

# Planning Directors Forum

November 1, 2021



# Item #1: Welcome/Roll Call



# Item #2: AMBAG 6<sup>th</sup> Cycle Regional Housing Needs Allocation Methodology





# 6<sup>th</sup> Cycle RHNA Methodology

Heather Adamson, AICP  
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# Overview

- ▶ Background
- ▶ Initial draft RHNA methodology
- ▶ Revised draft RHNA methodology
- ▶ Next steps



# RHNA Schedule

TARGET SCHEDULE	TASK
Spring to Fall 2021	Discussion with PDF on potential RHNA methodology options
Summer to Fall 2021	Potential RHNA methodology options discussed by AMBAG Board
September 8, 2021	HCD presents at AMBAG Board Meeting
November 2021	Selection of preferred RHNA methodology by AMBAG Board
November 2021 to January 2022	HCD reviews Draft Methodology
January/ February 2022	Approval of final RHNA methodology by AMBAG Board
January/ February 2022	Release draft RHNA plan with RHNA allocations by jurisdictions
February/ March 2022	Local jurisdictions may appeal RHNA allocation within 45 days of release of the draft RHNA plan/allocations
April/ May 2022	Local jurisdictions and HCD may comment on appeals within 45 days of the close of the appeal period (if needed)
May 2022	AMBAG to hold public hearing on appeals (if needed)
May 2022	AMBAG releases final 2045 MTP/SCS accommodating RHNA
June 2022	Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board
December 2023	Jurisdiction's 6 <sup>th</sup> Cycle Housing Elements are due to HCD

# RHNA Methodology Development

- ▶ COG responsible for developing a methodology appropriate for each region
- ▶ Must further and support 5 RHNA objectives
  - Increases housing supply & mix
  - Promotes infill, equity, and environment
  - Ensure jobs-housing balance/fit
  - Promote regional income parity
  - Affirmatively furthers fair housing
- ▶ Statute allows for flexibility but specifies what can and cannot be used as allocation factors



# Initial Draft RHNA Methodology

	Draft Preferred	Units
<b>Regional Growth Forecast</b>	<b>High</b>	<b>15,655</b>
<b>Employment</b>	<b>High (85%)</b>	<b>17,619</b>
<b>Transit</b>	<b>Low (5%)</b>	
<b>Resiliency</b>	<b>Low (10%)</b>	
<b>AFFH*</b>	<b>High</b>	

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





# Support Statutory RHNA Objectives

	Regional Growth Forecast	Jobs	Transit	Resilience (Wildfire and SLR)	AFFH (used for income distribution)
Increase Housing Supply and Mix of Housing Type	Further				Further
Promote Infill, Equity, and Environment	Support		Support	Further	Support
Ensure Jobs Housing Balance and Fit	Support	Further			Support
Promote Regional Income Parity					Further
Affirmatively Further Fair Housing					Further

# October Follow-Up Items

- ▶ Concern that the HCD/TCAC Opportunity Maps data did not accurately capture the highest resources areas in the AMBAG region
  - Equity analysis for Racially Concentrated Areas of Affluence (RCAAs)
  - Allocation by equity
- ▶ Shifting Above Moderate/Moderate to Low/Very Low options
  - Two options evaluated in Attachment 3



# What Are Racially Concentrated Areas of Affluence (RCAAs)?

	<b>Affluent</b>		<b>Racially-Concentrated</b>		<b>RCAA</b>
	% Population Above 200% of Poverty Level	Higher Than Regional Avg.	% White	Higher Than Regional Avg.	Both Higher Income and Less Diverse
<b>Region</b>	<b>67%</b>		<b>37%</b>		
<b>Monterey County</b>					
Carmel	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%		
Uninc. Monterey	72%	yes	45%	yes	yes
<b>Santa Cruz County</b>					
Capitola	72%	yes	65%	yes	yes
Santa Cruz	66%		58%	yes	
Scotts Valley	87%	yes	72%	yes	yes
Watsonville	53%		12%		
Uninc. Santa Cruz	79%	yes	66%	yes	yes

