



## **AMBAG EXECUTIVE/FINANCE COMMITTEE AGENDA**

**DATE:** April 13, 2022

**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 2022-7 adopted by the AMBAG Board of Directors on April 6, 2022. 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](mailto:info@ambag) by Tuesday, April 12, 2022 at 5 pm. The subject line should read "Public Comment for the April 13, 2022 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, Clerk of the Board at [aflores@ambag.org](mailto: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 2022-4 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 March 9, 2022 Meeting**

Approve the draft minutes of the March 9, 2022 meeting. (Page 7)

**C. List of Warrants as of January 31, 2022**

Accept the list of warrants. (Page 9)

**D. Accounts Receivable as of January 31, 2022**

Accept the accounts receivable. (Page 11)

**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 13)

**6. 6<sup>th</sup> Cycle Regional Housing Needs Allocation Methodology**

**Recommended Action: INFORMATION**

- Heather Adamson, Director of Planning

Receive a report on the 6<sup>th</sup> Cycle Regional Housing Needs Allocation methodology. (Page 19)

**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](mailto: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 issued 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 and Omicron variants of COVID-19, currently the dominant strains of COVID-19 in the country, are more transmissible than prior variants of the virus, may cause severe illness, and that even fully vaccinated individuals can spread the virus (<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 County, San Benito County, and Santa Cruz County currently have a Community Transmission metric of “low” which is the least serious of the tiers; and,

**WHEREAS**, due to the current pandemic situation, the CDC recommends that all persons, regardless of vaccination status, wear a mask based on your personal preference, informed by your personal level of risk. The public may choose to wear a mask or respirator that offers greater protection in certain situations, such as when you are with people at higher risk for severe illness, or if you are at higher risk for severe illness; 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 Board of Directors 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 Board of Directors no later than thirty (30) days after the adoption of this resolution, or by next Board of Directors meeting (whichever comes first), with an item for the Board to consider making the findings required by AB 361 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 13<sup>th</sup> day of April 2022.

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Kristen Brown, President

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Maura F. Twomey, Executive Director

# **DRAFT EXECUTIVE/FINANCE COMMITTEE MEETING MINUTES**

**Conference Call**

**March 9, 2022**

## **1. Call to Order**

The meeting was called to order by President Brown at 5:05 p.m.

## **2. Roll Call**

**Present:** Directors Freeman, McShane, Brown, and Smith

**Absent:** Director McAdams

**Others Present:** Maura Twomey, Executive Director

## **3. Public Comments**

There were no written or oral comments from the public.

## **4. Consent Agenda**

The following items were enclosed: 1) Resolution 2022-3 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; 2) draft minutes of the February 9, 2022 meeting; 3) warrants as of December 31, 2021; and 4) accounts receivable as of December 31, 2021.

**Motion made by Director McShane seconded by Director Smith 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. Other Items**

None.

## **7. Adjournment**

The meeting adjourned at 5:15 p.m.

**DRAFT**  
**AMBAG EXECUTIVE/FINANCE COMMITTEE MEETING**  
**ATTENDANCE & VOTING RECORD**

MEETING DATE: March 9, 2022

Attendance (Y= Present; AB= Absent) Voting (Y= Yes; N=No; A=Abstain)			
MEMBER	AMBAG REP	Attendance	Item# 4 Consent
Capitola	Kristen Brown	Y	Y
Monterey	Ed Smith	Y	Y
Pacific Grove	Jenny McAdams	AB	n/a
Salinas	Steve McShane	Y	Y
San Juan Bautista	John Freeman	Y	Y



**AMBAG**  
**Check Register**  
**January 2022**

Date	Check Number	Name	Description	Amount
01/06/2022	29834	Association of Environmental Professional	Annual AEP Dues for Heather Adamson 1/31/2022-1/31/2023	150.00
01/06/2022	29835	BOD - Bea Gonzales	BOD Meeting 1/5/22	50.00
01/06/2022	29836	BOD - Betsy Dirks	BOD Meeting 1/5/22	50.00
01/06/2022	29837	BOD - Carlos Victoria	BOD Meeting 1/5/22	50.00
01/06/2022	29838	BOD - Ed Smith	BOD Meeting 1/5/22	50.00
01/06/2022	29839	BOD - Eduardo Montesino	BOD Meeting 1/5/22	50.00
01/06/2022	29840	BOD - Greg Caput	BOD Meeting 1/5/22	50.00
01/06/2022	29841	BOD - John Freeman	BOD Meeting 1/5/22	50.00
01/06/2022	29842	BOD - John Phillips	BOD Meeting 1/5/22	50.00
01/06/2022	29843	BOD - Jon Wizard	BOD Meeting 1/5/22	50.00
01/06/2022	29844	BOD - Justin Cummings	BOD Meeting 1/5/22	50.00
01/06/2022	29845	BOD - Karen Ferlito	BOD Meeting 1/5/22	50.00
01/06/2022	29846	BOD - Kim Shirley	BOD Meeting 1/5/22	50.00
01/06/2022	29847	BOD - Kristen Petersen	BOD Meeting 1/5/22	50.00
01/06/2022	29848	BOD - Lance Walker	BOD Meeting 1/5/22	50.00
01/06/2022	29849	BOD - Lisa Berkley	BOD Meeting 1/5/22	50.00
01/06/2022	29850	BOD - Manu Koenig	BOD Meeting 1/5/22	50.00
01/06/2022	29851	BOD - Mary Ann Carbone	BOD Meeting 1/5/22	50.00
01/06/2022	29852	BOD - Rick Perez	BOD Meeting 1/5/22	50.00
01/06/2022	29853	BOD - Scott Funk	BOD Meeting 1/5/22	50.00
01/06/2022	29854	BOD - Steve McShane	BOD Meeting 1/5/22	50.00
01/06/2022	29855	Californian Newspaper	Subscription Renewal from 01-01-22 until 12-31-22	192.91
01/06/2022	29856	Caliper Corporation - RTDM	RTDM Technical Support Services for October 2021	407.50
01/06/2022	29857	Caltronics Business Systems, Inc	Copier Usage Bill for 11/22/21 - 12/21/21	135.70
01/06/2022	29858	Iron Mountain, Inc.	Offsite Document Storage for December 2021	135.36
01/06/2022	29859	Monterey Computer Corporation, Inc.	IT Support Services for January 2022	1,333.00
01/06/2022	29859	Monterey Computer Corporation, Inc.	MS Office 365 Software & License Subscription - January 2022	311.10
01/06/2022	29860	New SV Media, Inc.	Public Notice - RHNA Methodology Public Hearing	312.30
01/06/2022	29861	Perry and Freeman	Legal Services for January 2022	1,125.00
01/06/2022	29862	Pitney Bowes Inc. - Machine Rental	Lease Postage Meter from December 30, 2021 - March 29, 2022	350.67
01/06/2022	29863	Pitney Bowes, Inc. - Purchase Power	Postage Paid by Purchase Power Line of Credit	500.00
01/06/2022	29864	Planeteria Media	Website Development and Maintenance - December 2021	400.00
01/06/2022	29865	Population Reference Bureau (PRB)	Forecast Related Services Completed in November 2021	6,000.30
01/06/2022	29866	Rayne Water, Inc.	Water for the Period of 01/01/2022 through 01/31/2022	64.09
01/06/2022	29867	Rincon Consultants, Inc.	2045 MTP/SCS/RTP - EIR Services for Period 10/1/21 - 10/31/21	8,531.75
01/06/2022	29868	Staples Credit Plan, Inc.	Office Supplies and Staples Plus Membership	356.46
01/06/2022	29869	VISA Mechanics Bank - 3667	Public Storage Space #C157 Payment for December 2021	358.00
01/06/2022	29870	Visa Mechanics Bank - 4089	Office Supplies, Website, Registration	978.56
01/06/2022	EFT	Shell Small Business	Fuel Cost 12/20/21	50.17
01/06/2022	EFT	Verizon Wireless, Inc	Broadband Account for Broadband Devices and iPads New Plan	235.47
01/15/2022	EFT	Pachex, Inc.	Net Payroll and Related Expenses for Period Ending 1/15/22	87,873.52
01/19/2022	29871	AT&T (FAX Line)	Fax Line Billed in Advance From 1/02/22 - 2/01/22	142.03
01/19/2022	29872	AT&T (Silver Cloud VoIP 2019)	Monthly Charges for VoIP Lines (Main Line, Staff Lines) and Fiber MIS - 1/11/22 - 2/10/22	531.38

