



**Monterey Bay**  
ECONOMIC PARTNERSHIP

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**Staff: Kate Roberts, President & CEO**

November 9, 2021

Association of Monterey Bay Area Governments, Board of Directors  
P.O. Box 2453  
Seaside, CA 93955

### **Subject: Item 10B, 6th Cycle Regional Housing Needs Allocation Methodology**

Dear Chair McShane and Members of the Board,

Monterey Bay Economic Partnership'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. In coordination with other housing advocates in Santa Cruz and Monterey counties, we have been closely tracking the AMBAG RHNA methodology process, and have some recommendations for a more equitable distribution of housing units throughout our region:

**1. Adopt a bottom-up methodology approach to result in more housing units allocated to jurisdictions with the most access to opportunity instead of incorporating Affirmatively Furthering Fair Housing (AFFH) via an income-shifting mechanism that does not affect the absolute number of units a jurisdiction receives.** As it currently stands, jurisdictions in the Salinas Valley are seeing the largest growth rates, although none of these communities are designated as Racially Concentrated Areas of Affluence (RCAA). While we understand that it is difficult to balance the range of housing needs in a region as diverse as ours, we do not believe that low growth rates in Racially Concentrated Areas of Affluence fulfill the statutory objective of AFFH that AMBAG is required to meet per Government Code Section 65584(d). The bottom-up approach results in a more equitable outcome since it not only allocates more RHNA to jurisdictions with higher access to resources on a per capita basis, but also higher-resourced jurisdictions receive a larger amount of lower income RHNA on a per capita basis. We recommend the bottom-up approach so that access to Racially Concentrated Areas of Affluence is directly factored into the methodology, followed by the existing priority factors that the Board of Directors choose to incorporate for each income category, which includes employment, transit, and resiliency factors.

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- 2. Establish a jobs-proximity factor in order to counter the jobs-housing imbalance that the proposed methodology exacerbates.** The purpose of the jobs-proximity factor is to consider the relationship between jobs and transportation with the intent of encouraging more housing in jurisdictions either within, or with easier access to a relevant job center. One example of the methodology exacerbating the jobs-housing imbalance are draft allocations for Watsonville and Santa Cruz. As demonstrated in the change to the existing housing stock chart that Santa Cruz YIMBY prepared in its letter dated October 15th, the City of Watsonville is projected to have a growth rate of 18%, and the City of Santa Cruz a growth rate of 12%.<sup>1</sup> While this is not problematic at face value, when we take into account 28,514 existing jobs in 2020 for the City of Watsonville versus 43,865 for the City of Santa Cruz, that's a 54% difference in existing jobs. More housing units must be directed towards jurisdictions in which existing job centers are located until more job centers and much needed infrastructure are developed in jurisdictions where it is deficient. Allocating more housing units towards existing job centers will also promote RHNA's environmental goals by way of reducing Vehicle Miles Traveled and Greenhouse Gas Emissions.
- 3. Explicitly account for farmworker housing units.** This can be achieved by ensuring that jurisdictions with a high number of farmworker jobs have a floor number of lower income units that are available to low income farmworkers, even if other factors, such as RCAA, reduce that total. The Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley found that an additional 45,560 units of farmworker housing are needed to alleviate critical overcrowding in farmworker households that are occupied at 7.00 PPD to the average PPD of 3.23 in Monterey County and the average PPD 2.60 in Santa Cruz County.<sup>2</sup> The Plan includes the goal of producing 5,300 permanent affordable farmworker housing units over the next five years across the Salinas and Pajaro Valleys. We know that this data matters greatly to the Board of Directors given that AMBAG, along with MBEP, the Counties, and others, were funding partners of the Study and committed to the implementation of the Action Plan. The past 20 months have reminded us that farmworkers are essential workers in our regional economy and a safe and secure food supply requires a healthy stable trained workforce living in safe and secure affordable housing. It is important to note that H2A farmworkers are not a part of this unit count, given that they do not live in the region year round and are provided housing by their employer.
- 4. Push out approval of the draft methodology until equity concerns are wholly addressed, and a presentation on the sources of employment data is presented to jurisdictions that request them.** At the Planning Directors Forum held on November 1st, several jurisdictions expressed concerns around the lack of transparency regarding the data sources used for employment figures. All data sources utilized for purposes of the methodology should be fully transparent and easily accessible in order for all involved decision makers to be as informed as possible going forward.

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<sup>1</sup> Association of Monterey Bay Area Governments. "AMBAG November 1, 2021 Planning Directors Forum Agenda." *Association of Monterey Bay Area Governments*, [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_110121.rev_.pdf).

<sup>2</sup> California Institute for Rural Studies. *Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley*.

[www.co.monterey.ca.us/home/showdocument?id=63729&mc\\_cid=099efd8342&mc\\_eid=\[UNIQID\]](http://www.co.monterey.ca.us/home/showdocument?id=63729&mc_cid=099efd8342&mc_eid=[UNIQID]).



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We commend the Association of Monterey Bay Area Governments for their work on the 6th Cycle Housing Element and look forward to having a methodology in place that we can fully stand behind as our region seeks approval from the State.

Thank you for your leadership. For questions, please contact Elizabeth Madrigal at [emadrigal@mbep.biz](mailto:emadrigal@mbep.biz).

Sincerely

Kate Roberts  
President & CEO