



## Special AMBAG Board of Directors Agenda

Association of Monterey Bay Area Governments  
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**Meeting Via GoToWebinar**

**DATE: December 8, 2021**

**TIME: 6:00 PM**

**Please register for the AMBAG Board of Directors meeting at**  
<https://attendee.gotowebinar.com/register/543753998828715021>

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 Board of Directors meeting will be conducted via GoToWebinar as established by Resolution 2021-10 adopted by the AMBAG Board of Directors on November 10, 2021. The AMBAG Board of Directors will participate in the meeting from individual remote locations.

Members of the public will need to attend the meeting remotely via GoToWebinar. We apologize in advance for any technical difficulties.

Persons who wish to address the AMBAG Board of Directors on an item to be considered at this meeting are encouraged to submit comments in writing at [info@ambag.org](mailto:info@ambag.org) by Tuesday, December 7, 2021. The subject line should read "Public Comment for the December 8, 2021 Board of Directors Meeting". The agency clerk will read up to 3 minutes of any public comment submitted.

To participate via GoToWebinar, please register for the December 8, 2021 AMBAG Board of Directors meeting using the following link: <https://attendee.gotowebinar.com/register/543753998828715021>

You will be provided dial-in information and instructions to join the meeting.

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 Ext. 300.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. ORAL COMMUNICATIONS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA**  
(A maximum of three minutes on any subject not on the agenda)
- 4. ORAL COMMUNICATIONS FROM THE BOARD ON ITEMS NOT ON THE AGENDA**
- 5. CONSENT AGENDA**

**Recommended Action:** APPROVE

**Note:** Actions listed for each item represents staff recommendation. The Board of Directors may, at its discretion, take any action on the items listed in the consent agenda.

- A. **Draft Minutes of the November 10, 2021 AMBAG Board of Directors Meeting**
  - Ana Flores, Clerk of the Board

Approve the draft minutes of the November 10, 2021 AMBAG Board of Directors meeting. (Page 5)

- B. **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**
  - Maura Twomey, Executive Director

Adopt 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. (Page 15)

- C. **Amendment #2 to the Population Reference Bureau Contract**
  - Heather Adamson, Director of Planning

Approve amending the Population Reference Bureau contract for a budget increase in the amount of \$35,000 for Regional Housing Needs Allocation planning activities. (Page 17)

- 6. ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION AND POSSIBLE ACTION**

## **7. PLANNING**

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

#### **Recommended Action: PUBLIC HEARING/APPROVE**

- Heather Adamson, Director of Planning

Continue the public hearing to receive public comment on the draft 6th Cycle Regional Housing Needs Allocation (RHNA) methodology for allocation of housing need to the region's jurisdictions consistent with the objectives of Government Code § 65584(d) and factors of Government Code § 65584.04(e). Approve the draft RHNA methodology and authorize AMBAG staff to submit the draft RHNA methodology to the California Department of Housing and Community Development (HCD) for review and approval. (Page 61)

## **8. ADJOURNMENT**

### **REFERENCE ITEMS:**

- A. 2022 Calendar of Meetings (Page 125)
- B. Acronym Guide (Page 127)

### **NEXT MEETING:**

The 2022 AMBAG Board of Directors meeting locations are subject to change and may be held remotely in light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with AB 361. The AMBAG Board of Directors meeting will be conducted via GoToWebinar as established by Resolution 2021-10 adopted by the AMBAG Board of Directors at their November 10, 2021 meeting.

**Date:** January 12, 2022

**Location:** GoToWebinar

**Executive/Finance Committee Meeting:** 5:00 PM

**Board of Directors Meeting:** 6:00 PM

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 at least 48 hours prior to the meeting date.

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**DRAFT**  
**MINUTES OF THE PROCEEDINGS**  
**OF THE BOARD OF DIRECTORS OF THE**  
**ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS**

**November 10, 2021**

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**1. CALL TO ORDER**

The Board of Directors of the Association of Monterey Bay Area Governments, President, Steve McShane presiding, convened at 6:03 p.m. Wednesday, November 10, 2021 via GoToWebinar.

**2. ROLL CALL**

<b><u>AMBAG Board of Directors</u></b>			
<b>PRESENT:</b>			
<b>Agency</b>	<b>Representative</b>	<b>Agency</b>	<b>Representative</b>
Capitola	Kristen Petersen	County of Monterey	Mary Adams
Carmel-by-the-Sea	Karen Ferlito	County of Monterey	John Phillips
Del Rey Oaks	Kim Shirley	County of San Benito	Bea Gonzales
Gonzales	Scott Funk	County of San Benito	Bob Tiffany
Greenfield	Lance Walker	County of Santa Cruz	Greg Caput
King City	Carlos Victoria	County of Santa Cruz	Manu Koenig
Marina	Lisa Berkley		
Monterey	Ed Smith	<b><u>Ex-Officio Members:</u></b>	
Pacific Grove	Jenny McAdams	Caltrans, District 5	Orchid Monroy-Ochoa
Salinas	Steve McShane	MBARD	Richard Stedman
San Juan Bautista	John Freeman	MPAD	Michael La Pier
Sand City	Mary Ann Carbone	MST	Lisa Rheinheimer
Santa Cruz	Justin Cummings	SBtCOG	Veronica Lezama
Scotts Valley	Jack Dilles	TAMC	Todd Muck
Seaside	Jon Wizard		
Soledad	Anna Velazquez		
Watsonville	Eduardo Montesino		
<b>ABSENT:</b>			
Hollister	Rick Perez	3CE SCCRTC SC METRO	JR Killigrew Guy Preston Alex Clifford

**Others Present:** Trevin Barber; Lee Butler; Joanna Carman; Luke Coletti; Inge Lorentzen Daumer; Kevin Dayton; David Dean; Denise Duffy; Scott Eades; John Farrow; Rafael Hernandez; Matt Huerta; Megan Hunter; Carol Lenoir; Erik Lundquist; Veronica Macias; Elizabeth Madrigal; Natalie Magana; Brian McCarthy; Jonathan Moore; Michael Pisano; Janine Roeth; Sarah Rosenthal; Rafa Sonnenfeld; Matt VanHua; Marnie Waffle; Betsy Wilson; Anastacia Wyatt; Paia Levine; Heather Adamson, Director of Planning; Bhupendra Patel, Director of Modeling; Paul Hierling, Senior Planner; Amaury Berteaud, Special Projects Manager; Gina Schmidt, GIS Coordinator; Cynthia Piña, Office Assistant; Maura Twomey, Executive Director; and Ana Flores, Senior Executive Assistant.

### **3. ORAL COMMUNICATIONS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA**

There were no oral or written communications from the public.

### **4. ORAL COMMUNICATIONS FROM THE BOARD ON ITEMS NOT ON THE AGENDA**

Director Cummings discussed the redistricting maps for the State Senate, Assembly, and congressional districts. The first concern is the way the maps are drawn to split the senate district in half, which has been changed. The second concern is that the city of Santa Cruz will be removed from the assembly district and congressional district. This would remove the city of Santa Cruz from the Monterey Bay area. It's critical that the city of Santa Cruz is within the district of all other cities within the Monterey Bay area so we can have a joint approach to decision making that occurs at the various levels of our state government and to ensure that we are meeting the needs of all the cities within the Monterey Bay area. Director Cummings encouraged the Board and individual jurisdictions, to voice their support to have the city of Santa Cruz be included in the district along with the other cities within the Monterey Bay area.

President McShane stated that he will discuss this issue with Maura Twomey, AMBAG Executive Director, to either write a letter or agendize this item for discussion at a future Board of Directors meeting.

Supervisor Caput reported that the City of Watsonville will be holding a parade on Veterans Day starting at 9 am at St. Patrick's Cathedral. The ceremony will be held at 11 am.

Supervisor Phillips announced that the County of Monterey is also having a parade in the City of Salinas on Veterans Day at 12 pm.

Director Tiffany stated that the county of San Benito is having a similar issue within the congressional district. The visualization that was released on November 7, 2021, has the county of San Benito within South San Jose. Director Tiffany's concern is that their representation and voice will be drowned out by a much more populated and urban area. The county of San Benito would also lose the connection with the Central Coast, the counties of Monterey and Santa Cruz, and the congressional district currently represented by Congressman Jimmy Panetta. It will have a huge impact on the county of San Benito and threaten the relationship they have with agencies such as AMBAG, among others. The county of San Benito has sent letters and encouraged the Board to voice their opinion, and support. Draft maps will be released in the next day or two and final decisions will be made in the next couple weeks. We have a short window to make any changes for the city of Santa Cruz and the county of San Benito.

### **5. APPOINTMENT OF NOMINATION COMMITTEE**

President McShane appointed Director Adams, Director Timm, and Director Freeman to the Nomination Committee.

## **6. COMMITTEE REPORTS**

### **A. Executive/Finance Committee**

President McShane reported that the Executive/Finance Committee approved the consent agenda that included 1) resolution 2021-8 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) the minutes of the September 8, 2021 meeting; 3) the minutes of September 29, 2021; 4) list of warrants as of July 31, 2021; and 5) accounts receivable as of July 31, 2021. The Executive/Finance Committee also received 1) financial update report from Maura Twomey, Executive Director; and 2) a report from Heather Adamson, Director of Planning on the 6<sup>th</sup> Cycle Regional Housing Needs Allocation Methodology.

### **B. Monterey Bay National Marine Sanctuary (MBNMS) Advisory Council (SAC)**

President McShane reported on the October 15, 2021 SAC meeting. Dawn Hayes, Acting Superintendent, reported on the Sanctuary Management Plan that has been released, incidents that occurred over the year involving resource protection, research permits granted in the Sanctuary, and public enrichment activities. A presentation on climate change and its impact on the Sanctuary as well as a report on the Climate Change Action Plan. President McShane announced that Dr. Lisa Warnecke is the new MBNMS Superintendent. We will meet Dr. Warnecke at a future Board of Directors meeting.

## **7. EXECUTIVE DIRECTOR'S REPORT**

Maura Twomey, Executive Director reported that the \$1.2 trillion dollar federal infrastructure bill, officially known as the Infrastructure Investment and Jobs Act is expected to be signed into law on Monday, November 15, 2021. It will provide hundreds of billions of dollars to improve the nation's highways, bridges, roads, passenger rail, transit, broadband access, and the power grid among other infrastructure. Staff will closely follow the implementation of the legislation. Staff will update the Board on the impact to our region at future meetings.

## **8. CONSENT AGENDA**

### **A. Draft Minutes of the October 13, 2021 AMBAG Board of Directors Meeting**

The draft minutes of the October 13, 2021 AMBAG Board of Directors meeting were approved.

### **B. AMBAG Regional Clearinghouse Monthly Newsletter**

The AMBAG Regional Clearinghouse Monthly Newsletter was accepted.

### **C. AMBAG Sustainability Program Update**

The AMBAG Sustainability Program Update was accepted.

**D. 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**

Resolution 2021-10 was adopted.

**E. Draft 2022 Calendar of Meetings**

The 2022 calendar of meetings was approved.

**F. Amendment No. 4 to the Employment Agreement between AMBAG and Maura F. Twomey**

Amendment No. 4 to the employment agreement between AMBAG and Maura F. Twomey was approved.

**G. Financial Update Report**

The financial update report was accepted.

**Motion made by Director Timm seconded by Director Phillips to approve the consent agenda. The motion passed with Director Velazquez abstaining from consent item 8.A. minutes of the October 13, 2021 AMBAG Board of Directors meeting.**

**9. ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION AND POSSIBLE ACTION**

None.