Date	Check Number	Name	Description	Amount
01/19/2022	29873	BOD - Anna Velazquez	BOD Meeting 1/12/22	50.00
01/19/2022	29874	BOD - Bea Gonzales	BOD Meeting 1/12/22	50.00
01/19/2022	29875	BOD - Betsy Dirks	BOD Meeting 1/12/22	50.00
01/19/2022	29876	BOD - Carlos Victoria	BOD Meeting 1/12/22	50.00
01/19/2022	29877	BOD - Derek Timm	BOD Meeting 1/12/22	50.00
01/19/2022	29878	BOD - Ed Smith	BOD Meeting 1/12/22	50.00
01/19/2022	29879	BOD - Eduardo Montesino	BOD Meeting 1/12/22	50.00
01/19/2022	29880	BOD - Greg Caput	BOD Meeting 1/12/22	50.00
01/19/2022	29881	BOD - John Freeman	BOD Meeting 1/12/22	50.00
01/19/2022	29882	BOD - John Phillips	BOD Meeting 1/12/22	50.00
01/19/2022	29883	BOD - Jon Wizard	BOD Meeting 1/12/22	50.00
01/19/2022	29884	BOD - Justin Cummings	BOD Meeting 1/12/22	50.00
01/19/2022	29885	BOD - Karen Ferlito	BOD Meeting 1/12/22	50.00
01/19/2022	29886	BOD - Kim Shirley	BOD Meeting 1/12/22	50.00
01/19/2022	29887	BOD - Kristen Petersen	BOD Meeting 1/12/22	50.00
01/19/2022	29888	BOD - Lance Walker	BOD Meeting 1/12/22	50.00
01/19/2022	29889	BOD - Lisa Berkley	BOD Meeting 1/12/22	50.00
01/19/2022	29890	BOD - Manu Koenig	BOD Meeting 1/12/22	50.00
01/19/2022	29891	BOD - Mary Adams	BOD Meeting 1/12/22	50.00
01/19/2022	29892	BOD - Mary Ann Carbone	BOD Meeting 1/12/22	50.00
01/19/2022	29893	BOD - Rick Perez	BOD Meeting 1/12/22	50.00
01/19/2022	29894	BOD - Scott Funk	BOD Meeting 1/12/22	50.00
01/19/2022	29895	BOD - Steve McShane	BOD Meeting 1/12/22	50.00
01/19/2022	29897	Santa Cruz Sentinel(MediaNews Group, Inc.	Public Notice - RHNA Methodology & Land Use Model RFP	267.20
01/19/2022	29898	The Herald (MediaNews Group, Inc)(Ads)	Public Notice - RHNA Methodology & Land Use Model RFP	360.74
01/31/2022	EFT	Pachex, Inc.	Net Payroll and Related Expenses for Period Ending 1/31/22	73,700.23
<b>Total</b>				<b>\$ 186,953.44</b>

**AMBAG**  
**A/R Aging Detail**  
**As of January 31, 2022**

Date	Num	Name	Memo	Due Date	Aging	Open Balance	Paid
01/31/2022	4200	San Benito Council of Governments	ALL AMBAG	01/31/2022		131.84	PAID
01/31/2022	4203	RAPS A/R	ALL AMBAG	01/31/2022		2,400.58	PAID
01/31/2022	4204	RAPS A/R	ALL AMBAG	01/31/2022		2,875.17	PAID
01/31/2022	4205	CA Department of Housing (HCD)	ALL AMBAG (ACCRUAL ONLY)	01/31/2022		2,023.19	
01/31/2022	4206	CA Department of Housing (HCD)	ALL AMBAG (ACCRUAL ONLY)	01/31/2022		16,783.87	
01/31/2022	4207	CA Department of Housing (HCD)	ALL AMBAG (ACCRUAL ONLY)	01/31/2022		2,589.27	
01/31/2022	4165	GHG Inventories (WE 331)	ALL AMBAG (ACCRUAL ONLY)	03/02/2022		6,556.91	
01/31/2022	4197	SIVCEO - CCEW (WE 332)	ALL AMBAG	03/02/2022		3,300.00	
01/31/2022	4201	Caltrans, D5	Rincon, \$11,447.75, Caliper \$382.50	03/02/2022		198,259.93	PAID
01/01/2022	4188	SCCRTC.	ALL AMBAG	01/01/2022	30	30,000.00	
01/01/2022	4189	San Benito Council of Governments	ALL AMBAG	01/01/2022	30	20,000.00	PAID
12/31/2021	4185	SIVCEO - CCEW (WE 332)	ALL AMBAG	01/30/2022	1	4,100.00	PAID
12/31/2021	4186	GHG Inventories (WE 331):Central Coast	ALL AMBAG	01/30/2022	1	19,200.00	PAID
12/31/2021	4196	Caltrans, D5	Rincon, \$1,062.50, Caliper, \$292.50	01/30/2022	1	153,705.77	PAID
12/31/2021	4182	CA Department of Housing (HCD)	ALL AMBAG	12/31/2021	31	3,809.88	PAID
12/31/2021	4183	CA Department of Housing (HCD)	ALL AMBAG	12/31/2021	31	127,838.73	PAID
12/31/2021	4184	CA Department of Housing (HCD)	ALL AMBAG	12/31/2021	31	23,667.06	PAID
12/31/2021	4195	San Benito Council of Governments	ALL AMBAG	12/31/2021	31	1,199.02	PAID
12/31/2021	4198	RAPS A/R	ALL AMBAG	12/31/2021	31	1,404.59	PAID
12/31/2021	4199	RAPS A/R	ALL AMBAG	12/31/2021	31	1,421.77	PAID
11/30/2021	4190	San Benito Council of Governments	ALL AMBAG	11/30/2021	62	905.35	PAID
11/30/2021	4192	RAPS A/R	ALL AMBAG	11/30/2021	62	1,406.18	PAID
11/30/2021	4193	RAPS A/R	ALL AMBAG	11/30/2021	62	637.47	PAID
11/30/2021	4194	RAPS A/R	ALL AMBAG	11/30/2021	62	2,152.28	PAID
10/31/2021	4181	RAPS A/R	ALL AMBAG	10/31/2021	62	1,339.16	PAID
Net AMBAG Receivables						\$ 627,708.02	

**PAID** Reflects payments received subsequent to January 31, 2022.

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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:** April 13, 2022

**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 January 31, 2022, as well as a budget-to-actual comparison. Amounts in the Financial Update Report are unaudited.

