the projected population growth, even if they also have high access to jobs and other key resources. AMBAG's SCS incorporates factors—such as the speed by which jurisdictions approve housing permits and a jurisdiction's current zoned capacity—that should not be considered at any point in the RHNA allocation process given statutory guidelines. Further, depending on how the SCS incorporates existing zoned capacity into its growth projections, predominantly using the SCS to allocate RHNA could result in a distribution that does not further any of the five statutory objectives.</p>	<p>In the current proposal, more than half of the RHNA allocation is based on factors other than the Regional Growth Forecast GF. Having the RHNA consistent with the MTP SCS is important but is not the only—nor the dominant factor being proposed. Also, objective 2 of RHNA states "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." Allocating a share based on the plan that underlies the RTP SCS is important to meeting the goals of protecting environmental and agricultural resources and achieving the region's greenhouse gas reduction targets. While this is not the only factor under consideration, future plans are an important consideration toward meeting this objective. Finally, your letter references the existing 2040 MTP/SCS which was adopted in June 2018. Over the past two years, AMBAG has been preparing its updated 2045 MTP/SCS in which we worked very closely with local jurisdictions in identifying changes in land uses out to 2045. Most current general plans only go to 2030. Many jurisdictions are currently updating their general plans or conducting other planning efforts which are being reflected in the Draft 2045 MTP/SCS which is scheduled to be released in November 2021.</p>	Letter	10/15/2021

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24	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse	Aaron	Use publicly available data from objective, external sources. Allocating RHNA based on COGs’ internal data that incorporates local input raises equity concerns, because it allows small, wealthy jurisdictions that have a significant political incentive to minimize local housing development an opportunity to bias the RHNA allocation. Wherever possible, COGs should use publicly available data from external sources within their RHNA allocation methodology. We request that all sources of data be cited and made available to the public and to the AMBAG Directors prior to the draft methodology approval. We are particularly concerned that the data selected for the proposed draft methodology to date does not identify the cities of Del Rey Oaks or Scotts Valley to be jurisdictions of high opportunity, despite the fact that they both have much higher than average median incomes compared to the region as a whole. Without datasets that reflect our shared understanding of reality, it is hard to believe the intended outcomes of the selected methodology will accurately reflect the values AMBAG emphasizes in its allocation approach. More transparency for datasets is crucial for an informed decision-making process.	All data used in RHNA is publicly available. The 2022 RGF was approved by the AMBAG Board of Directors through public meetings and is available on the AMBAG website. https://www.ambag.org/sites/default/files/2020-12/final%20Draft%202022%20Regional%20Growth%20Forecast_PDF_A.pdf The majority of the RHND is proposed to be allocated based on: - Jobs (Employment), published as part of the RGF (see link above) and was based on data from the California Employment Development Department and InfoUSA. - Wildfire—CPUC and the Office of the State Fire Marshal - Sea Level Rise—NOAA - AFFH: TCAC/HCD Opportunity Area Maps or RCAAs (U.S. Census Bureau, American Community Survey (2015-2019), and 2020 Census)	Letter	10/15/2021
		Sonnenfeld	Rafa				
25	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse	Aaron	Develop strategies that allow stakeholders to meaningfully participate in discussions about how to allocate RHNA. The RHNA process is very complex, but some COGs have developed tools that allow the public to understand more intuitively how different RHNA allocation strategies affect the spatial distribution of RHNA. More COGs should use these tools to ensure that stakeholders can meaningfully weigh in during the RHNA methodology development process. We are dismayed that AMBAG has not been able to produce a tool that allows the public to understand how various allocation strategies, as determined by any proposed methodology, will result in distribution of housing units to each of the jurisdictions. We have only been able to estimate distributions based on the calculations staff have produced for their recommended methodology, but both the public and AMBAG Directors have not been afforded the opportunity to review calculations for alternative methodological options to see how those options might change the distributions assigned to each city or unincorporated county in the Monterey Bay Area. While at this stage we recognize it's unreasonable to develop a tool such as ABAG's methodology visualization tool, we encourage the staff to at least provide calculations for distributions of multiple methodology alternatives, including those we are recommending in this letter. Understanding the extent to which a methodology promotes RHNA's statutory objectives requires not only understanding the broad theoretical approach employed by a COG, but also an analysis of the plan's actual output.	AMBAG has limited resources as compared to other large CA COGs such as ABAG. AMBAG has worked to provide very technical information in a way that staff, elected officials, stakeholders and members of the public can understand. AMBAG will continue to work on improving how we present this information the RHNA plan.	Letter	10/15/2021
