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Staff: Kate Roberts, President & CEO

December 7, 2021

Association of Monterey Bay Area Governments, Board of Directors
24580 Silver Cloud Court
Monterey, CA 93940

Subject: Item 7A, 6th Cycle Regional Housing Needs Allocation Methodology

Dear Chair McShane and Members of the Board,

The Monterey Bay Economic Partnership (MBEP) supports AMBAG's 6th Cycle RHNA final draft methodology of **Option A**, with a minor modification regarding the AFFH income shift percentage currently weighed at 30% to be applied at 40%. AMBAG staff has found the methodology supports and/or furthers the five statutory RHNA objectives of: 1) increasing housing supply and mix; 2) promoting infill, equity, and environment; 3) ensuring jobs-housing balance/fit; 4) promoting regional income parity; and 5) affirmatively furthering fair housing. We ask that you approve staff's recommendation of accepting a final draft RHNA methodology after incorporating the AFFH income shift at 40% and authorize AMBAG staff to submit it for formal review by the California Department of Housing and Community Development at the special AMBAG board meeting taking place on December 8th.

California's Regional Housing Need Determination (RHND) requires our region to plan for 33,274 new homes by 2031 through its 6th Cycle Housing Element update, including 13,014 that are affordable to lower-income households. Through the final draft methodology, the estimated allocations of these homes grants every Monterey Bay jurisdiction the opportunity to promote equity, sustainability, and racially & economically diverse communities.

We thank AMBAG staff for implementing MBEP's previous recommendation of incorporating Affirmatively Furthering Fair Housing (AFFH) as an allocation factor, as opposed to AFFH only being integrated via an income shifting mechanism. This has resulted in a more equitable distribution of homes to all jurisdictions within our region. In regards to the AFFH income shift percentage being weighed at 30%, we believe this should be applied at 40% to ensure that the allocations Racially Concentrated Areas of Affluence are receiving are completely satisfying the goal of Affirmatively Furthering Fair Housing by both having a larger allocation due to this factor, as well as receiving a substantive proportion of very low and low income units within said allocation.

Thank you for your leadership in moving our region forward on our existing and projected housing needs. We look forward to working with all

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eighteen municipalities within the purview of AMBAG as they embark on the next step of updating their respective Housing Elements. For questions, please contact Elizabeth Madrigal at emadrigal@mbep.biz.

Sincerely

Kate Roberts
President & CEO

MBEP was founded in 2015 and consists of over 87 public, private and civic entities located throughout Monterey, San Benito and Santa Cruz counties with a mission to improve the economic health and quality of life in the Monterey Bay region. We focus on initiatives that speak to the region's greatest needs around housing, transportation, climate, workforce development and technology.

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