**FINANCIAL IMPACT:**

The Balance Sheet for January 31, 2022, reflects a cash balance of \$3,380,246.29. The accounts receivable balance is \$627,708.02, while the current liabilities balance is \$803,810.28. AMBAG has sufficient current assets on hand to pay all known current obligations.

AMBAG's Balance Sheet as of January 31, 2022, reflects a positive Net Position of \$5,500.86. This is due to the Profit and Loss Statement reflecting an excess of revenue over expense of \$160,184.77. Changes in Net Position are to be expected throughout the fiscal year (FY), particularly at the beginning due to collection of member dues which are received in July and the timing of various year-end adjustments required after our financial audit.

*Planning Excellence!*

The following table highlights key Budget to Actual financial data:

**Budget to Actual Financial Highlights**  
**For Period July 1, 2021 through January 31, 2022**

<b>Expenditures</b>	<b>Budget Through January 2022</b>	<b>Actual Through January 2022</b>	<b>Difference</b>
Salaries & Fringe Benefits	\$ 1,428,148.00	\$ 1,300,957.97	\$ 127,190.03
Professional Services	\$ 4,433,953.00	\$ 1,160,889.03	\$ 3,273,063.97
Lease/Rentals	\$ 53,083.00	\$ 47,131.30	\$ 5,951.70
Communications	\$ 14,467.00	\$ 10,213.84	\$ 4,253.16
Supplies	\$ 64,983.00	\$ 13,057.58	\$ 51,925.42
Printing	\$ 9,742.00	\$ 1,191.20	\$ 8,550.80
Travel	\$ 40,950.00	\$ 14.01	\$ 40,935.99
Other Charges	\$ 200,106.00	\$ 212,246.42	\$ (12,140.42)
<b>Total</b>	<b>\$ 6,245,432.00</b>	<b>\$ 2,745,701.35</b>	<b>\$ 3,499,730.65</b>
<b>Revenue</b>			
Federal/State/Local Revenue	\$ 6,279,386.00	\$ 2,905,886.12	\$ 3,373,499.88
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.

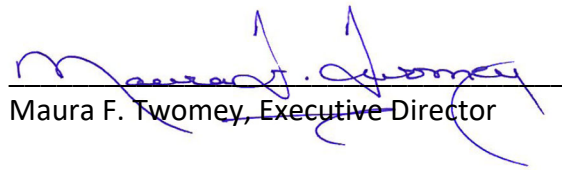
**COORDINATION:**

N/A

**ATTACHMENTS:**

1. Balance Sheet as of January 31, 2022
2. Profit and Loss: July 1, 2021 – January 31, 2022
3. Cash Activity for February 2022

**APPROVED BY:**



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Maura F. Twomey, Executive Director

AMBAG

Balance Sheet - Attachment 1

As of January 31, 2022

	January 31, 2022	January 31, 2022
<b>Assets</b>		
<b>Current Assets</b>		
<b>Cash and Cash Equivalents</b>		
Mechanics Bank - Special Reserve	300,629.94	673,522.24
Mechanics Bank - Checking	354,404.27	130,288.04
Mechanics Bank - REAP Checking	2,721,024.99	0.00
Petty Cash	500.00	803,810.28
LAIF Account	3,687.09	
<b>Total Cash and Cash Equivalents</b>	<b>3,380,246.29</b>	
<b>Accounts Receivable</b>		
Accounts Receivable	627,708.02	258,986.95
<b>Total Accounts Receivable</b>	<b>627,708.02</b>	<b>1,888,153.69</b>
<b>Other Current Assets</b>		
Due from PRWFPA/RAPS	301.00	12,180.44
Prepaid Items	18,687.45	2,158,975.40
<b>Total Other Current Assets</b>	<b>18,988.45</b>	<b>4,318,296.48</b>
<b>Total Current Assets</b>	<b>4,026,942.76</b>	<b>5,122,106.76</b>
<b>Long-Term Assets</b>		
<b>Net OPEB Asset</b>	<b>96,473.00</b>	
FY 2002-2003 Housing Mandate Receivable	82,186.00	
Allowance for Doubtful Accounts	(16,437.20)	
Deferred Outflows - Actuarial	533,833.49	
Deferred Outflows - PERS Contribution	272,963.59	
<b>Total Long-Term Assets</b>	<b>969,018.88</b>	
<b>Capital Assets</b>		
Capital Assets	319,089.93	(154,683.91)
Accumulated Depreciation	(187,443.95)	160,184.77
<b>Total Capital Assets</b>	<b>131,645.98</b>	<b>5,500.86</b>
<b>Total Assets</b>	<b>5,127,607.62</b>	<b>5,127,607.62</b>
<b>Liabilities &amp; Net Position</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable		673,522.24
Employee Benefits		130,288.04
Mechanics Bank - Line of Credit		0.00
<b>Total Current Liabilities</b>		<b>803,810.28</b>
<b>Long-Term Liabilities</b>		
Deferred Inflows - Actuarial		258,986.95
Net Pension Liability (GASB 68)		1,888,153.69
OPEB Liability		12,180.44
Deferred Revenue		2,158,975.40
<b>Total Long-Term Liabilities</b>		<b>4,318,296.48</b>
<b>Total Liabilities</b>		<b>5,122,106.76</b>
<b>Net Position</b>		
Beginning Net Position		(154,683.91)
Net Income/(Loss)		160,184.77
<b>Total Ending Net Position</b>		<b>5,500.86</b>
<b>Total Liabilities &amp; Net Position</b>		<b>5,127,607.62</b>



**AMBAG**  
**Profit & Loss - Attachment 2**  
July - January 2022

	July - January 2022	July - January 2022
<b>Income</b>		
AMBAG Revenue		174,286.83
Cash Contributions		186,799.80
Grant Revenue		2,419,665.87
Non-Federal Local Match		125,133.62
<b>Total Income</b>		<b>2,905,886.12</b>
<b>Expense</b>		
Salaries		822,294.23
Fringe Benefits		478,663.74
Professional Services		1,160,889.03
Lease/Rentals		47,131.30
Communications		10,213.84
Supplies		13,057.58
Printing		1,191.20
Travel		14.01
Other Charges:		
BOD Allowances	7,200.00	
Workshops/Training	1,259.97	
GIS Licensing/CCJDC Support	11,916.00	
REAP Travel/Classes/Events	2,608.83	
SB1/MTIP/MTP/SCS/OWP/Public Participation Expenses	8,682.40	
Recruiting	784.95	
Model Expenses	217.12	
Dues & Subscriptions	13,431.13	
Depreciation Expense	18,518.92	
Maintenance/Utilities	448.63	
Insurance	22,039.46	
Interest/Fees/Tax Expense	5.39	
<b>Total Other Charges</b>		<b>87,112.80</b>
Non-Federal Local Match		125,133.62
<b>Total Expense</b>		<b>2,745,701.35</b>
<b>Net Income/(Loss)</b>		<b>160,184.77</b>