Note: Region crowding rate = 11%. Region 200% Poverty = 67%, % White = 37%

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

# AFFH Adjustment based on RCAAs

- ▶ Directs a higher share of lower income housing to RCAAs
  - Results in 74% of lower income units to RCAAs and 24% to non-RCAAs
- ▶ AFFH for total compared with AFFH for income
  - Increasing allocation to higher income jurisdictions results in lower total units to areas that have high overcrowding and high need for farmworker housing
  - Increasing lower income units to RCAAs improves equity in distribution of affordable housing and directs housing to communities where housing is needed



# Balancing RHNA Objectives and Factors

Areas of high housing need (overcrowding) are different from those with high resources

	Rate of overcrowding	Improving Equity	
	% Crowded	% Above 200% Pov.	% White
Carmel	6%	<b>88%</b>	<b>87%</b>
Del Rey Oaks	1%	<b>87%</b>	<b>68%</b>
Gonzales	<b>18%</b>	59%	5%
Greenfield	<b>29%</b>	56%	3%
King City	<b>20%</b>	45%	7%
Marina	<b>12%</b>	64%	33%
Monterey	4%	<b>80%</b>	<b>63%</b>
Pacific Grove	8%	<b>85%</b>	<b>71%</b>
Salinas	<b>19%</b>	58%	11%
Sand City	10%	66%	<b>50%</b>
Seaside	<b>12%</b>	65%	29%
Soledad	<b>24%</b>	52%	8%
Uninc. Monterey	10%	<b>72%</b>	<b>45%</b>
Capitola	7%	<b>72%</b>	<b>65%</b>
Santa Cruz	5%	66%	<b>58%</b>
Scotts Valley	3%	<b>87%</b>	<b>72%</b>
Watsonville	<b>21%</b>	53%	12%
Uninc. Santa Cruz	5%	<b>79%</b>	<b>66%</b>

Note: Region crowding rate = 11%. Region 200% Poverty = 67%, % White = 37%

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

# Income Categories Shift

- ▶ Increased to 50 percent
- ▶ Two different options on how to shift affordable units
  - Option A
    - Shifts Moderate units to Very Low
    - Shifts Above Moderate units to Low
  - Option B
    - Shifts Above Moderate units to Very Low
    - Shifts Moderate units to Low
- ▶ Recommend Option B



# HCD Proposed RHNA Metrics

- 1a. Higher percentage of RHNA as lower income units for jurisdictions with the highest housing costs
- 1b. Higher percentage of RHNA as lower income units for jurisdictions with highest percent of single-family homes
2. Higher percentage of RHNA total unit allocations to jurisdictions with highest percentage of the region's jobs
3. Higher percentage of RHNA as lower income units for jurisdictions with the highest ratio of low-wage jobs to housing units affordable to low-wage workers
- 4a. Lower percentage of RHNA as lower income units for jurisdictions with a higher share of lower-income households
- 4b. Higher percentage of RHNA as lower income units for jurisdictions with a higher share of higher-income households
5. Higher percentage of RHNA as lower income units for jurisdictions with the most households in High Resource/Highest Resource tracts



# Revised Draft RHNA Methodology

- ▶ Staff recommendations:
  - ▶ Use RCAA equity analysis instead of HCD/TCAC Opportunity Map data
  - ▶ Use Option B for Income Allocation
- ▶ Attachment 3





# Next Steps

- ▶ Board of Directors will be asked to hold a public hearing and accept the draft methodology and authorize AMBAG staff to submit the draft RHNA methodology to HCD for review and comment.
- ▶ Following HCD review, AMBAG Board will be asked to approval the final methodology and direct staff to issue draft RHNA Plan with jurisdiction allocations in early 2022



# Questions



# Item #3: Other Items



# Item #4: Next Steps/Adjourn