		Sonnenfeld	Rafa				
26	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse	Aaron	We hope that the leaders of the Monterey Bay Area region recognize the seriousness of the task at hand: planning for the region's state-mandated future growth for the next decade. While this process may be new to some of you, or familiar to others, what differentiates RHNA and the Housing Element now, in this current planning cycle, from previous cycles is the added legal weight that the state has placed on local jurisdictions to ensure that the planned housing goals are actually achieved. In years past, a city or county could get away with failing to zone for affordable housing at the required densities, or failing to facilitate the planned housing growth by falling short of its RHNA objectives; that is no longer the case. Now that state lawmakers have beefed up the enforcement mechanisms to ensure compliance with state law, with potential fines, reductions in funding, and loss of control of local land use decision making, it is imperative that the RHNA process be executed carefully and intentionally. Since housing growth based on RHNA allocations is now expected to actually be achieved, and since there are serious consequences for failing to meet the requirements of the law, it's important that the RHNA methodology be adopted with as much care and diligence as possible. We believe the best outcomes for the Monterey Bay Area region: more affordable housing where it's needed most, reduced greenhouse gas emissions, more opportunities for social mobility, economic growth, and improved quality of life, will be best achieved by learning from what worked and what didn't work in other regions, and applying those lessons to the task at hand. Please take heed of our recommendations and review the attached RHNA Methodologies Best Practices report from the UC Berkeley Turner Center on Housing Innovation. We also want to extend an offer to meet with any representative from any AMBAG jurisdiction who would like to discuss our recommendations in greater detail prior to the adoption of the draft methodology at your November board meeting.	Thank you for your comments.	Letter	10/15/2021
		Sonnenfeld	Rafa				

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27	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	I write on behalf of LandWatch Monterey County regarding the draft proposed RHNA methodology and to follow up on the concerns we raised at the Planning Director's Forum Monday. LandWatch suggests a substantial reduction in the initial allocation of 3,083 units that would be assigned to the unincorporated area of Monterey County on the basis of the draft proposed methodology. In particular, LandWatch recommends no units be allocated to the unincorporated area of Monterey County on the basis of its share of regional jobs because the draft proposed methodology over-allocates units on that basis: the unincorporated area of the County does not have a jobs/housing imbalance. LandWatch proposes that AMBAG staff recommend this reduction as an adjustment when applying the 13 statutory factors mandated by Government Code Section 65584.04(e) because a number of these statutory factors justify such a reduction.	Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). . Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including: 1. Jobs and housing relationship 2. Opportunities and constraints to development of additional housing (see below) 2a. Capacity for sewer and water service 2b. Availability of land suitable for urban development 2c. Lands preserved or protected from urban development 2d. 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. 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	Letter	11/2/2021
28	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	Over-allocation of units to unincorporated Monterey County based on jobs. The primary factors used to make the initial allocation in the proposed draft methodology are the housing units for each jurisdiction projected in the Regional Growth Forecast from 2025-2035 (637 units for the County) and the percentage of regional jobs for each jurisdiction (resulting in an additional 2,357 units allocated to the County). LandWatch generally supports using jobs as a primary basis to allocate RHNA for cities. This is consistent with the statutory objective to promote an "improved intraregional relationship between jobs and housing." (Gov. Code, § 65584(d)(3).) For cities, the focus on employment is also consistent with the statutory objective to promote "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." (Gov. Code, § 65584(d)(2).) However, for the unincorporated area of Monterey County the allocation of housing units based on the percentage of regional jobs conflicts with the objective to promote infill development, protection of the environment and agricultural resources, efficient development