**AMBAG**  
**Cash Activity - Attachment 3**  
**For February 2022**

Monthly Cash Activity	July-21	August-21	September-21	October-21	November-21	December-21	January-22	February-22	March-22	April-22	May-22	June-22	TOTAL
<b>1. CASH ON HAND</b>													
[Beginning of month]	4,140,366.44	4,161,723.11	3,647,705.41	3,625,765.50	3,443,520.63	3,425,278.73	3,135,121.91	3,380,246.29	0.00	0.00	0.00	0.00	
<b>2. CASH RECEIPTS</b>													
(a) AMBAG Revenue	108,597.78	107,565.48	14,000.18	61,432.23	707,415.96	6,068.12	41,911.38	56,039.07	0.00	0.00	0.00	0.00	1,103,030.20
(b) Grant Revenue	180,907.52	21,585.44	193,707.79	0.00	0.00	0.00	378,169.08	309,021.44	0.00	0.00	0.00	0.00	1,083,391.27
(c) REAP Advance Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Borrowing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>3. TOTAL CASH RECEIPTS</b>	289,505.30	129,150.92	207,707.97	61,432.23	707,415.96	6,068.12	420,080.46	365,060.51	0.00	0.00	0.00	0.00	2,186,421.47
<b>4. TOTAL CASH AVAILABLE</b>	4,429,871.74	4,290,874.03	3,855,413.38	3,687,197.73	4,150,936.59	3,431,346.85	3,555,202.37	3,745,306.80	0.00	0.00	0.00	0.00	
<b>5. CASH PAID OUT</b>													
(a) Payroll & Related *	185,064.62	189,829.59	172,248.66	197,590.98	179,470.13	213,078.25	161,573.75	188,552.45	0.00	0.00	0.00	0.00	1,487,408.43
(b) Professional Services	18,658.78	334,934.61	32,380.92	30,636.83	531,139.86	65,623.12	5,800.19	518,521.81	0.00	0.00	0.00	0.00	1,537,696.12
(c) Capital Outlay	0.00	77,185.31	10,389.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	87,574.44
(d) Lease/Rentals	12,500.53	6,550.66	6,942.40	7,112.08	6,642.99	6,326.00	979.73	12,913.50	0.00	0.00	0.00	0.00	59,967.89
(e) Communications	1,922.95	1,378.55	1,376.91	1,610.99	1,389.15	1,170.80	1,608.83	2,145.52	0.00	0.00	0.00	0.00	12,603.70
(f) Supplies	145.65	881.31	4,507.02	4,732.31	435.45	1,158.52	986.17	1,647.37	0.00	0.00	0.00	0.00	14,493.80
(g) Printing	0.00	0.00	0.00	0.00	0.00	1,191.20	0.00	0.00	0.00	0.00	0.00	0.00	1,191.20
(h) Travel	38.04	0.00	138.80	289.85	0.00	66.94	50.17	80.00	0.00	0.00	0.00	0.00	663.80
(i) Other Charges	49,818.06	32,408.59	1,664.04	1,704.06	6,580.28	7,610.11	3,957.24	13,688.15	0.00	0.00	0.00	0.00	117,430.53
(j) Loan Repayment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>6. TOTAL CASH PAID OUT</b>	268,148.63	643,168.62	229,647.88	243,677.10	725,657.86	296,224.94	174,956.08	737,548.80	0.00	0.00	0.00	0.00	3,319,029.91
<b>7. CASH POSITION</b>	4,161,723.11	3,647,705.41	3,625,765.50	3,443,520.63	3,425,278.73	3,135,121.91	3,380,246.29	3,007,758.00	0.00	0.00	0.00	0.00	



**MEMORANDUM**

**TO:** AMBAG Executive/Finance Committee

**FROM:** Maura F. Twomey, Executive Director

**RECOMMENDED BY:** Heather Adamson, Director of Planning

**SUBJECT:** 6<sup>th</sup> Cycle Regional Housing Needs Allocation Methodology

**MEETING DATE:** April 13, 2022

**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 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 developing 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) to every local government in the AMBAG Region. 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.

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.

### ***Revised RHNA Schedule***

AMBAG has revised the RHNA schedule as shown in Figure 1.

**Figure 1: Revised RHNA Schedule**

<b>TARGET SCHEDULE</b>	<b>TASK</b>
<b>Spring - Fall 2021</b>	Discussions with Planning Directors Forum on potential RHNA methodology options and factors
<b>Summer – Fall 2021</b>	Potential RHNA methodology options discussed by AMBAG Board
<b>September 8, 2021</b>	HCD presents at AMBAG Board Meeting
<b>January 12, 2022</b>	Approval of draft RHNA methodology by AMBAG Board
<b>January – March 2022</b>	HCD reviews draft methodology
<b>April 13, 2022</b>	Approval of final RHNA methodology by AMBAG Board
<b>April 22, 2022</b>	Release Draft RHNA plan with RHNA allocations by jurisdiction

<b>April 22 – June 6, 2022</b>	Local jurisdictions and HCD may appeal RHNA allocation within 45 days of release of the draft RHNA plan/allocations
<b>May 2022</b>	AMBAG releases final 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) accommodating RHNA
<b>June 7 – July 22, 2022</b>	Local jurisdictions and HCD may comment on appeals within 45 days of the close of the appeal period <b>(if appeal(s) are received)</b>
<b>June 8, 2022</b>	Adoption of Final 2045 MTP/SCS AMBAG Board
<b>August 10, 2022</b>	Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board <b>(if no appeal(s) are received)</b>
<b>August 10, 2022</b>	AMBAG to hold public hearing on appeals <b>(if appeals are received)</b>
<b>September 23, 2022</b>	AMBAG makes final determination that accepts, rejects, modifies appeals and issues final proposed allocation plan
<b>October 12, 2022</b>	Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board <b>(if appeal(s) are received)</b>
<b>December 2023</b>	Jurisdiction's 6th Cycle Housing Elements are due to HCD

### ***AMBAG RHNA Methodology Development Process***

The methodology used for the RHNA distribution was developed by AMBAG staff with direction from the AMBAG Board of Directors and input from local jurisdictions through the Planning Directors Forum (PDF) as well as input from the public, stakeholders and interested parties. The AMBAG Board met seven (7) times between June 2021 and January 2022 to provide direction on the RHNA methodology. AMBAG invited the region's community development directors and planning directors to serve on the PDF to provide input on the RHNA process. The PDF met seven (7) times between May and November 2021 to advise on the RHNA methodology. HCD staff presented the Regional Housing Need Determination (RHND) on September 8, 2021 AMBAG Board meetings. In addition, AMBAG staff met eight (8) times with HCD staff to advise on the development of the RHNA methodology and data coordination.

AMBAG also met with and/or received input from advocacy organizations Monterey Bay Regional Economic Partnership (MBEP), Santa Cruz YIMBY/YIMBY Law, and LandWatch Monterey County, who attended and participated in a number of PDF and Board meetings. In addition, AMBAG made presentations to several individual City Councils and Planning Commissions during 2021 and 2022 on the RHNA process. AMBAG diligently solicited participation in the development of the methodology and in the process of drafting and adopting the draft RHNA to achieve public participation of all economic segments of the

community as well as members of protected classes. AMBAG incorporated numerous suggestions received from stakeholders and the public during the methodology development process into the draft 6<sup>th</sup> Cycle RHNA methodology.

### ***RHNA Draft Methodology***

This section describes the draft methodology that the AMBAG Board of Directors approved on January 12, 2022. Attachment 2 provides the RHNA unit and income allocation estimates based on the approved draft methodology.

To satisfy the requirements of Government Code section 65584.04(a) AMBAG, in consultation with HCD staff, elected to pursue a three-step methodology. The first and second steps allocates the total number of units for the AMBAG region. The third step allocates by income category.