**10. PLANNING**

**A. Draft 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy and Draft Environmental Impact Report**

Heather Adamson, Director of Planning gave an update on the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). The MTP/SCS 1) is a long-range plan for transportation investments; 2) is required by federal and state law to be prepared every four years; 3) must provide a 20+ year horizon planning period; and 4) is scheduled for adoption in 2022.

The MTP/SCS is developed by 1) develop a vision and goals; 2) create performance measures; 3) update the project list; 4) generate revenue projections; 5) create scenarios; 6) select preferred scenario; and 7) create draft plan. The basis for the MTP/SCS is 1) land use pattern that includes population, jobs and housing; and 2) transportation improvements that include transit services, active transportation projects, roadway improvements, and other transportation related strategies such as electric vehicles and telecommuting. The draft 2045 MTP/SCS includes \$13.3 billion in transportation improvements, programs, and services. The Draft 2045 MTP/SCS also meets CARB's GHG reduction targets (-3% and -6% per capita for 2021 and 2035, respectively) and implementation strategies. The financial assumptions for local, state, and federal are \$13.3 billion. Monterey County would receive \$6.7 billion, San Benito County would receive \$1.6 billion, and Santa Cruz County would receive \$5.0 billion. Ms. Adamson reported that AMBAG is the lead for developing the programmatic EIR, working with the RTPA's to develop the joint EIR. The Draft EIR evaluates the impacts of the 2045 MTP/SCS on the physical environment at the program level. The

EIR serves as the EIR for each of the RTPA's 2045 Regional Transportation Plans. The EIR analyzes a range of impacts resulting from future development and improvements to the regional transportation network. Staff is continuing to implement the public involvement program for the 2045 MTP/SCS. Public hearings and workshops on the draft 2045 MTP/SCS and draft EIR are scheduled on January 12, 2022, January 19, 2022, January 24, 2022 and January 27, 2022 and start at 6:00 pm. Next steps include 1) the release of the draft 2045 MTP/SCS and EIR in November 2021 for public review and comment; 2) public workshops and hearings are scheduled in January 2022; and 3) adoption is scheduled for June 2022. Brief discussion followed.

**Motion made by Director Adams, seconded by Director Carbone to approve the release of the draft 2045 MTP/SCS and draft Environmental Impact Report for public review beginning on November 22, 2021 through January 31, 2022 and schedule public hearings in January 2022. Motion passed unanimously.**

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

Heather Adamson, Director of Planning gave a report on the 6<sup>th</sup> Cycle Regional Housing Needs Allocation (RHNA) methodology. The RHNA methodology development 1) COG is responsible for developing a methodology appropriate for each region; 2) must further and support 5 (five) RHNA objectives: a) increase in housing supply and mix; b) promotes infill, equity, and the environment; c) ensure jobs-housing balance/fit; d) promote regional income parity; and e) affirmatively furthers fair housing; and 3) statute allows for flexibility but specifies what can and cannot be used as allocation factors. Ms. Adamson gave an overview of the initial draft RHNA Allocation Methodology.

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

\*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. The RHNA methodology steps are 1) 2022 RGF (base unit allocation): distributes portion of RHNA based on 2025-2035 housing growth from the 2022 RGF; 2) Jobs, Transit and Resiliency (unit allocation) a) jurisdiction's share of 2020 jobs (85% weight); b) jurisdiction's with existing (2020) transit routes with 15- and 30-minute headways (5% weight); and c) jurisdictions who have the smallest percentages of high fire or high sea level risk (10% weight); and 3) Income allocation: redistributes a portion of very low (V.L.) and low (L) income units to jurisdictions with high/highest resource areas. The AFFH adjustments based on RCAA's 1) directs a higher share of lower income housing to RCAs: a) RCAA list better represents high resource areas in the AMBAG region; and b) new percent shift also directs a higher share of lower income housing to RCAA's; and 2) AFFH for total compared with AFFH for income a) increases allocation to higher income jurisdictions results in lower total units to areas that have high overcrowding and high need for farmworker housing; and b) increases lower income units to RCAs improves equity in

distribution of affordable housing and directs housing to communities where housing is needed. Income categories shift 1) increased to 50 percent; 2) two different options on how to shift affordable units: a) Option A – shifts moderate units to Very Low; b) shifts Above Moderate units to Low; b) Option B – shifts Above Moderate units to Very Low; and b) shifts Moderate units to Low; and 3) Option B is recommended as it furthers the 4<sup>th</sup> RHNA objective more than Option A. Ms. Adamson reported that the jobs data used for the draft RHNA methodology is from the 2022 RGF. AMBAG met with each local jurisdiction multiple times to review all the jobs, population and housing data in 2019 and 2020. No concerns were identified with the jobs data at the time. The AMBAG Board of Directors unanimously approved the use of the 2022 RGF for planning purposes at their November 2020 meeting. There was a suggestion from one jurisdiction to use jobs data from other sources such as, the U.S. Census Bureau LODES data. AMBAG staff feels that the 2022 RGF jobs data better reflects the actual jobs in the AMBAG region, however, the Board could choose to use the LODES data. The percent share for each jurisdiction would be relatively the same using the 2022 RGF or LODES data and would have little change to the RHNA allocations. HCD's proposed RHNA metrics are 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 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. Ms. Adamson stated that for the revised draft RHNA methodology, staff recommends 1) use RCAA equity analysis instead of HCD/TCAC opportunity map data; and 2) use Option B for income allocation. Ms. Adamson referenced the Board memo attachments for other potential modifications. Methodology modifications for the Board to consider are 1) using HCD/TACA opportunity data vs. RCAs for AFFH equity analysis. AMBAG staff recommends using RCAA; 2) Income allocation shift, Option A or Option B. AMBAG staff recommends Option B; 3) 2022 RGF employment data or LODES data. AMBAG staff recommends using 2022 RGF data; 4) include AFFH as an allocation factor in methodology; and 5) include allocation for partial RCAA jurisdictions (Sand City and Santa Cruz). The next steps are 1) Board of Directors to hold a public hearing on RHNA methodology; 2) hold a special Board meeting on December 8, 2021 to consider accepting the draft RHNA methodology; 3) submit the draft methodology for formal HCD review; and 4) following HCD review, the AMBAG Board will be asked to approve the final methodology and direct staff to issue the draft RHNA plan with jurisdiction allocations in 2022. Lengthy discussion followed.

Director Petersen and Director Koenig left the meeting.

President McShane opened the public hearing.

Megan Hunter, Community Development Director, City of Salinas, stated that we strongly support the allocation based on AFFH. If you look at the percentage of growth that is being assigned to the Salinas Valley communities in relation to those in higher resource areas. Carmel is receiving a 5% growth increase, and all of the jurisdictions in the Salinas Valley communities are over 20%, the highest being Gonzalez. We think that that's a much fairer way of allocating resources and then I just wanted to mention, in terms of overcrowding, why is housing overcrowded in our jurisdictions? It has to do with the fact that there isn't affordable housing located in tourist areas that people work

in. There should be more allocations to those areas. You can see this on Route 68, if you're driving from Salinas to Monterey, it's a horrible commute. It speaks to the lack of affordable housing for working people that work on the peninsula. We strongly commend the allocation. It makes sense to have a partial RCAA for the city of Sand City and Santa Cruz given that they are so close to being on the edge of an RCAA, although it doesn't affect our allocation, it's probably fairer for our region.

John Farrow, Land Watch, stated that they have two concerns. First, we think that the units have been substantially over allocated to the unincorporated county based on using percentage of regional jobs as the primary factor. 2400 units were allocated to county, even though the county doesn't have a jobs/housing imbalance. The purpose of the jobs allocation methodology is to make sure there isn't an imbalance but the county has a better jobs/housing balance than the average. It just doesn't make sense to allocate those units to the county unincorporated area. It also conflicts with the statutory objectives to promote infill, protect ag, protect the environment, and to minimize transit and greenhouse gas emissions. There should be a substantial downward adjustment to the county if they're going to continue to use the jobs allocation, and there are a couple of statutory factors that would warrant that, including the presence of agreements with cities, to direct growth toward them, the county has those agreements. County policies to preserve prime ag land, the county has those policies, and consideration of VMT. Regarding the RCAA versus TCAC, if you're going to re-allocate based on Affirmatively Further Fair Housing, I really recommend you go back to TCAC. There may be some little glitches and it can be fixed, but Monterey County only has 10% of its area in high resource areas. To treat it as if it is an RCAA based on income and race factors, it will result in allocating a tremendous number of units to a jurisdiction that doesn't present the opportunity areas. It's an unincorporated territory. It doesn't have the amenities that would justify moving a large allocation. So, we'd like you to revisit the allocation to the unincorporated county.

Rafa Sonnenfeld, Santa Cruz YIMB, stated that he appreciates that staff seems to be moving in the right direction on tweaking the equity allocation. Mr. Sonnenfeld is encouraged by the direction with RCAA plus, but thinks there are tweaks that need to be made. The city of Santa Cruz has the highest poverty rate of any jurisdiction in the region, but at the same time it is or should be a racially concentrated area of affluence. The methodology should not be taking away needed, affordable units from Santa Cruz, because it's only 1% less affluent than the region as a whole, according to poverty rates. The average rent in Santa Cruz, according to the 2019 American Community survey, for two bedroom apartment is \$2112 a month. Carmel Valley's, which is also a racially concentrated area of affluence, is \$1763. How does it Affirmatively Further Fair Housing? To take away affordable units from a jurisdiction that has a 20% higher market rent rate than the jurisdiction that's supposedly more affluent. Santa Cruz rates are higher than six of the eight or RCAA's in our region, except for Carmel and Del Rey Oaks. Mr. Sonnefeld added that the bottom-up approach should be looked at again. Staff's argument has been that we shouldn't use the bottom-up approach because it might take away units from jurisdictions with overcrowding problems. Under the current approach, a city like Greenfield which is the most overcrowded city in our region at 29% of households, is being assigned 1085 units using the allocation methodology based on the SCS jobs transit resiliency. There are 425 lower, very low units using that methodology. But then, with income shift, those units are being reduced to a total of 265 low-income units.

Elizabeth Madrigal, MBEP, stated that she wanted to thank staff for the work that they've put into this methodology, especially differing the vote until December 8th. We think it's a good amount of

time to be able to incorporate recommendations that would make the methodology as equitable as it can be for our region. We recommend that AMBAG staff and the Board of Directors incorporate AFFH into the methodology, as it will result in a fairer allocation of units on the lines of Affirmatively Furthering Fair Housing in all communities within our region. And I also want to make the case for another one of our recommendations, which is for the methodology to explicitly account for farmworker housing units. This can be achieved as a set aside. I know you all are aware of that farm workers in our region are one of the populations that face the most acute housing needs and travels. So we want to ensure that within this methodology, this thing that can be solved for. As a part of our farm worker housing study, we make the case for the goal of producing 5300 permanent affordable farmworker housing units over the next five years, across Salinas and Pajaro Valley. If this were to be incorporated within the methodology, we'd be able to tackle that goal directly. And serve one of our neediest populations in the region.

President McShane stated that the public hearing will be continued at the December 8, 2021 Board of Directors meeting.

**Motion made by Director Timm, seconded by Director Berkley to continue the public hearing and methodology to a special AMBAG Board meeting on December 8, 2021 at 6:00 pm via GoToWebinar. Motion passed unanimously.**

#### **11. ADJOURNMENT**

The Board of Directors meeting adjourned at 7:53 PM.

