

Planning Directors Forum

November 29, 2021



Item #1: Welcome/Roll Call



Item #2: AMBAG 6th Cycle Regional Housing Needs Allocation Methodology





6th Cycle RHNA Methodology

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Overview

- ▶Background
- ▶Methodology development
- ▶RHNA methodology modifications
- ▶Final 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 |
| December 8, 2021 | Approval of draft RHNA methodology by AMBAG Board |
| December 2021 to February 2022 | HCD reviews Draft Methodology |
| March 9, 2022 | Approval of final RHNA methodology by AMBAG Board |
| March 21, 2022 | Release draft RHNA plan with RHNA allocations by jurisdictions |
| March 22 – May 5, 2022 | Local jurisdictions may appeal RHNA allocation within 45 days of release of the draft RHNA plan/allocations |
| May 2022 | AMBAG releases final 2045 MTP/SCS accommodating RHNA |
| May 6 – June 19, 2022 | Local jurisdictions and HCD may comment on appeals during this period |
| June 2022 | Adoption of final 2023-31 RHNA Plan and allocations by AMBAG Board |
| July 13, 2022 | AMBAG to hold public hearings on appeals (if applicable) |
| August 27, 2022 | AMBAG makes final determination that accepts, rejects, modified appeals and issues final proposed allocation plan |
| September 14, 2022 | Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board (if appeals are received) |
| December 2023 | Jurisdiction's 6 th 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



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 |

Methodology Modifications

- ▶ Reduced the 10-year housing growth allocation factor to an 8-year period to match the 8-year RHNA
- ▶ Reduce job allocation factor to 50%, retaining percentage share of jobs from 2022 RGF for existing (2020) jobs
- ▶ Include AFFH as an allocation factor using RCAA+ data
 - Use RCAA+, rather than RCAA, to incorporate adjustments for jurisdictions that meet one of the two RCAA criteria
- ▶ Shift Above Moderate units to Very Low and Moderate units to Low for the Income Allocation
- ▶ Reduce income allocation shift from 50% to 30%



Final Draft RHNA Methodology

| | | |
|---------------------------------|-------------|---------------|
| | | Units |
| Regional Growth Forecast | High | 12,524 |
| Employment | 50% | 20,750 |
| Transit | 5% | |
| Resiliency | 10% | |
| AFFH | 35% | |
| AFFH (income shift) | 30% | |



RHNA Methodology Steps

- ▶ 1st Step - *2022 RGF (Base Unit Allocation)*
 - Distributes portion of RHNA based on eight-year housing growth from the 2022 RGF
- ▶ 2nd Step - *Jobs, Transit, Resiliency, and AFFH (Unit Allocation)*
 - Jurisdiction's share of 2020 jobs (50%)
 - Jurisdictions with existing (2020) transit routes with 15- and 30-minute headways (5%)
 - Jurisdictions who have the smallest percentages of high fire or high sea level risk (10%)
 - Jurisdictions full or partial RCAAs (35%)
- ▶ 3rd Step – Income Allocation
 - Redistributes a portion of V.L and L income units to jurisdictions to RCAA+



What Are Racially Concentrated Areas of Affluence (RCAA+)?

| Region | Affluent | | Racially Concentrated | | RCAA |
|--------------------------|--|---------------------------|-----------------------|---------------------------|-----------------------------------|
| | % Population Above 200% of Poverty Level | Higher Than Regional Avg. | % White | Higher Than Regional Avg. | Both Higher Income & Less Diverse |
| Monterey County | 67% | | 37% | | |
| 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 | partial |
| Seaside | 65% | | 29% | | |
| Soledad | 52% | | 8% | | |
| Uninc. Monterey | 72% | yes | 45% | yes | yes |
| Santa Cruz County | | | | | |
| Capitola | 72% | yes | 65% | yes | yes |
| Santa Cruz | 66% | | 58% | yes | partial |
| 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

Comparing RCAAs and High/Highest Resource (TCAC)

- ▶ RCAA+ better represents high resource areas in the region as compared to the TCAC/ Opportunity maps
- ▶ Directs more RHNA to RCAA+ jurisdictions

| | TCAC | RCAA |
|--------------------------|--|-------------------------------------|
| | % in High/Highest Resource (excl. rural) | Both Higher Income and Less Diverse |
| Region | | |
| Monterey County | | |
| Carmel | 100% | yes |
| Del Rey Oaks | | yes |
| Gonzales | | |
| Greenfield | | |
| King City | | |
| Marina | | |
| Monterey | 73% | yes |
| Pacific Grove | 100% | yes |
| Salinas | | |
| Sand City | | partial |
| Seaside | | |
| Soledad | | |
| Uninc. Monterey | 10% | Yes |
| Santa Cruz County | | |
| Capitola | 97% | Yes |
| Santa Cruz | 22% | partial |
| Scotts Valley | | Yes |
| Watsonville | | |
| Uninc. Santa Cruz | 34% | Yes |

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% | 88% | 87% |
| Del Rey Oaks | 1% | 87% | 68% |
| Gonzales | 18% | 59% | 5% |
| Greenfield | 29% | 56% | 3% |
| King City | 20% | 45% | 7% |
| Marina | 12% | 64% | 33% |
| Monterey | 4% | 80% | 63% |
| Pacific Grove | 8% | 85% | 71% |
| Salinas | 19% | 58% | 11% |
| Sand City | 10% | 66% | 50% |
| Seaside | 12% | 65% | 29% |
| Soledad | 24% | 52% | 8% |
| Uninc. Monterey | 10% | 72% | 45% |
| Capitola | 7% | 72% | 65% |
| Santa Cruz | 5% | 66% | 58% |
| Scotts Valley | 3% | 87% | 72% |
| Watsonville | 21% | 53% | 12% |
| Uninc. Santa Cruz | 5% | 79% | 66% |

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

- ▶ Income shift decreased from 50 % to 30%
 - AFFH was added as a unit allocation factor, so income shift was reduced to balance it out
- ▶ Shifts Above Moderate units to Very Low
- ▶ Shifts Moderate units to Low



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



RHNA Allocation Estimates

| RHNA Total Unit Allocation* | |
|------------------------------------|---------------|
| | RHNA |
| Region | 33,274 |
| Monterey County | |
| Carmel | 139 |
| Del Rey Oaks | 396 |
| Gonzales | 1,869 |
| Greenfield | 868 |
| King City | 803 |
| Marina | 1,189 |
| Monterey | 2,897 |
| Pacific Grove | 638 |
| Salinas | 7,466 |
| Sand City | 440 |
| Seaside | 1,116 |
| Soledad | 804 |
| Unincorporated Monterey | 3,827 |
| Santa Cruz County | |
| Capitola | 1,090 |
| Santa Cruz | 3,400 |
| Scotts Valley | 600 |
| Watsonville | 2,067 |
| Unincorporated Santa Cruz | 3,665 |

* Excludes statutory adjustments. Statutory adjustments will be included in the draft RHNA Plan

Next Steps

- ▶ Continue Public Hearing and to consider accepting the final draft RHNA methodology at a special AMBAG Board meeting on December 8, 2021
- ▶ Submit draft methodology for formal HCD review
- ▶ 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 March 2022



Questions



Item #3: Other Items



Item #4: Next Steps/Adjourn