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

This RHNA methodology allocates a portion of housing units (6,260) based on data for projected housing growth for the four-year RHNA planning period from the 2022 Regional Growth Forecast (RGF). The 2022 RGF was used in the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). The use the 2022 RGF data 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 MTP/SCS, which was released for public review and comment in November 2021.

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 was accepted by the AMBAG Board. 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 element in the RHNA methodology; jobs, jobs/housing balance, transit, resiliency, and affirmatively furthering fair housing 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.

Data sources for this factor is described below:

- 2022 RGF: Housing growth from 4-year RHNA period from the AMBAG 2022 RGF (accepted for planning purposes by the AMBAG Board in November 2020), based on California Department of Finance (2020)
  - The full RGF can be found at the following location:  
[https://ambag.org/sites/default/files/2021-11/PDFAAppendix%20A\\_2022%20RGF.pdf](https://ambag.org/sites/default/files/2021-11/PDFAAppendix%20A_2022%20RGF.pdf) and  
<https://www.ambag.org/plans/regional-growth-forecast>

*Second Step in RHNA Methodology: Jobs, Jobs/Housing Balance, Transit, Resiliency, and AFFH Unit Allocation*

The second step in the RHNA methodology allocates the remaining units (27,014) for the AMBAG region by the following categories: 15% jobs (4,000 units), 31% jobs/housing (8,449 units), 4% transit (1,038 units), 8% resilience (2,075 units), and 42% Affirmatively Furthering Fair Housing (AFFH) (11,452 units). The higher weighting for jobs/housing reflects direction from both the AMBAG Board as well as suggestions from public comment and HCD staff. The methodology normalizes the resiliency factor by 2020 households. This reflects HCD's request to reduce the weight of the 2022 RGF as well as guidance from the Board and public comment to reduce allocations in the unincorporated areas.

In addition, both the California State Treasurer's Tax Credit Allocation Committee (TCAC) and Racially Concentrated Areas of Affluence (RCAA) data is used to calculate the AFFH allocation factor for incorporated jurisdictions, and TCAC alone is used for unincorporated areas. Given the size of the unincorporated areas, TCAC better reflects the diversity of high- and low-income communities within the unincorporated areas. Jurisdictions qualifying as RCAAs, partial RCAAs, or TCAC Opportunity Areas are shown in Attachment 3.

Data sources used for this second step in the RHNA methodology are described below.

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

- Jobs data reflects the pre-pandemic distribution of employment opportunities throughout the AMBAG region. Future job growth in Monterey and Santa Cruz Counties is expected to be concentrated in the same areas. Since such a large share of the region's jobs are agricultural, allocating based on jobs helps the region address the housing needs of farmworkers. (Gov. Code, § 65584.04(e)(8).)
  - Focusing a significant share of the RHNA allocation on jobs helps to correct existing jobs/housing imbalances.
- Jobs-Housing Ratio: Number of jobs in 2020 divided by number of housing units, both jobs and housing data are from AMBAG 2022 RGF, based on InfoUSA and California Employment Development Department, and California Department of Finance (2020).
- Transit: Existing (2020) transit routes with 15- and 30-minutes headways, based on existing transit routes and stops from transit operators
  - While the AMBAG region does not have the kind of extensive transit system found in larger urban areas, transit access is important for the sustainability of future growth.
  - Focusing future developing in areas with the region's highest quality transit promotes infill development and encourages efficient development patterns. (Gov. Code, § 65584(d)(2).)
- 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)
  - The AMBAG region includes areas at great risk due to climate change, including areas at high risk of wildfire and areas at risk of inundation due to sea level rise. These constraints to development must be considered as the region plans for climate change.
  - This factor furthers the objective of promoting infill development, protecting environmental resources, and encourages efficient development patterns. (Gov. Code, § 65584(d)(2).)
- Affirmatively Furthering Fair Housing Unit Allocation: Jurisdictions with higher than the regional average for percentage above 200% of the poverty level and percentage white are defined as RCAAs. Jurisdictions that qualify under one category receive a partial allocation. Data was utilized from the U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census. Jurisdictions are also evaluated based on their share of households in high/highest resource areas. Data was used from the TCAC Opportunity Map Database (2021) and U.S. Census Bureau, American Community Survey (2015-2019). The AFFH factor is the average of their RCAA and



TCAC score for incorporated jurisdictions. For unincorporated areas the AFFH factor is the TCAC score alone and does not include RCAA. This is to address the wide diversity of communities within the unincorporated areas.

### *Third Step in RHNA Methodology: Income Allocation*

Addressing the income equity disparities of the AMBAG region's member 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 allocating a high weight to this factor.

AMBAG developed a local measure of Racially Concentrated Areas of Affluence (RCAA), 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. The RHNA methodology option shifts Above Moderate units to Very Low and Moderate units to Low.

In addition to incorporating the RCAA data, the percentage of units shifted from Above Moderate/Moderate units to Low/Very Low units is 40%. This results in RCAAs getting a higher share of their RHNA in the lower income categories. Under the 40% shift, in RCAA jurisdictions, more than 50% of the RHNA allocation is Very Low or Low income. In partial RCAA jurisdictions, approximately 40% of the RHNA allocation is Very Low or Low income. The comparable share for non-RCAA jurisdictions is less than 25%.

The data source consulted for this factor is described below.

- AFFH Income Allocation: Redistribute a portion of very low and low income units out of non-RCAA jurisdictions and shift those units to RCAA jurisdictions. U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census

The City of Monterey sent a letter to the AMBAG Board of Directors on March 17, 2022 regarding an update on its immediate need for water in order to meet its RHNA allocation. (Attachment 4).

### ***HCD Review of Draft RHNA Methodology***

AMBAG staff submitted the AMBAG draft RHNA methodology and requested supporting data to HCD for its 60-day review on January 21, 2022. Additionally, AMBAG and HCD staff met on February 28, 2022 to respond to any questions regarding the methodology

submittal. HCD has completed its review of the methodology and finds that the draft AMBAG RHNA Methodology furthers the statutory objectives described in Government Code 65584(d) as shown in Attachment 5.

### ***Next Steps***

Upon approval and direction from the Board of Directors, AMBAG staff will release the Draft RHNA Plan allocating shares of the regional housing need to AMBAG's member jurisdictions. The release of the Draft RHNA Plan initiates a 45-day appeal period allowing a member jurisdiction or HCD to appeal for a revision of the share of the regional housing need proposed to be allocated. (Gov. Code, § 65584.05(b).)

### **ALTERNATIVES:**

The Board of Directors may modify the final methodology, however any modifications would require to resubmit for additional HCD review. This would further 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, which must be completed by December 15, 2023. Any further delay to approving a final RHNA methodology puts AMBAG at serious risk of not meeting statutory deadlines for preparing a RHNA Plan.

### **FINANCIAL IMPACT:**

Planning activities for RHNA are funded with Regional Early Access Planning and Senate Bill 1 planning funds and are programmed in the Fiscal Year 2021-22 Overall Work Program and Budget.

### **COORDINATION:**

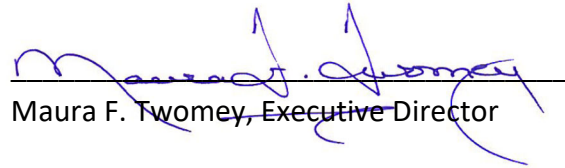
All RHNA planning activities are coordinated with the HCD, SBtCOG, and the Planning Directors Forum, which includes all the local jurisdictions within the AMBAG region.