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Steve McShane, President

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Maura F. Twomey, Executive Director

**DRAFT AMBAG BOARD OF DIRECTORS MEETING ATTENDANCE & VOTING RECORD**  
**BOARD MEETING DATE: November 10, 2021**

**Attendance (X= Present; AB= Absent)**  
**Voting (Y= Yes; N=No; A=Abstain)**

MEMBER	AMBAG REP	Attendance	Item #8	Item# 10.A	Item# 10.B
Capitola	Kristen Petersen	X	Y	Y	*
Carmel-by-the-Sea	Karen Ferlito	X	Y	Y	Y
Del Rey Oaks	Kim Shirley	X	Y	Y	Y
Gonzales	Scott Funk	X	Y	Y	Y
Greenfield	Lance Walker	X	Y	Y	Y
Hollister	Rick Perez	AB	n/a	n/a	n/a
King City	Carlos Victoria	X	Y	Y	Y
Marina	Lisa Berkley	X	Y	Y	Y
Monterey	Ed Smith	X	Y	Y	Y
Pacific Grove	Jenny McAdams	X	Y	Y	Y
Salinas	Steve McShane	X	Y	Y	Y
San Juan Bautista	John Freeman	X	Y	Y	Y
Sand City	Mary Ann Carbone	X	Y	Y	Y
Santa Cruz	Justin Cummings	X	Y	Y	Y
Scotts Valley	Jack Dilles	X	Y	Y	Y
Seaside	Jon Wizard	X	Y	Y	Y
Soledad	Anna Velazquez	X	Y (A. Item 8.A)	Y	Y
Watsonville	Eduardo Montesino	X	Y	Y	Y
County-Monterey	Mary Adams	X	Y	Y	Y
County-Monterey	John Phillips	X	Y	Y	Y
County-Santa Cruz	Manu Koenig	X	Y	Y	*
County-Santa Cruz	Greg Caput	X	Y	Y	Y
County-San Benito	Bob Tiffany	X	Y	Y	Y
County-San Benito	Bea Gonzales	X	Y	Y	Y

(\* = Board Member(s) arrived late or left early, therefore, did not vote on the item. Please refer the minutes)

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**A RESOLUTION  
OF THE ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS BOARD OF DIRECTORS 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 variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus, may cause more severe alarming rates of COVID-19 cases and hospitalizations (<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**, San Benito and Santa Cruz Counties currently have a Community Transmission metric of “substantial” and Monterey County currently has a Community Transmission metric of “moderate” which is the most serious of the tiers; and,

**WHEREAS**, the Board of Directors 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 Board of Directors 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 Board of Directors 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 AB361 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 8<sup>th</sup> day of December 2021.

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Steve McShane, President

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Maura F. Twomey, Executive Director



**MEMORANDUM**

**TO:** AMBAG Board of Directors

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

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

**SUBJECT:** Amendment #2 to the Population Reference Bureau Contract

**MEETING DATE:** December 8, 2021

**RECOMMENDATION:**

Approve amending the Population Reference Bureau contract for a budget increase in the amount of \$35,000 for Regional Housing Needs Allocation planning activities.

**BACKGROUND/ DISCUSSION:**

AMBAG issued a Request for Proposals (RFP) for demographic services for assistance in developing the Regional Growth Forecast (RGF) and the Regional Housing Needs Allocation (RHNA) in January 2019. AMBAG selected Population Reference Bureau (PRB) as our consultant and entered into an agreement in April 2019. The current agreement has \$29,564 budgeted for RHNA activities. Due to additional analysis requested by the California Department of Housing and Community Development (HCD) and additional methodology scenarios explored during the RHNA methodology development process, AMBAG needs to increase PRB's agreement for additional funding for RHNA planning and analysis by \$35,000. This funding will cover the additional analysis needed for the methodology development, preparation of the RHNA plan, additional meetings, etc. Amendment #2 of the PRB agreement would increase the total contract from \$65,000 to \$100,000.

**ALTERNATIVES:**

The Board of Directors may choose not to amend PRB's contract. AMBAG staff does not recommend this alternative since the Board has chosen to explore more RHNA methodology options than originally budgeted.

**FINANCIAL IMPACT:**

Planning activities for RHNA are funded with REAP and SB 1 planning funds and are programmed in the FY 2021-22 Overall Work Program and Budget.

**COORDINATION:**

All RHNA planning activities are coordinated with HCD, Council of San Benito County Governments, and the Planning Directors Forum which includes all the local jurisdictions.

**ATTACHMENT:**

1. Amendment #2 to the Population Reference Bureau Contract

**APPROVED BY:**



Maura F. Twomey, Executive Director

**ATTACHMENT 1**  
**AGREEMENT FOR SERVICES**  
**AMENDMENT #2**

This Amendment #2 to the AGREEMENT is made and entered into this 8<sup>th</sup> day of December 2021, by and between the **Association of Monterey Bay Area Governments**, hereinafter called "**AMBAG**," and the **Population Reference Bureau**, hereinafter called "**CONTRACTOR**."

**WITNESSETH**

WHEREAS, as the Metropolitan Planning Organization (MPO) for the tri-county region of Monterey, San Benito and Santa Cruz counties the Association of Monterey Bay Area Governments (AMBAG) is responsible for preparing a Sustainable Communities Strategy (SCS) as part of the Metropolitan Transportation Plan (MTP).

WHEREAS, AMBAG needs to obtain certain technical and/or specialized services of an independent consultant to assist AMBAG in the most economical manner; and

WHEREAS, Consultant has the requisite skill, training, qualifications, and experience to render such services called for under this Agreement with AMBAG; and

WHEREAS, pursuant to its annual Overall Work Program (OWP), AMBAG will be engaged in many activities and projects that will require certain technical, professional or support services to assist in the update the Regional Growth Forecast and Regional Housing Needs Allocation; and

NOW, THEREFORE, AMBAG and CONTRACTOR for the considerations hereinafter set forth, mutually agree as follows:

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.**

Consultant shall perform those services as specified in detail in Exhibit "A," entitled "Project Tasks/Services, Timeline and Budget," which is attached hereto and incorporated herein.

2. **TERM.**

A. The term of this Contract shall be from the date of its execution until the completion of the work contemplated by this Contract and its final acceptance by AMBAG unless terminated earlier as provided herein. CONTRACTOR shall complete all tasks **on or before October 30, 2022** unless otherwise extended by written authorization.

B. Services performed under this Contract shall commence only upon written Notice to Proceed by AMBAG to CONTRACTOR.

This Contract includes the following Exhibits:

**Exhibit A. Project Tasks/Services, Timeline and Budget**

**Exhibit B. Debarment and Suspension Certification**

**Exhibit C. Federal Tax Form W-9, Request for Taxpayer Identification Number and Certification**

**Exhibit D: Disadvantaged Business Enterprises (DBE) Information Form**

**Exhibit E: Certifications**

**3. SCHEDULE OF PERFORMANCE.**

The services of Consultant are to be completed according to the schedule set out in Exhibit "A," entitled "Project Tasks/Services, Timeline, and Budget," which is attached hereto and incorporated herein. Consultant will diligently proceed with the agreed Scope of Services and will provide such services in a timely manner in accordance with the "Project Tasks/Services, Timeline, and Budget."

**4. CHANGE IN TERMS**

- A. This contract may be amended or modified only by mutual written agreement of the parties.
- B. CONTRACTOR shall only commence work covered by an amendment after the amendment is executed and written notification to proceed has been provided by AMBAG.

**5. COORDINATION/STAFFING**

- A. CONTRACTOR shall assign **Beth Jarosz, as Project Manager** to personally participate in said project. AMBAG also retains the right to approve any substitution of the Project Manager. No portion of the work included in this Contract shall be subcontracted, except as provided herein, without the prior, written authorization of the AMBAG.
- B. Services described in the Scope of Work shall be performed by Contractor's staff, Subcontractor(s) or other members of the project team, hereinafter referred to as "Subcontractor(s)," listed in the "Project Tasks/Services, Timeline, and Budget," Exhibit A, attached hereto and incorporated by this reference.

**6. COMPENSATION**

- A. CONTRACTOR will be reimbursed for hours worked at the hourly rates specified in CONTRACTORs Cost Proposal (Exhibit A). The specified hourly rates shall include direct salary costs, employee benefits, overhead, and fee. These rates are not adjustable for the performance period set forth in this contract.

- B. In addition, CONTRACTOR will be reimbursed for incurred (actual) direct costs other than salary costs that are in the cost proposal and identified in the cost proposal and in the executed contract.
- C. Reimbursement for transportation and subsistence costs shall not exceed the rates as specified in the approved Cost Proposal.
- D. CONTRACTOR will be reimbursed, as promptly as fiscal procedures will permit. Invoices shall be submitted no later than 15 calendar days after the performance of work for which CONTRACTOR is billing, or upon completion of the Contract. Invoices shall detail the work performed on each task/milestone. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this contract number and project title.
- E. CONTRACTOR shall not commence performance of work or services until this contract has been approved by AMBAG and written notification to proceed has been issued by AMBAG. No payment will be made prior to approval of any work, or for any work performed prior to approval of this contract.
- F. In no event shall compensation as described in Exhibit A exceed ONE HUNDRED THOUSAND (\$100,000) without prior written consent of AMBAG.

It is mutually understood between the parties that funding for this contract is contingent on State Budget passage and federal and state funding as well as reimbursement from Caltrans.

## 7. INVOICING

- A. Invoices for services must be presented to AMBAG no later than the fifteenth day of each month for the month prior. CONTRACTOR shall submit an invoice to AMBAG stating the amount due for such services on a monthly basis throughout the duration of the project. Said monthly invoicing shall reflect the task worked on, the percentage of the task completed, and the total dollar amount for the task in comparison to the invoiced amount based upon the percentage of the task then completed. AMBAG shall reimburse the CONTRACTOR as promptly as its fiscal procedures permit, upon receipt of itemized invoices submitted in accordance with this Contract. Payment of the invoices will be made to CONTRACTOR after acceptance of work product and approval by AMBAG and upon reimbursement by the State of California. Such reimbursements shall be based upon actual eligible costs incurred by the CONTRACTOR consistent with the "Project Tasks/Services, Timeline, and Budget," Exhibit A. No interest or carrying charges shall accrue to CONTRACTOR by reason of delayed payment.
- B. Prompt Payment to Subcontractor(s): A CONTRACTOR shall pay any Subcontractor(s) for satisfactorily completed work no later than ten (10) days of receipt of each payment from AMBAG. The ten (10) day period is applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over

thirty (30) days may take place only for good cause and with AMBAG's prior written approval. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the CONTRACTOR or Subcontractor in the event of a dispute involving late payment or nonpayment by the CONTRACTOR, deficient Subcontractor performance, and/or noncompliance by a Subcontractor. This clause applies to both DBE and non-DBE Subcontractor.

- C. Invoicing Format and Content: All invoices submitted to AMBAG for payment shall be sent directly to:

**Association of Monterey Bay Area Governments**  
**ATTN: Accounts Payable**  
**P.O. 2453**  
**Seaside, CA 93955**

1. The invoice shall be entitled "Invoice" or otherwise clearly identify that the document is an Invoice, and shall contain the following information:
  - i. AMBAG's "Bill To" information as stated in the above paragraph;
  - ii. Invoice number and/or billing number specified by CONTRACTOR. The invoice number must be unique for each invoice submitted;
  - iii. Invoice date;
  - iv. Billing period specified with beginning and ending dates. The beginning date must not be sooner than the Notice to Proceed date of the Contract, or within any previous billing dates;
  - v. Percent of Task Completed;
  - vi. Total amount due for the billing period;
  - vii. Total Contract Value (as identified in 4A. above); and
  - viii. AMBAG Project Manager

8. **FUNDING REQUIREMENTS**

It is mutually understood between the parties that this contract may have been written before ascertaining the availability of funds or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.