patterns, and attainment of GHG reduction targets. Although locating housing units in a city that has jobs can minimize GHG emissions by limiting commutes to the dimensions of the city, there can be no assurance that the County can or will develop housing that is proximate to jobs. Average VMT is higher for both home-based and employment-based trips in the unincorporated County than it is in incorporated areas, so it makes sense to concentrate new units in cities. The zoning the County may create to respond to the County's RHNA allocation may be very distant from the available jobs, whereas workers in jobs dispersed in the County, e.g., the 13.3% of County workers who are in agricultural work, could likely be housed in the cities proximate to their jobs. We note almost five times as many agricultural workers in Monterey County live in cities than in unincorporated areas.	In assessing the results of the draft methodology, we have also noted that jurisdictions with higher per capita unit allocations have current housing shortages, as illustrated by high rates of overcrowding and high need for farmworker housing. The proposed methodology balances existing housing needs by locating housing where it is needed, and balances equity by shifting across income categories.	Letter	11/2/2021
29	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	Furthermore, allocating housing units to the unincorporated area of the County is the antithesis of supporting compact urban growth and efficient development patterns. And allocating housing units to the County is likely to consume farmland. LandWatch is also concerned that the draft methodology allocates so many units to the County based on jobs even though the unincorporated County does not have a jobs/housing imbalance. This is evident from your presentation to the Planning Directors, in which the unincorporated area is not identified as one of the seven areas in Monterey County in which the jobs/housing relationship "should be considered." The jobs/housing ratio for unincorporated Monterey County is 1.5, equal to the regional average and lower than the County average of 1.7.5 In short, there is no jobs/housing problem in the unincorporated area that needs to be fixed by allocating so many housing units. Despite this, the draft methodology assigns 2,357 additional units to the unincorporated area on the basis of a jobs/housing imbalance, almost four times as many as the 637 units that are allocated to meet the Regional Growth Forecast. No other jurisdiction except the cities of Monterey and Carmel are allocated more units for jobs than for their Regional Growth Forecast. However, unlike the unincorporated County, Monterey and Carmel are clearly communities suffering huge jobs/housing imbalances, as evidenced by substantial in-commuting.6 Carmel has a net in-commute of 1,604 persons, i.e., persons living outside the city commuting into it minus persons living in the city commuting out of it. Monterey has a net in-commute of 11,506 persons. By contrast, the unincorporated County has a net out-commute of 421 persons.	Part of AMBAG's high Regional Housing Need Determination from HCD was to accommodate the existing housing demand that has not been met in the region. Monterey County has a large share of agriculture jobs and needs farmworker housing.	Letter	11/2/2021

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30	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	Statutory factors warrant a substantial reduction in the allocation to unincorporated Monterey County. While the employment-based allocation may work for cities, it does not work for the unincorporated area of Monterey County. Fortunately, the over-allocation to the County can be corrected without disturbing the employment-based allocation to cities, simply by applying one or more of the 13 statutory factors enumerated in Government Code Section 65584.04(e)(1) through (13). The AMBAG staff's proposed methodology expressly contemplates that adjustments will be made to the initial allocation to account for the other factors set out in Government Code Section 65584.04(e). These factors mandate a substantial reduction in the allocation to unincorporated Monterey County. (Gov. Code, § 65584.04(e) [where data available, the COG "shall include the following factors to develop the methodology that allocates regional housing needs . . ."].) First, Government Code Section 65584.04(e)(4) mandates that the RHNA methodology shall include as one of its factors any "agreements between a county and cities in a county to direct growth toward incorporated areas of the county." The County has previously recognized the need to focus growth in cities by entering into just such MOAs and MOUs with cities to direct growth into incorporated areas. Second, Government Code Section 65584.04(e)(2)(D) mandates that the RHNA methodology shall include consideration of "County policies to preserve prime agricultural land." Monterey County General Plan Agricultural Element contains numerous policies that seek to preserve prime agricultural land, and in particular, seek to avoid conversion of that land to non-agricultural use. For example, Policy AG-1.4 provides that on lands classified as Prime, of Statewide Importance, Unique, or of Local Importance, agriculture uses shall be conserved and that "agriculture shall be established as the