### **ATTACHMENTS:**

1. Regional Housing Needs Allocation Objectives and Factors
2. AMBAG Draft RHNA Methodology as approved at the January 12, 2022 Board meeting
3. Defining Racially Concentrated Areas of Affluence and Tax Credit Allocation Committee Areas for the AMBGA Region
4. City of Monterey Letter, dated March 17, 2022

5. HCD Letter, Review of Draft Regional Housing Need Allocation (RHNA) Methodology, dated March 16, 2022

**APPROVED BY:**



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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)*

AMBAG RHNA Methodology  
Allocation Units

April 13, 2022

RHNA Total 33,274	Housing	Jobs 15%			Jobs/Housing Ratio 31%			Transit 4%		Resiliency (Wildfire & Sea Level Rise) 8%			AFFH 42%		RHNA							
		Jobs		Units	Jobs		Units	Transit		Zone		Normalize		Normalize		Total						
		2020	% Reg.	% Reg.	J/H	2020	% Reg.	Score	% Reg.	High Risk	% Area Not in	Unit Chg	% Reg.	Units	RCAA		TCAC	Avg. 2020 HHs)	Units			
Region	4-year Unit Change	6,260			4,000			8,449	1,038					2,075			11,452	33,274				
Monterey County	Carmel	5	3,566	0.9%	37	1.0	0	0.0%	0	0	0%	64%	3	0.1%	1	100%	100%	100%	2,129	2.7%	306	349
	Del Rey Oaks	34	748	0.2%	8	1.0	0	0.0%	0	1	8%	44%	15	0.3%	6	100%	0%	50%	342	0.4%	49	184
	Gonzales	713	6,326	1.7%	66	3.2	6,326	2.5%	215	0	0%	100%	713	13.1%	272	0%	0%	0%	0	0.0%	0	1,266
	Greenfield	275	7,882	2.1%	82	2.0	7,882	3.2%	268	0	0%	100%	275	5.1%	105	0%	0%	0%	0	0.0%	0	730
	King City	244	8,195	2.1%	86	2.4	8,195	3.3%	279	0	0%	100%	244	4.5%	93	0%	0%	0%	0	0.0%	0	702
	Marina	395	6,548	1.7%	68	0.8	0	0.0%	0	1	8%	89%	353	6.5%	135	0%	0%	0%	0	0.0%	0	685
	Monterey	202	40,989	10.7%	428	3.0	40,989	16.5%	1,396	1	8%	63%	126	2.3%	48	100%	73%	87%	10,386	13.0%	1,493	3,654
	Pacific Grove	49	8,016	2.1%	84	1.0	0	0.0%	0	0	0%	95%	46	0.9%	18	100%	100%	100%	6,779	8.5%	974	1,125
	Salinas	2,166	78,874	20.6%	824	1.8	78,874	31.8%	2,687	2	17%	100%	2,166	39.9%	829	0%	0%	0%	0	0.0%	0	6,674
	Sand City	54	2,092	0.5%	22	11.1	2,092	0.8%	71	1	8%	100%	54	1.0%	21	50%	0%	25%	36	0.0%	5	260
Unincorporated Monterey	Seaside	324	10,476	2.7%	109	1.0	0	0.0%	0	1	8%	77%	251	4.6%	96	0%	0%	0%	0	0.0%	0	616
	Soledad	236	9,010	2.4%	94	2.2	9,010	3.6%	307	0	0%	96%	227	4.2%	87	0%	0%	0%	0	0.0%	0	724
		255	60,293	15.7%	629	1.5	0	0.0%	0	1	8%	19%	48	0.9%	18	n/a	48%	48%	16,268	20.4%	2,337	3,326
	Santa Cruz County																					
	Capitola	89	12,250	3.2%	128	2.2	12,250	4.9%	417	0	0%	83%	74	1.4%	28	100%	97%	98%	4,691	5.9%	674	1,336
	Santa Cruz	394	43,865	11.5%	458	1.8	43,865	17.7%	1,494	1	8%	75%	296	5.5%	113	50%	23%	37%	8,279	10.4%	1,190	3,736
Unincorporated Santa Cruz	Scotts Valley	28	10,109	2.6%	106	2.1	10,109	4.1%	344	1	8%	50%	14	0.3%	5	100%	100%	100%	4,522	5.7%	650	1,220
	Watsonville	512	28,514	7.4%	298	2.0	28,514	11.5%	971	1	8%	95%	485	8.9%	185	0%	0%	0%	0	0.0%	0	2,053
		285	45,264	11.8%	473	0.8	0	0.0%	0	1	8%	13%	38	0.7%	15	n/a	50%	50%	26,259	33.0%	3,774	4,634

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

Jobs/housing ratio is the 2020 number of jobs divided by the 2020 number of housing units. A higher number reflects a larger imbalance between jobs and housing.

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

RCAA = Racially Concentrated Areas of Affluence.

TCAC = California Tax Credit Allocation Committee



AMBAG RHNA Methodology

Income Shift: Shifts 40% Units Between Above Moderate and Very Low and Between Moderate and Low

April 13, 2022

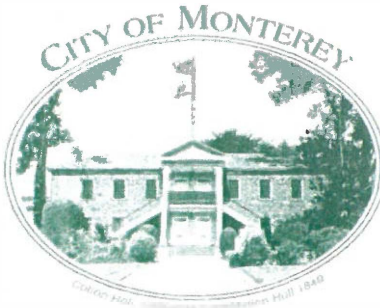
Region	Baseline Income Allocation				RCAA		Raw RCAA Adjustments						Rebalance to Income Group Totals				RHNA	
	V.L.	Low	Mod.	A.M.	40%	40%	Shift	V.L. Shift Low	Very Low	Low	Mod.	Above Mod.	Very Low	Low	Mod.	Above Mod.		
Monterey County	7,868	5,146	6,167	14,093					8,092	5,296	6,017	-5,312		7,868	5,146	6,167	14,093	33,274
Carmel-By-The-Sea	83	54	65	148	100%	33	22	116	76	43	-87		113	74	44		118	349
Del Rey Oaks	44	28	34	78	100%	18	11	62	39	23	-46		60	38	24		62	184
Gonzales	299	196	235	536	0%	-120	-78	179	118	313	-74		173	115	321		657	1,266
Greenfield	173	113	135	309	0%	-69	-45	104	68	180	-43		101	66	184		379	730
King City	166	109	130	297	0%	-66	-44	100	65	174	-42		97	63	178		364	702
Marina	162	106	127	290	0%	-65	-42	97	64	169	-40		94	62	173		356	685
Monterey	864	565	677	1,548	100%	346	226	1,210	791	451	-904		1,177	769	462		1,246	3,654
Pacific Grove	266	174	209	476	100%	106	70	372	244	139	-279		362	237	142		384	1,125
Salinas	1,579	1,031	1,237	2,826	0%	-632	-412	947	619	1,649	-389		920	600	1,692		3,462	6,674
Sand City	61	40	48	110	50%	0	0	61	40	48	-39		59	39	49		113	260
Seaside	146	95	114	261	0%	-58	-38	88	57	152	-36		86	55	156		319	616
Soledad	171	112	134	307	0%	-68	-45	103	67	179	-42		100	65	183		376	724
Unincorporated Monterey	786	514	616	1,409	100%	314	206	1,100	720	410	-821		1,070	700	420		1,136	3,326
Santa Cruz County																		
Capitola	316	207	248	566	100%	126	83	442	290	165	-331		430	282	169		455	1,336
Santa Cruz	883	578	692	1,582	50%	0	0	883	578	692	-571		859	562	709		1,606	3,736
Scotts Valley	288	189	226	517	100%	115	76	403	265	150	-301		392	257	154		417	1,220
Watsonville	485	318	381	870	0%	-194	-127	291	191	508	-120		283	186	521		1,063	2,053
Unincorporated Santa Cruz	1,096	717	859	1,963	100%	438	287	1,534	1,004	572	-1,147		1,492	976	586		1,580	4,634

Calculations are performed on unrounded numbers. Numbers shown here are rounded to the nearest whole number.  
RCAA = Racially Concentrated Areas of Affluence.