This contract is valid and enforceable only, if sufficient funds are made available to AMBAG for the purpose of this contract. In addition, this contract is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State Legislature, or AMBAG governing board that may affect the provisions, terms, or funding of this contract in any manner.

It is mutually agreed that if sufficient funds are not appropriated, this contract may be amended to reflect any reduction in funds.

AMBAG has the option to void the contract under the termination clause, or by mutual agreement to amend the contract to reflect any reduction of funds.

9. **CONTRACT COMPLETION RETAINER**

CONTRACTOR is prohibited from holding retainage from Subcontractor(s). Any delay or postponement of payment may take place only for good cause and with AMBAG's prior written approval. Any violation of these provisions shall subject the violating CONTRACTOR to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code, if applicable. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the CONTRACTOR in the event of a dispute involving late payment or nonpayment by the CONTRACTOR, deficient Subcontractor(s) performance, and/or noncompliance by Subcontractor(s). This clause applies to both DBE and non-DBE Subcontractor(s).

10. **SATISFACTORY PERFORMANCE**

Payment for services under this Contract is contingent upon AMBAG's determination that the performance of the CONTRACTOR has been satisfactory and beneficial to AMBAG in the sole discretion of the Executive Director.

11. **COVENANT AGAINST CONTINGENT FEES**

The CONTRACTOR warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONTRACTOR; to solicit or secure this contract; and that he/she has not paid or agreed to pay any company or person other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award, or formation of this contract. For breach or violation of this warranty, AMBAG shall have the right to annul this contract without liability, or at its discretion; to deduct from the contract price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

12. **OWNERSHIP, CONFIDENTIALITY AND USE OF WORK PRODUCTS**

A. Ownership of any reports, data, studies, surveys, charts, memoranda, and any other documents, which are developed, compiled, or produced as a result of this Contract, whether or not completed, shall vest with AMBAG. AMBAG reserves a royalty-free,

- nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use the data.
- B. AMBAG shall receive copyright and ownership to all data and materials delivered under this contract upon formal acceptance, except for those data and materials that are subject to ownership or copyright of others prior to the execution of this contract. No distribution of the original or derived works shall be made prior to acceptance by AMBAG unless specified in the task order or authorized by the contracting officer. The contractor may maintain copyright and ownership of all original or derived works which are not required submittals under this contract.
  - C. Methodology and materials developed under this Contract are the property of AMBAG and may be used by AMBAG as it sees fit, including the right to revise or publish the same without limitation. CONTRACTOR shall not be liable for use of such methodology, materials, software logic, and systems for purposes other than that for which it is developed.
  - D. Subject to the California Public Records Act, all Work Products and Related Work Materials including Intellectual Property shall be held confidential by CONTRACTOR. Nothing furnished to CONTRACTOR, which is otherwise known to CONTRACTOR or is generally known, or has become known, to the related industry shall be deemed confidential.
  - E. The CONTRACTOR shall not use, release, reproduce, distribute, publish, adapt for future use or otherwise use Work Products and Related Work Materials for purposes other than the performance of the Scope of Work, nor authorize others to do so, without prior written permission of AMBAG Legal Counsel; nor shall such materials be disclosed to any person or entity not connected with the performance of the work. CONTRACTOR shall also safeguard such confidential materials from unauthorized disclosure, using the same standard of care to avoid disclosure, as the CONTRACTOR treats its confidential information, but in no case less than reasonable care.
  - F. All equipment, including, but not limited to, computer hardware, printing and duplication equipment, multimedia equipment, software tools and programs, and upgrade packages to existing equipment, procured in whole or part by funds provided under this Contract, are the property of AMBAG. AMBAG shall determine the disposition of all such property upon completion or termination of this Contract.
  - G. AMBAG may utilize any Work Products or Related Work Materials provided by CONTRACTOR pursuant to this Contract, in any manner which AMBAG deems appropriate without additional compensation to CONTRACTOR.

13. **TERMINATION**

A. **Termination of Convenience of AMBAG**

AMBAG may terminate this Contract at any time by giving notice to the CONTRACTOR of such termination (including the effective termination date) at least thirty (30) calendar days before the effective date of such termination. In such

event, all finished or unfinished documents and other materials as described in this Contract, at the option of AMBAG, become AMBAG's property. If this Contract is terminated by AMBAG, as provided herein, AMBAG's only obligation shall be the payment of fees and expenses incurred prior to the termination date, for work deemed satisfactory and a benefit to AMBAG, in accordance with the cost provisions of this Contract.

**B. Termination for Cause**

If through any cause, the CONTRACTOR shall fail to fulfill in a timely and proper manner its obligations under this Contract, or if the CONTRACTOR violates any of the covenants, terms, or stipulations of this Contract, AMBAG shall thereupon have the right to terminate the Contract by giving not less than ten (10) calendar days written notice to the CONTRACTOR of the intent to terminate and specifying the effective date thereof. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the CONTRACTOR under this Contract shall, at the option of CONTRACTOR, become AMBAG's property.

**14. DISPUTES**

AMBAG and CONTRACTOR are fully committed to working with each other throughout the Term of this Agreement and agree to communicate regularly with each other at all times so as to avoid and minimize disputes. AMBAG and CONTRACTOR agree to act in good faith to prevent and resolve potential sources of conflict before they escalate into a question or controversy. AMBAG and CONTRACTOR each commit to resolving such dispute in an amicable, professional, and expeditious manner and agree to use the following procedure for resolving the dispute: (a) either party may give notice to the other of the dispute and will meet within three (3) business days to attempt to resolve the dispute; (b) a meeting or meetings shall be promptly between the representatives of the parties regarding the dispute to attempt in good faith to negotiate a resolution of the dispute; (c) if within thirty (30) days after a dispute has arisen, the parties have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to mediation; (d) the mediator shall be jointly selected by the parties, or failing agreement on the selection of a mediator within thirty (30) days after the parties fail to negotiate an informal resolution of any dispute, the mediator shall be a retired judge or justice selected by the supervising judge of the Civil Division of the Monterey County California Superior Court. In any mediation conducted pursuant to this section, the provision of the California Evidence Code section 1152 shall be applicable to limit the admissibility of evidence disclosed by the parties in the course of the mediation; and if the parties are not successful in resolving the dispute through the mediation, then the parties agree that the dispute shall be submitted to binding arbitration to a single arbitrator in accordance with the existing Rules of Practice of Judicial Arbitration and Mediation Services, Inc. (JAMS) within thirty (30) days of the close of mediation as declared by the mediator.

**15. AMENDMENT OF SCOPE OF WORK**

The parties may amend the Scope of Work subject to mutual prior written modification of the Contract.

**16. CORRECTION OF WORK**

The performance of services or acceptance of information furnished by CONTRACTOR shall not relieve the CONTRACTOR from obligation to correct any defective, inaccurate or incomplete work subsequently discovered and all such work shall be remedied by the CONTRACTOR on demand without cost to AMBAG.

**17. DELAYS AND EXTENSIONS**

Time is of the essence concerning performance of this Contract; however, the CONTRACTOR will be granted time extensions for delays beyond the Contractor's control. Time extensions will be equal to the length of the delay or as otherwise agreed upon in writing between the CONTRACTOR and AMBAG.

**18. RETENTION OF RECORDS/AUDITS**

For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the contract pursuant to Government Code 8546.7; CONTRACTOR, subcontractor, and AMBAG shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the contract, including but not limited to, the costs of administering the contract. All parties shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under the contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until AMBAG, Caltrans, the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

The State of California, Office of the State Controller, California Department of Transportation (Caltrans), FHWA, or any duly authorized representative of the Federal or State Government shall have access to any books, records, and documents of CONTRACTOR and its certified public accountants (CPA) work papers that are pertinent to the contract and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested.

**19. SUBCONTRACTING**

In accordance with Government Code Section 7550, CONTRACTOR agrees to state in a separate section of any filed report the numbers and dollars amounts of all contracts and subcontracts relating to preparation of the report.

- A. Nothing contained in this contract or otherwise, shall create any contractual relation between AMBAG and any subcontractor(s), and no subcontract shall relieve CONTRACTOR of its responsibilities and obligations hereunder. CONTRACTOR agrees to be as fully responsible to AMBAG for the acts and omissions of its subcontractor(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONTRACTOR. CONTRACTOR'S obligation to pay its subcontractor(s) is an independent obligation from AMBAG'S obligation to make payments to the CONTRACTOR.
- B. CONTRACTOR shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this contract shall be subcontracted without written authorization by AMBAG, except that, which is expressly identified in the contract.

20. ASSIGNMENT

The Contract shall not be assigned by the CONTRACTOR, in whole or in part, without the prior written consent of AMBAG.

21. INDEMNIFICATION

To the full extent permitted by law, CONTRACTOR shall indemnify, hold harmless, release and defend AMBAG (with legal counsel acceptable to AMBAG), its officers, employees and agents from and against any and all actions, claims, demands, damages, disability, losses, expenses including attorney's fees and other defense costs and liabilities of any nature that may be asserted by any person or entity including CONTRACTOR, in whole or in part, arising out of Contractor's activities hereunder, including the activities of other persons employed or utilized by CONTRACTOR in the performance of this Contract (including design defects and regardless of AMBAG's approval, use or acceptance of the work or work product hereunder) excepting liabilities due to the admitted or adjudicated sole negligence or willful misconduct of AMBAG. If the adjudicated or admitted sole negligence or willful misconduct of AMBAG has contributed to a loss, CONTRACTOR shall not be obligated to indemnify AMBAG for the proportionate share of such loss caused by such sole negligence or willful misconduct. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for CONTRACTOR under Worker's Compensation, disability or other employee benefit acts or the terms, applicability or limitations of any insurance held or provided by CONTRACTOR and shall continue to bind the parties after termination/completion of this Contract.

22. STATEMENT OF COMPLIANCE

A. CONTRACTOR'S signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that CONTRACTOR has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103. During the performance of this Contract, CONTRACTOR and its subcontractor(s) shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. CONTRACTOR and subcontractor(s) shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. CONTRACTOR and subcontractor(s) shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full.

CONTRACTOR and its subcontractor(s) shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement(s).

CONTRACTOR shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.

In addition, the CONTRACTOR agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

The CONTRACTOR shall comply with regulations relative to Title VI (nondiscrimination in federally-assisted programs of the Department of Transportation – Title 49 Code of Federal Regulations, Part 21 - Effectuation of Title VI of the 1964 Civil Rights Act). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the state of California shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.

The CONTRACTOR, with regard to the work performed by it during the Contract shall act in accordance with Title VI. Specifically, the CONTRACTOR shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of subcontractor(s), including procurement of materials and leases of equipment. The CONTRACTOR shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the U.S. DOT's Regulations, including employment practices when the Contract covers a program whose goal is employment.

B. Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:

1. Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the CONTRACTOR agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The CONTRACTOR agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the CONTRACTOR agrees to comply with any implementing requirements FTA may issue.
2. Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, the CONTRACTOR agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the CONTRACTOR agrees to comply with any implementing requirements FTA may issue.
3. Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the CONTRACTOR agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the CONTRACTOR agrees to comply with any implementing requirements FTA may issue.
4. The CONTRACTOR also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

23. FEDERAL CHANGES

Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Contract between Purchaser and FTA, as they may be amended or promulgated from time

to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

24. **ENERGY CONSERVATION**

The contractor agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

25. **NO OBLIGATION BY THE FEDERAL GOVERNMENT**

- A. AMBAG and CONTRACTOR acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to AMBAG, CONTRACTOR, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.
- B. The CONTRACTOR agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by the Federal Transit Administration (FTA). It is further agreed that the clause shall not be modified, except to identify the Subcontractor who will be subject to its provisions.