top land use priority for guiding further economic development on agricultural lands." Third, Government Code Section 65584.04(e)(12) mandates that the RHNA methodology shall include consideration of the region's greenhouse gas targets. As noted above, VMT associated with unincorporated Monterey County housing and employment is higher than the average VMT for the rest of the County, i.e., higher than the VMT for the cities within the County. Thus, GHG emissions are higher. Again, no fundamental change to the initial allocation methodology is required in order to reduce the County's allocation in recognition of these statutory factors and in recognition that jobs/housing imbalance rationale does not fit the unincorporated area the way it fits cities. Thus, in applying the Government Code Section 65584.04(e) factors, LandWatch proposes that the units initially allocated to the unincorporated area of Monterey County be reduced by the 2,357 units representing the over-allocation of units based on employment.	Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). . Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including: 1. Jobs and housing relationship 2. Opportunities and constraints to development of additional housing (see below) 2a. Capacity for sewer and water service 2b. Availability of land suitable for urban development 2c. Lands preserved or protected from urban development 2d. 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. 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	Letter	11/2/2021
31	City of Monterey	Uslar	Hans	The City of Monterey requests that the AMBAG Board delay adoption of the Regional Housing Needs Allocation until AMBAG staff provides a detailed presentation on the two sources of data that were used to develop the employment numbers (InfoUSA and State of California Employment Development Department - EDD). Eighty-five percent of the proposed RHNA allocation is weighted on employment and regionally we need confidence in the employment numbers for the allocation to proceed. AMBAG signed a confidentiality agreement with EDD regarding the data, and AMBAG staff recently recommended that each City contact EDD for their own agreement to verify the information. In our opinion, this is an inefficient and not transparent approach. We are asking that the Board direct the AMBAG staff to have the agreement with EDD modified so they can share the data with qualified staff members from each jurisdiction so we can verify the numbers. It would also be helpful if AMBAG shared the InfoUSA data in a format that can be verified by the local jurisdictions (versus the raw GIS data). Alternatively, the City and other cities will need adequate time to enter into an agreement with EDD and prepare the GIS maps. In contrast, the confidential EDD data used in the AMBAG projections estimates 40,989 jobs in Monterey in 2020. AMBAG staff explained that the Census and publicly available EDD data is based on number of employees versus jobs. Our City, and we suspect other cities as well, needs to understand the employment data in more detail to gain confidence in the difference between 24,926 and 40,989 jobs. In summary, the City is urging the AMBAG Board to delay adoption of the Regional Housing Needs Allocation until clarification of the employment data can be provided at a detailed level to qualified staff members and the Board of Directors. We hope that this clarification could occur before the end of the calendar year.	The 2022 Regional Growth Forecast (RGF) was developed over a two-year period which included multiple meetings with the Planning Directors Forum and local jurisdictions. AMBAG met with each local jurisdiction multiple times to review all the jobs, population and housing data in 2019 and 2020. No concerns were identified with the jobs data at that time. In November 2020, the AMBAG Board unanimously approved the use of the 2022 RGF for planning purposes in the development of RHNA and the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy. It is important to note that there are multiple sources of jobs data, and multiple ways to define jobs. It was suggested that jobs data from other sources, such as the U.S. Census Bureau LODES data, would be better for use in the RHNA methodology. However, the U.S. Census Bureau LODES database excludes military, self-employed, and informal jobs as well as well-documented challenges associated with "headquartering" whereby all jobs are assigned to a headquarters location, such as a school district office, rather than to the place of work, such as the school. More importantly, if another jobs dataset were to be used, the distribution of jobs across jurisdictions or percent share for each jurisdiction would largely be the same. Because the RHNA methodology is based on the distribution of jobs or percent share, rather than total number of jobs, there would not be any substantial changes in the RHNA allocation regardless of what jobs data was used. Finally, reaching an agreement with EDD to share the jobs data took nearly several years to finalize and states "No confidential data will be disclosed to any AMBAG member cities or counties." AMBAG has submitted a request to EDD for disclosure of additional data, but notes that this limitation has been imposed to protect 3rd party privacy information pursuant to Gov. Code Section 6254(c).	Letter	11/5/2021