**Defining Racially Concentrated Areas of Affluence (RCAs) and  
Tax Credit Allocation Committee (TCAC) for the AMBAG Region**

Region	Affluent	Concentrated		RCAA		TCAC
	% Above 200% of Poverty	Above Reg. Avg.	% White	Above Reg. Avg.	Higher Income & Less Diverse	% HHs in High/Highest Resource Areas (including rural)
<b>Region</b>	<b>67%</b>		<b>37%</b>			
<b>Monterey County</b>						
Carmel-By-The-Sea	88%	yes	87%	yes	<b>full</b>	100%
Del Rey Oaks	87%	yes	68%	yes	<b>full</b>	0%
Gonzales	59%		5%			0%
Greenfield	56%		3%			0%
King City	45%		7%			0%
Marina	64%		33%			0%
Monterey	80%	yes	63%	yes	<b>full</b>	73%
Pacific Grove	85%	yes	71%	yes	<b>full</b>	100%
Salinas	58%		11%			0%
Sand City	66%		50%	yes	<b>partial</b>	0%
Seaside	65%		29%			0%
Soledad	52%		8%			0%
Uninc. Monterey	72%	yes	45%	yes	<b>full</b>	48%
<b>Santa Cruz County</b>						
Capitola	72%	yes	65%	yes	<b>full</b>	97%
Santa Cruz	66%		58%	yes	<b>partial</b>	23%
Scotts Valley	87%	yes	72%	yes	<b>full</b>	100%
Watsonville	53%		12%			0%
Uninc. Santa Cruz	79%	yes	66%	yes	<b>full</b>	50%

Data sources: U.S. Census Bureau, American Community Survey (2015-2019), 2020 Census,  
and California Tax Credit Allocation Committee



**MAR 21 2022**

Mayor:  
CLYDE ROBERSON

Councilmembers:  
DAN ALBERT  
ALAN HAFFA  
ED SMITH  
TYLER WILLIAMSON

City Manager:  
HANS USLAR

**March 17, 2022**

**Association of Monterey Bay Area Governments**

**Board of Directors**

Kristen Peterson, City of Capitola  
Karen Ferlito, City of Carmel-by-the-Sea  
Kim Shirley, City of Del Rey Oaks  
Scott Funk, City of Gonzales  
Lance Walker, City of Greenfield  
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Derek Timm, City of Scotts Valley  
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John Phillips, County of Monterey  
Betsy Dirks, County of San Benito  
Bea Gonzales, County of San Benito  
Manu Koenig, County of Santa Cruz  
Greg Caput, County of Santa Cruz

**RE: City of Monterey Regional Housing Needs Allocation**

Dear Board of Directors,

The City of Monterey wanted to update the Association of Monterey Bay Area Governments (AMBAG) on the immediate need for water by 2023.

AMBAG recently completed its State-mandated task of designating the number of housing units that will need to be planned for in each jurisdiction from 2023 to 2031. The State's goal is for those units to be constructed during this timeframe as well.

The City of Monterey wants to build the expected housing units that are ultimately assigned by our fellow jurisdictions through the AMBAG RHNA process.

Monterey was assigned 3,654 housing units (1,177 very low income, 769 low income, 462 moderate-income, and 1,246 market-rate) to place housing closer to jobs and address equity metrics such as placing more housing in communities that are predominately white with higher incomes. The aspirational goal to address these issues is impossible without an immediate water supply.

The City has reviewed with MPWMD staff the water credits needed per residential type. The City estimates needing between **367 to 406 acre-feet by 2023** to meet the regionally and State required RHNA.

The City also wanted to update the Board on its efforts to construct housing. In terms of upcoming development, the City continues to lose out on housing development opportunities. While the City's implementation of new policies is working and have attracted experienced and solvent developers, the inability of the SWRCB to respond to requests made by the City and the Monterey Peninsula Water Management District has led to a significant reduction in the scopes of the projects. Stated differently, while the State's legislature and the Governor have repeatedly prioritized increasing the supply of affordable housing opportunities, the SWRCB remains tone-deaf to the requests expressed by the City, the Monterey Peninsula Water Management District, Senator Laird, and housing advocates.

The following example demonstrates what our rental community is losing:

The Garden Road area allows 405 new housing units. The City received applications to construct housing at four sites along Garden Road. The original anticipated unit count was 298 units if the City could obtain additional water from the Water District's reserve category. The District conditionally allocated reserve water; however, the State Water Resources Control Staff indicated it would violate the Cease and Desist Order unless the project used no more water than it did before rezoning. As a result, this opportunity was lost, and projects were reduced to 180 units consistent with the onsite water credits/use. A loss of 118 units could have housed between 300 and 400 residents.

**Table 1**  
**Garden Road Housing Opportunities**

Address	Original Application - # of Units	Downsized Projects due to Water	Project Status
2000 Garden Road	72	34	AR Preliminary and Final Permit Approved
2300 Garden Road	99	64	ARC Review Scheduled 3/15
2560 Garden Road	63	25	Application Incomplete 2/2022
2600 Garden Road	64	57	ARC Preliminary Review Approved
<b>Total</b>	<b>298</b>	<b>180</b>	

Source: City of Monterey Community Development Department

There is no quick fix to reverse this fate. The projects were re-scoped, and plans were redrawn. Costs borne by the developers have been incurred.

The City has also inventoried its properties for affordable housing projects. Four sites were identified for 100% affordable housing projects, and a Request for Proposal was released. The City has selected two affordable housing developers for Exclusive Negotiating Agreement (ENA) discussions. These developers can potentially build 150 units that are 100% affordable housing. However, these sites do not have adequate-sized water meters or supply for the housing to be constructed.

In sum, there have been 118 affordable housing units lost as a result of water unavailability for the Garden Road area, and 150 low-income units are in abeyance.

The City of Monterey wanted the AMBAG Board of Directors to understand from our perspective the quandary of meeting State-mandated housing requirements, being designated additional housing units to be constructed between 2023-2031, and the need for water supply to be available in 2023 to meet the City and region's housing targets. The City would appreciate the support from AMBAG in obtaining water through its various partners so that the City can build the RHNA housing allocation. The City requests that the AMBAG Board request an update from the various groups (Monterey One Water, Monterey Peninsula Water Management District, and California American Water) about the water supply and the ability for the region to obtain this water by 2023. Furthermore, the City requests that the AMBAG Board pass a resolution requesting these agencies provide this water by 2023 and that the State Water Resources Control Board immediately lift the Cease and Desist Order since the illegal diversions have ceased. If the CDO is lifted, developers could set new water meters and work within the Monterey Peninsula Water Management District credit system.