26. **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS**

- A. The CONTRACTOR acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the CONTRACTOR further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the CONTRACTOR to the extent the Federal Government deems appropriate.
- B. The CONTRACTOR also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18

U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the CONTRACTOR, to the extent the Federal Government deems appropriate.

- C. The CONTRACTOR agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the Subcontractor who will be subject to the provisions.

27. DEBARMENT AND SUSPENSION CERTIFICATION

CONTRACTOR'S signature affixed herein, shall constitute a certification under penalty of perjury under the laws of the State of California, that the CONTRACTOR has complied with Title 2 CFR, Part 180, "OMB Guidelines to Agencies on Government wide Debarment and Suspension (nonprocurement)", which certifies that he/she or any person associated therewith in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years. Any exceptions to this certification must be disclosed to AMBAG.

Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining CONTRACTOR responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.

Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal Highway Administration.

By signing and submitting the contract, the CONTRACTOR shall certify those clauses described in the "Debarment and Suspension Certification," Exhibit B attached hereto and incorporated herein by this reference and shall comply with all relevant conditions as set forth in the CONTRACT.

28. CONTRACTS INVOLVING FEDERAL PRIVACY ACT REQUIREMENTS

The following requirements apply to the Contractor and its employees that administer any system of records on behalf of the Federal Government under any contract:

- A. The CONTRACTOR agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the CONTRACTOR agrees to obtain the express consent of the Federal Government before the CONTRACTOR or its employees operate a system of records on behalf of the Federal

Government. The CONTRACTOR understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

- B. The CONTRACTOR also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

29. INSURANCE/NOTIFICATION

Prior to the beginning, and throughout the duration, of the work, CONTRACTOR shall maintain insurance in conformance with the requirements set forth below. CONTRACTOR will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, it will be amended to do so. CONTRACTOR acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds in excess of the limits and coverage required in this contract and which is applicable to a given loss, will be available to AMBAG.

CONTRACTOR is covered by, and agrees to maintain, general liability insurance for bodily injury and property damage arising directly from its negligent acts or omissions with limits as specified below. Certificates of insurance shall be provided to AMBAG prior to commencement of work by CONTRACTOR. CONTRACTOR agrees to indemnify, protect, defend and name AMBAG, its public officials, officers and employees as additional insured on the Commercial General Liability and Business Auto Insurance and hold harmless from any loss, damage or liability arising directly from any negligent act or omission by CONTRACTOR. CONTRACTOR shall not be responsible for any loss, damage or liability arising from any act or omission by AMBAG, its officials, officers or employees.

CONTRACTOR shall provide the following types and amounts of insurance:

- A. Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000 per occurrence for all covered losses and no less than \$2,000,000 general aggregates.
- B. Workers' Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$100,000 per accident for all covered losses.
- C. Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including owned, non-owned and hired autos, or the exact equivalent. Limits shall be no less than \$1,000,000 per accident, combined single limit. If CONTRACTOR owns no

vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If CONTRACTOR or CONTRACTOR'S employees use personal autos in any way on this project, CONTRACTOR shall obtain evidence of personal auto liability coverage for each such person.

- D. Errors and Omissions Liability CONTRACTOR shall provide evidence of professional liability insurance on a policy form appropriate to Contractor's profession. Limits shall be no less than \$1,000,000/claim.
- E. Certificate of Insurance CONTRACTOR shall file a certificate of insurance completed and filed with AMBAG within fifteen (15) days of execution of this Contract and prior to engaging any operation or activities set forth in this Contract. The foregoing policies shall provide that no cancellation, major change in coverage, or expiration by insurance company or insured during the term of this contract shall occur without thirty (30) days written notice to AMBAG prior to the effective date of such cancellation or change in coverage.
- F. All such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of two (2) years after completion of the contract.
- G. The Commercial General Liability and Business Auto insurance policies shall provide an endorsement naming AMBAG, its officers, agents, employees and volunteers as Additional Insured, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by AMBAG and that the insurance of the Additional Insured shall not be called upon to contribute to a loss covered by the insurance AMBAG.

30. CONFLICT OF INTEREST

CONTRACTOR shall disclose any financial, business, or other relationship with AMBAG that may have an impact upon the outcome of this contract, or any ensuing AMBAG project. CONTRACTOR shall also list current clients who may have a financial interest in the outcome of this contract, or any ensuing AMBAG project, which will follow.

CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. CONTRACTOR further covenants that in the performance of this Contract, no person having any such interest shall be employed.

CONTRACTOR shall at all times avoid conflicts of interest, or the appearance or perceived conflicts of interest, in the performance of this contract. CONTRACTOR shall file statements of financial interest on forms provided by AMBAG to the extent and at the times required by AMBAG's Conflict of Interest Code and applicable law.

CONTRACTOR hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this contract.

31. STATEMENT OF ECONOMIC INTEREST

If AMBAG determines CONTRACTOR comes within the definition of CONTRACTOR under the Political Reform Act (Government Code §87100), CONTRACTOR shall complete and file and shall require any other person doing work under this Contract to complete and file a "Statement of Economic Interest" with AMBAG disclosing CONTRACTOR and/or such other person's financial interests.

32. MERGER

This Contract shall constitute the entire Contract between the parties and shall supersede any previous contracts, whether verbal or written, concerning the same subject matter. No modification of this Contract shall be effective unless and until evidence by a writing is signed by both parties.

33. DEFAULT

If CONTRACTOR should fail to perform any of his obligations hereunder, within the time and in the manner herein provided or otherwise violate any of the terms of this Contract, AMBAG may terminate this Contract by giving CONTRACTOR written notice of such termination, stating the reason for such termination. In such event, CONTRACTOR shall be entitled to receive as full payment for all services satisfactorily rendered and beneficial to AMBAG and expenses incurred hereunder, an amount which bears the same ratio to the total fees specified in the contract as the services satisfactorily rendered hereunder by CONTRACTOR bear to the total services otherwise required to be performed for such total fee; provided, however, that AMBAG may withhold payments not yet made to CONTRACTOR for the purpose of setoff until such time as the exact amount of damages due AMBAG from CONTRACTOR is determined.

34. NO WAIVER OF BREACH/TIME

The waiver by AMBAG of any breach of any term or promise contained in this Contract shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Contract. Time is of the essence in carrying out the duties hereunder.

35. THIRD PARTY BENEFICIARIES

Nothing contained in this Contract shall be construed to create and the parties do not intend to create any rights in third parties.

36. ATTORNEYS' FEES, APPLICABLE LAW AND FORUM

In the event either party brings an action or proceeding for damages arising out of the other's performance under this Contract or to establish the right or remedy of either party, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs as part of such action or proceeding, whether or not such action or proceeding is prosecuted to judgment. This Contract shall be construed and interpreted according to California law, and any action to enforce the terms of this Contract or for the breach thereof shall be brought and tried in the County of Monterey.

37. INDEPENDENT CONTRACTOR

The parties intend that CONTRACTOR, in performing the services specified herein, shall act as an independent contractor and shall have control of the work and the manner in which it is performed. CONTRACTOR is not to be considered an agent or employee of AMBAG and is not entitled to participate in any pension plan, insurance, bonus or similar benefits AMBAG provides its employees. In the event AMBAG exercises its right to terminate this Contract, CONTRACTOR expressly agrees that he/she shall have no recourse nor right of appeal under rules, regulations, ordinances or laws applicable to employees.

38. TAXES

CONTRACTOR agrees to file tax returns and pay all applicable taxes on amounts paid pursuant to this Contract and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. CONTRACTOR agrees to indemnify and hold AMBAG harmless from any liability which it may incur to the United States or to the State of California as a consequence of CONTRACTOR'S failure to pay, when due, all such taxes and obligations.

39. FEDERAL TAX FORMS

Prior to issuing the initial claim under this Contract, the CONTRACTOR shall submit Federal Tax Form W-9, Request for Taxpayer Identification Number and Certification to the following address:

**Association of Monterey Bay Area Governments  
ATTN: Accounts Payable  
P.O. 2453  
Seaside, CA 93955**

or by FAX to: (831) 883-3755. Unless AMBAG receives a completed Tax Form W-9, payments for services performed under this CONTRACT shall be subject to federal backup withholding.

40. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

- A. CONTRACTOR shall study and comply with all applicable federal, state and local laws, rules and regulations affecting the CONTRACTOR and his/her work hereunder. CONTRACTOR represents and warrants to AMBAG that CONTRACTOR has and will keep in effect during the term of this Contract all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for CONTRACTOR to practice Contractor's profession and to do the work hereunder.
- B. CONTRACTOR agrees to abide by the requirements of the Immigration and Control Reform Act pertaining to assuring that all employees of CONTRACTOR performing any services under this Contract have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form 1-9 (as it may be amended from time to time) is completed and on file for each employee. CONTRACTOR shall make the required documentation available upon request to AMBAG for inspection.
- C. CONTRACTOR warrants that this contract was not obtained or secured through rebates kickbacks or other unlawful consideration, either promised or paid to any AMBAG employee. For breach or violation of this warranty, AMBAG shall have the right in its discretion; to terminate the contract without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

41. FEDERAL AND STATE LOBBYING ACTIVITIES CERTIFICATION (43 CFR PART 18)

By signing this CONTRACT, the CONTRACTOR certifies, to the best of its knowledge and belief, that no State or Federal funds have been paid or will be paid, by or on behalf of CONTRACTOR, to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a Member of the State Legislature or United States Congress, an officer or employee of the Legislature or Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any state or federal contract; the making of any state or federal grant, the making of any state or federal loan; the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state or federal contract, grant, loan, or cooperative agreement.

If any funds other than federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency; a Member of Congress; an officer or employee of Congress, or an employee of a Member of Congress; in connection with this federal contract, grant, loan, or cooperative agreement; CONTRACTOR shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title

31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The CONTRACTOR also agrees by signing this Contract that it will require that the language of this certification be included in all subcontracts funded wholly or in part by any funds provided herein and which exceed \$100,000 and that all such Subcontractor(s) shall certify and disclose accordingly.

42. CERTIFICATIONS AND ASSURANCES

- A. CONTRACTOR shall adhere to the requirements contained in AMBAG's annual Certification and Assurances (FHWA and FTA "Metropolitan Transportation Planning Process Certification") submitted as part of AMBAG's OWP, pursuant to 23 CFR 450.334 and 23 U.S.C. 134. This Certification shall be published annually in AMBAG's OWP. Such requirements shall apply to CONTRACTOR to the same extent as AMBAG and may include, but are not limited to:
  1. Title VI of the Civil Rights Act of 1964 and Title VI Assurance executed by California under 23 U.S.C. 324 and 29 U.S.C. 794;
  2. Pub. Law 105-178, 112 Stat. 107 and any successor thereto, regarding the involvement of disadvantaged business enterprises in FHWA and FTA funded projects (Sec. 105(f), Pub. L. 970424, 96 Stat. 2100, 49 CFR part 26); and
  3. The Americans with Disabilities Act of 1990 (Pub. L. 101-336, 104 Stat. 327, as amended) and the United States Department of Transportation (US DOT) implementing regulations (49 CFR 27, 37, and 38).
- B. CONTRACTOR shall additionally comply with the requirements contained in the annual FTA "Certifications and Assurances for FTA Assistance," including "Certifications and Assurances Required of Each Applicant" and the "Lobbying Certification" in compliance with 49 U.S.C. Chapter 53; published annually in AMBAG's OWP. Such assurances shall apply to CONTRACTOR to the same extent as AMBAG, and include but are not limited, the following areas:
  1. Standard Assurances
  2. Debarment, Suspension, and Other Responsibility Matters for Primary Covered Transactions
  3. Drug Free Work Place Agreement
  4. Intergovernmental Review Assurance
  5. Nondiscrimination Assurance
  6. DBE Assurance
  7. Nondiscrimination on the Basis of Disability
  8. Certification and Assurances required by the U.S. Office of Management and Budget

C. The CONTRACTOR shall require its Subcontractor(s) to comply with these Certifications, and agrees to furnish documentation to AMBAG to support this requirement that all of its contracts with Subcontractor(s) contain provisions requiring adherence to this section in its entirety.

43. COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS

- A. CONTRACTOR agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.
- B. CONTRACTOR also agrees to comply with federal procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- C. Any costs for which payment has been made to CONTRACTOR that are determined by subsequent audit to be unallowable under 2 CFR, Part 200 and 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., are subject to repayment by CONTRACTOR to AMBAG.

44. DISADVANTAGED BUSINESS ENTERPRISE (DBE)

- A. The CONTRACTOR, subrecipient, or subcontractor(s) shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The CONTRACTOR shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of State or United States Department of Transportation (DOT) assisted contracts or in the administration of AMBAG's DBE Program. Failure by the CONTRACTOR to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as AMBAG deems appropriate, which may include but is not limited to:
  1. Withholding monthly progress payments
  2. Assessing sanctions
  3. Liquidated damages
  4. Disqualifying the contractor from future bidding as non-responsible
- B. The contractor must make available to the Caltrans contract manager a copy of all DBE subcontracts upon request.
- C. The contractor must utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains authorization from Caltrans. Unless the Department provides prior authorization approving a request for termination or substitution of a listed DBE, the Contractor shall not be entitled to any payment for work or materials unless it is performed or supplied by the listed DBEs.

- D. It is the policy of AMBAG, Caltrans, and DOT, that the Disadvantaged Business Enterprises (DBEs), as defined in 49 CFR Part 26, shall have an equal opportunity to receive and participate in DOT-assisted contracts. The CONTRACTOR and its Subcontractor(s) shall comply with the requirements of 49 CFR Part 26 and with AMBAG's DBE Program, as amended.
- E. A "DBE Information Form" is attached hereto and incorporated herein by this reference as Exhibit D. Even if no DBE participation will be reported, the CONTRACTOR shall complete and sign such form at the time this Contract is executed
- F. During the period of this Contract, the CONTRACTOR shall maintain records of all applicable subcontracts advertised and entered into germane to this Contract, documenting the actual DBE participation and records of materials purchased from DBE suppliers. Such documentation shall show the name and business address of each DBE Subcontractor(s) or vendor, and the total dollar amount actually paid each DBE Subcontractor(s) or vendor. Upon completion of the Contract, regardless of whether DBE participation is obtained, a summary of the DBE records shall be prepared, certified correct, and submitted on a form that shall be provided by AMBAG.

45. FLOW-DOWN PROVISIONS

Any subcontract entered into that exceeds \$10,000 as a result of this CONTRACT shall contain the following provisions of this Contract:

Section 4 (Coordination/Staffing); Section 6 (Invoicing); Section 8 (Contract Completion Retainer); Section 9 (Satisfactory Performance); Section 11 (Ownership, Confidentiality, and Use of Work Products); Section 12 (Termination); Section 13 (Disputes); Section 17 (Retention of Records/Audits); Section 20 (Indemnification); Section 21 (Statement of Compliance); Section 22 (Federal Changes); Section 23 (Energy Conservation); Section 24 (No Obligation by the Federal Government); Section 25 (Program Fraud and False or Fraudulent Statements and Related Acts); Section 26 (Debarment and Suspension Certification); Section 27 (Contracts Involving Federal Privacy Act Requirements); Section 28 (Insurance/Notification); Section 29 (Conflict of Interest); Section 36 (Independent Contractor); Section 39 (Compliance with Laws, Rules, and Regulations); Section 40 (Federal and State Lobbying Activities Certification (43 CFR Part 18)); Section 41 (Certifications and Assurances); and Section 42 (Cost Principles and Administrative Requirements); Section 43 (Disadvantaged Business Enterprise (DBE)).

46. INTERPRETATION

Notwithstanding the fact that one or more provisions of this Contract may have been drafted by one of the parties to this Contract, such provisions shall be interpreted as though they were a product of a joint drafting effort and no provisions shall be interpreted against a party on the ground that said party was solely or primarily responsible for drafting the language to be interpreted.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

AMBAG:

Signature: \_\_\_\_\_

**Name:** Maura F. Twomey

**Title:** Executive Director

Association of Monterey Bay Area Governments (AMBAG)

Signature: \_\_\_\_\_

**Name:** Steve McShane

**Title:** Board President

Association of Monterey Bay Area Governments (AMBAG)

CONSULTANT

Signature: \_\_\_\_\_

**Name:** Jeffrey Jordan

**Title:** President and CEO

APPROVED TO AS TO FORM:

By: \_\_\_\_\_

Don Freeman, AMBAG Legal Counsel

P.O. Box 805, Carmel CA 93921

**Household Population and Households:** Demographic factors (e.g., age, sex, race/ethnicity) and external factors (e.g., major group quarters facilities like colleges and universities, correctional facilities, etc.) influence the household population and household formation rates (i.e., the number of people per household).

**Housing Units:** Housing projections are driven by the household population projection, demographic characteristics of the household population (age, sex, race/ethnicity), household formation rates, and housing vacancy rates.

Data sources proposed for use in modeling include DOF, California Employment Development Department, U.S. Bureau of Labor Statistics, U.S. Census Bureau, and other sources as appropriate.

At the start of the project, PRB will review all steps in the methodology with AMBAG staff and will propose adjustments to the methodology (if necessary), to ensure forecast accuracy and methodological defensibility. Throughout the process, PRB will meet regularly with AMBAG staff (via conference call, web meeting, or in person) to discuss tasks, answer questions, provide status updates, and ensure that AMBAG is satisfied with the forecast process and products.

PRB proposes to exceed the requirements of the scope of work by producing projections of total employment, population, and housing using at least one additional method (such as trend extrapolation, cohort-component, cohort change ratio, or other method) for review and discussion with AMBAG staff. This alternative method step will ensure that the existing model produces results consistent with other methods and serve as a quality check on the forecast. If AMBAG decides to incorporate one or more of the alternative models into the forecast framework, PRB would make the necessary revisions.

Once AMBAG has agreed upon a forecast framework, PRB will update the model data, and will make model adjustments as necessary, to produce a new RGF that extends to 2045. PRB will document the methodology and results of the RGF analysis, major factors and components of growth, summary tables of forecast results (including employment, population, households, and housing), and conclusions and findings in a Regional Growth Forecast Report. In the report, PRB will provide comparisons to regional, state, and national projections, where applicable.

PRB will produce RGF slides for use in presentations to the Planning Directors Forum, AMBAG Board, and public. PRB also proposes to exceed the requirements of the scope of work by producing a forecast infographic for use at planning workshops, online, and in other regional planning outreach.

## **Task 2: Disaggregation to a Subregional Growth Forecast**

In addition to the Regional Growth Forecast, PRB will produce a subregional disaggregation of employment, population, and housing. PRB proposes to use the Subregional Growth Forecast (SGF) modeling framework used in the 2018 RGF—a combination of methods that include the Classical Shift-Share method, the Implicit Shift-Share method, and the Constant Share method.

Each of these forecast approaches is a rigorous, yet relatively straightforward technique commonly used in local forecasting.

Employment: PRB proposes to start with the Classical Shift-Share method to allocate employment by industry from the region to the county level. The Classical Shift-Share approach takes into account a local area's regional share of employment within an industry, the local area's industry mix, and the local area's competitive advantage. The Constant Share method can then be used to allocate employment by industry from the county to the city level. The Constant Share approach is useful when there is uncertainty regarding future local growth conditions and also for ensuring that forecast results remain positive, even if an area experienced employment decline in the years used for model calibration.

Population: PRB proposes to use the Implicit Shift-Share method to allocate population from the region to the county and city level. The Implicit Shift-Share method takes into account larger regional growth patterns as well as historical trends in local growth relative to the regional conditions. For demographic projections (population by age, sex, and race/ethnicity), PRB will work with AMBAG to select either a ratio-based or cohort-component model.

Households and Housing: Similar to the model used in the RGF, population projections by age, sex, and race/ethnicity will be used in combination with household formation rates and housing vacancy rates to project county- and city-level households and housing units.

Data sources proposed for the SGF include DOF, California Employment Development Department, U.S. Bureau of Labor Statistics, U.S. Census Bureau, and other sources as appropriate.

### *Special Populations in the AMBAG Region*

A critical caveat to all of the methods proposed is that any local-area forecast must be adjusted to address changes that are exogenous to the models. Of particular interest in the AMBAG region are two key issues: annexations and special populations. Special populations include, for example, persons living in college dorms, prisons, and military facilities.

Throughout the process, PRB will meet regularly with AMBAG staff (via conference call, web meeting, or in person) to discuss tasks, answer questions, provide status updates, and ensure that AMBAG is satisfied with the subregional forecast process and products.

PRB will document the SGF methodology and results in a Technical Memorandum. PRB will combine the reports from Tasks 1 and 2 into a Final Forecast Report—comprehensive forecast technical documentation that can be included in the Regional Transportation Plan.

### **Task 3: Regional Housing Needs Allocation**

PRB will review the existing RHNA for the AMBAG region and will tabulate relevant data by jurisdiction (such as households by income level, jobs/housing balance, and land use constraints) to serve as input to the RHNA allocation process. Data sources proposed for the RHNA include DOF, California Employment Development Department, U.S. Bureau of Labor Statistics, U.S. Department of Housing and Urban Development, U.S. Census Bureau, as well as the RGF, SFG, and other sources as appropriate. Some data required for the RHNA analysis will be collected in Task 2.

PRB will also gather relevant information from jurisdictions through an online survey. PRB will work with AMBAG to determine the survey topics and questions and to create the contact list for the survey. After the survey content and distribution list are approved, PRB will field the online survey and provide AMBAG with both the raw survey results and summary tabulations.

Using the data from the sources listed above, PRB will work with AMBAG to develop up to five baseline alternatives for the overall allocation and for the income level allocation. For each alternative, PRB will produce materials (slides and spreadsheets) that can be shared with the Planning Directors Forum and the AMBAG Board. Baseline RHNA alternatives could include variations on the following themes:

- Jobs/housing balance
- Income equity
- Minimum/maximum thresholds
- Transit or infill focus
- Other scenario(s) proposed by AMBAG and/or the Planning Directors Forum

RHNA alternatives will likely build on one or a combination of these themes. The RHNA analysis will also consider factors such as housing cost burden, farmworker housing, sphere of influence, constraints to development (such as federal or state regulations that restrict future water or sewer capacity, and land protected from urban development by federal and/or state protections for open space, farm land, and habitat), and housing need generated by anticipated growth at University of California, Santa Cruz and the California State University, Monterey Bay. PRB will work with AMBAG to ensure that relevant factors are considered in the analysis.

PRB may assist in developing concepts for baseline RHNA alternatives, but PRB anticipates that conceptual frameworks (such as jobs/housing balance, income equity, transit focus, or others) will be proposed by AMBAG and the Planning Directors Forum, and PRB's role will involve data compilation and analysis of the alternatives.

In collaboration with AMBAG, and using information from the jurisdiction survey, the Planning Directors Forum, and the California Department of Housing and Community Development (HCD), PRB will make relevant adjustments to baseline alternatives to reflect unique circumstances for each jurisdiction and to ensure compliance with Housing Element law. PRB will review post-adjustment data with AMBAG.

AMBAG is responsible for the RHNA for Monterey County and Santa Cruz County, and the Council of San Benito County Governments is responsible for San Benito County's RHNA. Because the RHNA and SGF must be internally consistent, PRB will work with AMBAG to ensure that relevant RHNA information for San Benito County and jurisdictions is incorporated into the Subregional Growth Forecast.<sup>2</sup>

PRB will work with AMBAG throughout the process to ensure that HCD has all relevant information necessary to evaluate the RHNA Plan. Throughout the process, PRB will meet regularly with AMBAG staff (via conference call, web meeting, or in person) to discuss tasks, answer questions, provide status updates, and ensure that AMBAG is satisfied with the RHNA analysis process and products.

PRB will document the RHNA alternatives in a Preliminary Technical Memorandum or letter to HCD and the final methodology (including any adjustments) will be documented in the RHNA plan. In addition, PRB will provide technical support to AMBAG for public meetings and appeals.

#### **Task 4: Regional Housing Needs Allocation (SBtCOG)**

PRB will perform similar data analysis and reporting as in Task 3 for the Council of San Benito County Governments (SBtCOG) for their 6<sup>th</sup> Cycle RHNA process. This task is not to exceed \$7,500.

#### **Proposed Drafts and Revisions**

PRB understands that new data may become available as the project progresses. For example, it is likely that DOF will publish new population projections during the period of this work plan. Similarly, the California Employment Development Department re-benchmarks historical employment data each spring. In addition, AMBAG staff and member agencies may also request forecast adjustments based on public comment, plan updates, or other inputs. To accommodate revisions, PRB's proposed scope of work incorporates drafts and revisions as follows:

#### **Regional Growth Forecast**

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<sup>2</sup> If this allocation of responsibilities has changed since the last RHNA cycle, and AMBAG is now responsible for RHNA for all three counties, PRB will remove this paragraph from the scope of work and will incorporate San Benito into all phases of Task 3.

- Up to three working drafts for AMBAG review, leading up to a Preliminary RGF.
- One Preliminary RGF (files intended for use in planning and outreach).
- One Preliminary RGF Report.
- One Final RGF (incorporating relevant data updates and revisions).
- One Final RGF Report.

#### Subregional Growth Forecast

- Up to three working drafts for AMBAG review, leading up to a Preliminary SGF.
- One Preliminary SGF (files intended for use in planning and outreach).
- One Technical Memorandum for the Preliminary SGF.
- One Final SGF (incorporating relevant data updates and revisions).
- One Final Forecast Report / Technical Document (reflecting both RGF and SGF).

#### Regional Housing Needs Allocation

- Assistance to AMBAG with comparable regions analysis.
- Up to five baseline scenarios.
- Presentation materials for up to four AMBAG Board meetings.
- One Preliminary Technical Memorandum or letter to HCD describing methodology.
- One Final RHNA.
- Assistance to AMBAG in responding to public comment and appeals.
- Assistance to AMBAG in writing the RHNA plan.

## Project Schedule

	2019										2020										2021										Jan-Oct 2022	
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Task 1: Regional Growth Forecast (RGF)</b>																																
Kickoff Meeting (finalize work plan, timeline, deliverables)	x																															
Forecast methodology review, recommendations		x																														
Draft Preliminary RGF for review with AMBAG	x	x	x	x	x	x	x	x																								
Preliminary RGF (data files)																																
Draft RGF Report																																
Slides and Infographic for Preliminary RGF																																
Revised Regional Growth Forecast (Final RGF)												x	x	x	x	x																
Final RGF Report																																
Slides and Infographic for Final RGF																																
Ongoing support												x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
<b>Task 2: Disaggregation to a Subregional Growth Forecast (SGF)</b>																																
Subregional methodology review, recommendations									x																							
Draft Preliminary SGF for review with AMBAG									x	x	x	x	x																			
Preliminary SGF (data files)																																
Technical Memorandum, Preliminary SGF																																
Revised Subregional Disaggregation (Final SGF)									x	x	x	x	x																			
Final Forecast Report / Technical Documentation (RGF & SGF)																																
Ongoing support												x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
<b>Task 3: Regional Housing Needs Allocation Methodology (RHNA)</b>																																
RHNA methodology review, scenario options														x																		
Draft Preliminary RHNA scenarios for review with AMBAG												x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
Jurisdiction survey																																
Preliminary RHNA alternatives (up to 5)																																
Technical Memo, Preliminary RHNA alternatives																												x	D			
Slides for Preliminary RHNA alternatives																											x	D				
Revised Regional Housing Needs Allocation (Final RHNA)																											x	x	x	D		
Technical Memo, Final RHNA																															D	
Slides for Final RHNA																															D	
Ongoing support (incl. Draft & Final RHNA Plan Assistance)																											x	x	x	x	x	

x = work in progress

## Cost Estimate

The proposed cost for Task 1 is \$13,920, the proposed cost for Task 2 is \$13,842, and the proposed cost for Task 3 is \$64,564, the proposed task for Task 4 is \$7,500, plus direct costs of \$174 over the life of the project, for a total estimated cost of \$100,000.

## Budget

Task 1: Regional Growth Forecast	Hourly Rate	Budgeted	
		Hours	Total \$
Beth Jarosz, Senior Research Associate	\$ 142.29	50.0	\$ 7,115.00
Kelvin Pollard, Research Associate	\$ 89.36	31.0	\$ 2,770.00
Mark Mather, Associate Vice President	\$ 204.94	5.0	\$ 1,025.00
Linda Jacobsen, Vice President	\$ 285.60	2.0	\$ 571.00
Support staff	\$ 65.92	37.0	\$ 2,439.00
		125.0	<b>\$ 13,920.00</b>

Task 2: Disaggregation to a Subregional Growth Forecast	Hourly Rate	Budgeted	
		Hours	Total \$
Beth Jarosz, Senior Research Associate	\$ 142.29	59.0	\$ 8,395.00
Kelvin Pollard, Research Associate	\$ 89.36	24.0	\$ 2,145.00
Mark Mather, Associate Vice President	\$ 204.94	7.0	\$ 1,435.00
Linda Jacobsen, Vice President	\$ 285.60	1.0	\$ 286.00
Support staff	\$ 65.92	24.0	\$ 1,581.00
		115.0	<b>\$ 13,842.00</b>

Task 3A: Regional Housing Needs Allocation Methodology (April 30, 2019 – November 30, 2021)	Hourly Rate	Budgeted	
		Hours	Total \$
Beth Jarosz, Senior Research Associate	\$ 142.29	166.2	\$ 2,3642.00
Kelvin Pollard, Research Associate	\$ 89.36	38.0	\$ 3,396.00
Linda Jacobsen, Vice President	\$ 285.60	1.0	\$ 286.00
Support staff	\$ 65.92	34.0	\$ 2,240.00
		239.2	<b>\$ 29,564.00</b>

<b>Task 3B: Regional Housing Needs Allocation Methodology (December 1, 2021 – October 30, 2022)</b>	<b>Hourly Rate</b>	<b>Budgeted</b>	
		<i>Hours</i>	<i>Total \$</i>
Beth Jarosz, Senior Research Associate	\$ 147.27	160.00	\$ 23,563.00
Kelvin Pollard, Research Associate	\$ 92.49	47.1	\$ 4,353.00
Linda Jacobsen, Vice President	\$ 294.17	1.0	\$ 294.00
Support staff	\$ 67.90	100.0	\$ 6,790.00
		308.1	<b>\$ 35,000.00</b>

<b>Task 4A: Regional Housing Needs Allocation (SBtCOG)</b>	<b>Hourly Rate</b>	<b>Budgeted</b>	
		<i>Hours</i>	<i>Total \$</i>
Beth Jarosz, Senior Research Associate	\$ 142.29	43.00	\$ 6,116.00
Kelvin Pollard, Research Associate	\$ 89.36		
Linda Jacobsen, Vice President	\$ 285.60		
Support staff	\$ 65.92	21.0	\$ 1,384.00
		46.5	<b>\$ 7,500.00</b>

<b>Other Direct Costs</b>	<b>Budgeted</b>
	<i>Total \$</i>
Telephone and web-conferencing	\$ 124.00
Mailing	\$ 50.00
	<b>\$ 174.00</b>

<b>Total</b>	<b>\$ 100,000.00</b>
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## **EXHIBIT B. DEBARMENT AND SUSPENSION CERTIFICATION**

**TITLE 49, CODE OF FEDERAL REGULATIONS, PART 29**  
**DEBARMENT AND SUSPENSION CERTIFICATION**

1. All persons or firms, including Subcontractor(s), must complete this certification and certify, under penalty of perjury, that, except as noted below, he/she or any person associated therewith in the capacity of owner, partner, director, officer, or manager:
  - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
  - b. Have not, within the three (3) year period preceding this certification, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of Federal or state antitrust statutes, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses listed in subparagraph (1)(b) of this certification; and
  - d. Have not, within the three (3) year period preceding this certification, had one or more public transactions (Federal, state, and local) terminated for cause or default.
2. If such persons or firms later become aware of any information contradicting the statements of paragraph (1), they will promptly provide that information to AMBAG.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of actions.

The certification in this clause is a material representation of fact relied upon by AMBAG. If it is later determined that the CONTRACTOR knowingly rendered an erroneous certification, in addition to remedies available to AMBAG, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The CONTRACTOR agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The CONTRACTOR further agrees to include a provision requiring such compliance in its lower tier covered transactions.

Population Reference Bureau \_\_\_\_\_  
**Name of Firm**

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**Signature (original signature required)**

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**Date**

**EXHIBIT C. FEDERAL TAX FORM W-9, REQUEST FOR  
TAXPAYER IDENTIFICATION NUMBER AND  
CERTIFICATION**

**EXHIBIT D. DISADVANTAGED BUSINESS  
ENTERPRISES (DBE) INFORMATION FORM**

## **EXHIBIT E. CERTIFICATIONS**

## CALIFORNIA LEVINE ACT DISCLOSURE STATEMENT

California Government Code § 84308, commonly referred to as the “Levine Act,” precludes an Officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than \$250 in the 12 months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the Officer, or received by the Officer on behalf of any other Officer, or on behalf of any candidate for office or on behalf of any committee. The Levine Act also requires disclosure of such contributions by a party to be awarded a specified contract. Please refer to the attached code for the complete statutory language.

Current members of the AMBAG Board of Directors are attached.

1. Have you or your company, or any agent on behalf of you or your company, made any political contributions of more than \$250 to any AMBAG Director(s) in the 12 months preceding the date of the issuance of this request for proposal or request for qualifications?

YES       NO

If yes, please identify the Director(s): \_\_\_\_\_

2. Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contributions of more than \$250 to any AMBAG Director(s) in the three months following the award of the contract?

YES       NO

If yes, please identify the Director(s): \_\_\_\_\_

Answering yes to either of the two questions above does not preclude RAPS from awarding a contract to your firm. It does, however, preclude the identified Director(s) from participating in the contract award process for this contract.