Sincerely,



Clyde Roberson,  
Mayor

cc. Maura F. Twomey, Executive Director, AMBAG ([mtwomey@ambag.org](mailto:mtwomey@ambag.org))  
Senator John Laird, 17<sup>th</sup> Senate District  
Assemblymember Mark Stone, 29<sup>th</sup> Assembly District

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
www.hcd.ca.gov



March 16, 2022

Maura F. Twomey, Executive Director  
Association of Monterey Bay Area Governments  
24580 Silver Cloud Court  
Monterey, CA 93940

Dear Maura F. Twomey:

**RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology**

Thank you for submitting the draft Association of Monterey Bay Area Government's (AMBAG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodologies to determine whether a methodology furthers the statutory objectives described in Government Code Section 65584(d).

The draft AMBAG RHNA methodology begins with the total regional determination provided by HCD of 33,274 units. The methodology first distributes 6,260 units through a base allocation to each jurisdiction based on its anticipated household growth in the RTP/SCS over a four-year planning period. Next, the methodology allocates the remaining 27,014 units by applying five factors to establish each jurisdiction's total RHNA allocation:

- **Jobs (weighted at 14.8 percent)** – This factor allocates units based on each jurisdiction's percent share of regional jobs using data from AMBAG's 2022 Regional Growth Forecast, InfoUSA, and the California Employment Development Department.
- **Jobs-housing Ratio (31.3 percent)** – Similar to the jobs factor, this factor allocates units based on a jurisdiction's percent of regional jobs. This adjustment increases the allocation for jurisdictions with jobs-housing ratios that are above the regional average.
- **Transit (3.8 percent)** – This factor upwardly adjusts allocations for jurisdictions with 30-minute headways and includes a slightly larger adjustment for jurisdictions with 15-minute headways based on existing transit routes and stops.
- **Resiliency (7.7 percent)** – This factor increases allocations to jurisdictions with the smallest percent of area that has high fire risk or two-foot sea level rise risk. This is based on data from Cal Fire, the California Public Utilities Commission and the National Oceanic and Atmospheric Administration.
- **Affirmatively Furthering Fair Housing (AFFH) (42.4 percent)** – This factor uses both HCD/TCAC Opportunity data and AMBAG's own measure of Racially Concentrated Areas of Affluence (RCAAs). This factor is used to upwardly adjust units to jurisdictions meeting RCAA criteria with areas designated as high and higher opportunity on the HCD/TCAC Opportunity Map.

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Lastly, in order to distribute each jurisdiction's RHNA across the four income categories, the methodology uses AMBAG's RCAA measure to apply a 40 percent income adjustment. AMBAG's RCAA measure considers what percentage of a jurisdiction's population is white and above 200% the poverty level. The income adjustment results in a 40 percent increase in the low- and very low-income RHNA allocated to RCAA jurisdictions. Partial RCAAs receive no upward adjustment to their lower income RHNA allocations while non-RCAAs receive a downward adjustment.

**HCD has completed its review of the methodology and finds that the draft AMBAG RHNA Methodology furthers the statutory objectives described in Government Code 65584(d).**<sup>1</sup> AMBAG's draft methodology directs RHNA units – including more lower income units – into high income jurisdictions with lower VMT and more jobs and transit access. The draft methodology also makes adjustments that increase the number of lower income units going to RCAAs as a percentage of their total allocation. The RCAA jurisdictions align closely with the higher resourced areas identified by the HCD/TCAC Opportunity Map. HCD commends AMBAG for including factors in the draft methodology linked to the statutory objectives such as jobs-housing ratio, transit, and AFFH.

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

*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.*

On a per household basis, the methodology generally allocates more shares of RHNA to jurisdictions with more high-income households. Additionally, due to the income adjustment, these higher income jurisdictions receive much higher lower income RHNA allocations relative to their existing share of households. Lastly, jurisdictions with higher percentages of owners and single-family units receive a higher percentage of lower income RHNA relative to their total allocation.

*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.*

The draft methodology encourages a more efficient development pattern by including a combination of tools, such as including the RTP/SCS in the base allocation, two jobs-related factors, and a transit factor. Jurisdictions with access to more jobs via a 30-minute commute receive more RHNA both in terms of RHNA per household and total RHNA. Jurisdictions with access to more jobs via a 45-minute transit commute and lower VMT also receive more RHNA.

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<sup>1</sup> While HCD finds this methodology furthers statutory objectives, applying this methodology to another region or cycle may not necessarily further the statutory objectives as housing conditions and circumstances may differ.

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*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.*

Most cities in AMBAG have a jobs-housing fit (lower wage jobs to lower cost housing) that is imbalanced (over 1.5 low-wage jobs for every affordable housing unit). The draft methodology allocates more total RHNA and lower income RHNA per household share to the jurisdictions with the worst imbalances (over 5.0). The draft methodology allocates slightly less RHNA relative to household share to jurisdictions with a jobs-housing fit ratio between 2.0 and 5.0, while jurisdictions with jobs housing balance ratios below 2.0 receive the smallest RHNA allocations relative to household share. The overall jobs-housing ratio (total jobs to housing units) is more balanced for the region although there are several jurisdictions with a ratio over 1.5. The methodology allocates more total RHNA and lower income RHNA per household share to the jurisdictions with the worst imbalances (jobs-housing ratio over 1.5).

*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.*

On average, cities with a larger existing share of lower income households receive smaller allocations of low- and very low-income units as a percentage of their total RHNA. For cities with higher shares of lower income households, the average lower income allocation is 28 percent of total RHNA. The average lower income allocation for cities with smaller percentages of lower income households is 48 percent.

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

Jurisdictions with more access to opportunity receive larger lower income RHNA allocations on a per household basis. Further, low resource jurisdictions with segregated areas of poverty receive less total RHNA and lower income RHNA per household share.

For instance, jurisdictions with low-resource and high-segregation/poverty areas receive a share of the lower income RHNA that is, on average, 99 percent of their share of households, compared to roughly 200 percent for higher resourced jurisdictions.

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HCD appreciates the active role of AMBAG staff – particularly Heather Adamson, Maura Twomey, and Paul Hierling – and Beth Jarosz in providing data and input throughout the draft AMBAG RHNA methodology development and review period.

HCD looks forward to continuing our partnership with AMBAG to help its member jurisdictions meet and exceed the planning and production of the region's housing need. Support opportunities available for the AMBAG region this cycle include, but are not limited to:

- Regional Early Action Planning (REAP) 2.0 – \$600 million in state and federal investment to advance implementation of adopted regional plans. REAP 2.0 funding may be used for planning and implementation that accelerate infill housing development and reduce per capita vehicle miles traveled. <https://hcd.ca.gov/grants-funding/active-funding/reap2.shtml>.
- Prohousing Designation Program – Ongoing awards distributed over-the-counter to local jurisdictions with compliant Housing Elements and prohousing policies. Those awarded receive additional points or preference when applying to housing and non-housing funding programs including the Affordable Housing & Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), and Transformative Climate Communities (TCC).
- HCD also encourages all AMBAG local governments to consider the many other affordable housing and community development resources available to local governments, including the Permanent Local Housing Allocation program. HCD's programs can be found at <https://www.hcd.ca.gov/grants-funding/nofas.shtml>.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Annelise Osterberg, Housing Policy Specialist at (916) 776-7540 or [annelise.osterberg@hcd.ca.gov](mailto:annelise.osterberg@hcd.ca.gov).

Sincerely,



Tyrone Buckley  
Assistant Deputy Director of Fair Housing

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