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DATE

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(SIGNATURE OF AUTHORIZED OFFICIAL)  
Jeffrey Jordan, President & Chief Executive Officer

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(TYPE OR WRITE APPROPRIATE NAME, TITLE)

Population Reference Bureau

(TYPE OR WRITE NAME OF COMPANY)

**California Government Code Section 84308**

- (a) The definitions set forth in this subdivision shall govern the interpretation of this section.
  - (1) "Party" means any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use.
  - (2) "Participant" means any person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use and who has a financial interest in the decision, as described in Article 1 (commencing with Section 87100) of Chapter 7. A person actively supports or opposes a particular decision in a proceeding if he or she lobbies in person the officers or employees of the agency, testifies in person before the agency, or otherwise acts to influence officers of the agency.
  - (3) "Agency" means an agency as defined in Section 82003 except that it does not include the courts or any agency in the judicial branch of government, local governmental agencies whose members are directly elected by the voters, the Legislature, the Board of Equalization, or constitutional officers. However, this section applies to any person who is a member of an exempted agency but is acting as a voting member of another agency.
  - (4) "Officer" means any elected or appointed officer of an agency, any alternate to an elected or appointed officer of an agency, and any candidate for elective office in an agency.
  - (5) "License, permit, or other entitlement for use" means all business, professional, trade and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor, or personal employment contracts), and all franchises.
  - (6) "Contribution" includes contributions to candidates and committees in federal, state, or local elections.
- (b) No officer of an agency shall accept, solicit, or direct a contribution of more than two hundred fifty dollars (\$250) from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for three months following the date a final decision is rendered in the proceeding if the officer knows or has reason to know that the participant has a financial interest, as that term is used in Article 1 (commencing with Section 87100) of Chapter 7. This prohibition shall apply regardless of whether the officer accepts, solicits, or directs the contribution for himself or herself, or on behalf of any other officer, or on behalf of any candidate for office or on behalf of any committee.
- (c) Prior to rendering any decision in a proceeding involving a license, permit or other entitlement for use pending before an agency, each officer of the agency who received a contribution within the preceding 12 months in an amount of more than two hundred fifty dollars (\$250) from a party or from any participant shall disclose that fact on the record of the proceeding. No officer of an

agency shall make, participate in making, or in any way attempt to use his or her official position to influence the decision in a proceeding involving a license, permit, or other entitlement for use pending before the agency if the officer has willfully or knowingly received a contribution in an amount of more than two hundred fifty dollars (\$250) within the preceding 12 months from a party or his or her agent, or from any participant, or his or her agent if the officer knows or has reason to know that the participant has a financial interest in the decision, as that term is described with respect to public officials in Article 1 (commencing with Section 87100) of Chapter 7. If an officer receives a contribution which would otherwise require disqualification under this section, returns the contribution within 30 days from the time he or she knows, or should have known, about the contribution and the proceeding involving a license, permit, or other entitlement for use, he or she shall be permitted to participate in the proceeding.

- (d) A party to a proceeding before an agency involving a license, permit, or other entitlement for use shall disclose on the record of the proceeding any contribution in an amount of more than two hundred fifty dollars (\$250) made within the preceding 12 months by the party, or his or her agent, to any officer of the agency. No party, or his or her agent, to a proceeding involving a license, permit, or other entitlement for use pending before any agency and no participant, or his or her agent, in the proceeding shall make a contribution of more than two hundred fifty dollars (\$250) to any officer of that agency during the proceeding and for three months following the date a final decision is rendered by the agency in the proceeding. When a closed corporation is a party to, or a participant in, a proceeding involving a license, permit, or other entitlement for use pending before an agency, the majority shareholder is subject to the disclosure and prohibition requirements specified in subdivisions (b), (c), and this subdivision.
- (e) Nothing in this section shall be construed to imply that any contribution subject to being reported under this title shall not be so reported.

For more information, contact the Fair Political Practices Commission,  
428 J Street, Suite 800,  
Sacramento, CA 95814,  
(916) 322-5660.

**AMBAG Board of Directors**

<b>Agency</b>	<b>Representative</b>	<b>Agency</b>	<b>Representative</b>
Capitola	Kristen Petersen	Soledad	Anna Velazquez
Carmel-by-the-Sea	Karen Ferlito	Watsonville	Eduardo Montesino
Del Rey Oaks	Kim Shirley	County of Monterey	John Phillips
Gonzales	Scott Funk	County of Monterey	Mary Adams
Greenfield	Lance Walker	County of Santa Cruz	Greg Caput
Hollister	Rick Perez	County of Santa Cruz	Manu Koenig
King City	Carlos Victoria	County of San Benito	Mark Medina
Marina	Lisa Berkley	County of San Benito	Bob Tiffany
Monterey	Ed Smith		
Pacific Grove	Jenny Mc Adams	<b><u>Ex-Officio Members:</u></b>	
Salinas	Steve McShane	Caltrans District 5	
San Juan Bautista	John Freeman	MBARD	
Sand City	Mary Ann Carbone	3CE	
Santa Cruz	Justin Cummings	MST	
Scotts Valley	Derek Timm	SBtCOG	
Seaside	Jon Wizard	SCCRTC	
		SC METRO	
		TAMC	

## CERTIFICATION OF RESTRICTIONS ON LOBBYING

Approved by OMB  
0348-0046

### Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352  
(See reverse for public burden disclosure)

<b>1. Type of Federal Action:</b> A    a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input type="checkbox"/> C    a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> B    a. initial filing <input type="checkbox"/> b. material change  <b>For material change only:</b> Year <u>2022</u> quarter <u>4</u> Date of last report <u>11/15/2021</u>
<b>4. Name and Address of Reporting Entity:</b> X <u>Prime</u> <u>Subawardee</u> Tier _____, if Known: <b>Population Reference Bureau</b> <b>1875 Connecticut Ave, NW Suite 520</b> <b>Washington D.C. 20009</b> <b>Congressional District, if known: DC-098</b>	<b>5. If Reporting Entity in No. 4 is Subawardee,</b> Enter Name and Address of Prime:  <b>Congressional District, if known:</b>	
<b>6. Federal Department/Agency:</b>	<b>7. Federal Program Name/Description:</b>  CFDA Number, if applicable: _____	
<b>8. Federal Action Number, if known:</b>	<b>9. Award Amount, if known:</b> <u>\$ 100,000.00</u>	
<b>10. a. Name and Address of Lobbying Registrant</b> <i>(if individual, last name, first name, MI):</i>	<b>b. Individuals Performing Services</b> <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
<b>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</b>	Signature: _____ Print Name: <u>Jeffrey Jordan</u> _____ Title: <u>President &amp; Chief Executive Officer</u> _____ Telephone No.: <u>2029395409</u> _____ Date: _____	
<b>Federal Use Only</b>	Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)	

## **INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES**

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Included prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
  
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

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According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503



**MEMORANDUM**

**TO:** **AMBAG Board of Directors**

**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:** **December 8, 2021**

**RECOMMENDATION:**

- A. Continue a public hearing to receive public comment on the draft 6<sup>th</sup> Cycle Regional Housing Needs Allocation (RHNA) methodology for allocation of housing need to the region's jurisdictions consistent with the objectives of Government Code § 65584(d) and factors of Government Code § 65584.04(e).
- B. Approve a draft RHNA methodology and authorize Association of Monterey Area Governments (AMBAG) staff to submit the draft RHNA methodology to the California Department of Housing and Community Development (HCD) for review and approval.

**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,

*Planning Excellence!*

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. The RHNA produces regional, subregional, and local targets for the amount and type of housing needed over the planning period.

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. The AMBAG RHNA methodology focuses on furthering, supporting, and balancing between each of the five statutory RHNA objectives and 13 RHNA factors (See Attachment 2).

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

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

**Figure 1: Revised RHNA Schedule**

TARGET SCHEDULE	TASK
<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>December 8, 2021</b>	Approval of draft RHNA methodology by AMBAG Board
<b>December 2021 - February 2022</b>	HCD Reviews Draft Methodology
<b>March 9, 2022</b>	Approval of final RHNA methodology by AMBAG Board
<b>March 21, 2022</b>	Release draft RHNA plan with RHNA allocations by jurisdiction
<b>March 22 – May 5, 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>May 6 – June 19, 2022</b>	Local jurisdictions and HCD may comment on appeals within 45 days of the close of the appeal period (if appeal(s) are received)
<b>June 8, 2022</b>	Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board
<b>June 8, 2022</b>	Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board (if no appeals are received)
<b>July 13, 2022</b>	AMBAG to hold public hearing on appeals (if appeals are received)
<b>August 27, 2022</b>	AMBAG makes final determination that accepts, rejects, modifies appeals and issues final proposed allocation plan
<b>September 14, 2022</b>	Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board (if appeal(s) are received)
<b>December 2023</b>	Jurisdiction's 6th Cycle Housing Elements are due to HCD

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

For the past seven months, AMBAG staff has been discussing with the PDF and AMBAG Board potential options for developing a RHNA methodology based on HCD's 6th Cycle RHND. A revised draft RHNA methodology was presented at the November 1, 2021 Planning Directors Forum and November 10, 2021 AMBAG Board of Directors meeting for discussion and input. Based on direction received from AMBAG Board, HCD, and public comments received during the November 10, 2021 public hearing, AMBAG staff proposed a revised draft RHNA methodology.

Under new RHNA laws, HCD must approve each COG's RHNA methodology and confirm it furthers the RHNA objectives. HCD met with AMBAG staff on November 19, 2021 to discuss their initial comments on the AMBAG revised draft methodology (as presented at the AMBAG Board meeting on November 10, 2021). AMBAG staff has incorporated these changes into the final draft methodology. HCD staff encouraged AMBAG to consider Affirmatively Furthering Fair Housing (AFFH) as an allocation factor which is proposed in the final draft methodology. It was recommended that the housing growth from the Regional Growth Forecast (RGF) be reduced to be more reflective of the RHNA period. The revised draft methodology included a 10-year period of housing growth from the 2022 RGF, AMBAG staff proposes to reduce this to an eight-year period to reflect the eight-year RHNA planning period. HCD also encouraged AMBAG to consider a partial scale for identifying Racially Concentrated Areas of Affluence (RCAs). In the final draft methodology, AMBAG staff revised the definition of RCA to include jurisdictions who qualified as a partial RCA. In addition, HCD staff suggested reducing the income distribution weighting if an AFFH allocation factor was added. Based on comments from HCD and feedback received through public comment, AMBAG staff has reduced the income distribution weighting from 50% to 30%.

Based on AMBAG Board input, public comment, feedback from HCD, and assessment of the data, AMBAG staff are proposing changes for final draft RHNA methodology options as discussed below. Summary of changes from revised draft to final draft RHNA methodology (Option A) as presented at the November 29, 2021 Planning Directors Forum:

- Reduced the 10-year period of housing growth from the 2022 RGF to an eight-year period to reflect the eight-year RHNA planning period
- Reduce job share to 50%, but retain percentage share of jobs from 2022 Regional Growth Forecast for existing (2020) jobs
- Include AFFH as an allocation factor using the RCA equity analysis
- Modify definition of RCA, to incorporate adjustments for jurisdictions that meet one of the two RCA criteria
- Shift Above Moderate units to Very Low and shift Moderate units to Low units for the Income Allocation
- Reduce the income allocation shift from 50% to 30%

### ***Final Draft RHNA Methodology Options***

Based on comments received, AMBAG staff proposes two final draft methodologies as shown in Tables 1 and 2.

**Table 1: AMBAG RHNA Allocation Methodology – Option A**

	<b>Final Draft RHNA Methodology – Option A</b>	<b>Units</b>
2022 Regional Growth Forecast		12,524
Employment	50%	
Transit	5%	
Resiliency Factor (Wildfire and Sea Level Rise)	10%	20,750
Affirmatively Furthering Fair Housing (AFFH), based on RCAA+	35%	
AFFH (income shift)	30%	

**Table 2: AMBAG RHNA Allocation Methodology – Option B**

	<b>Final Draft RHNA Methodology – Option B</b>	<b>Units</b>
2022 Regional Growth Forecast		12,524
Employment	40%	
Jobs-Housing Ratio	20%	
Transit	5%	
Resiliency Factor (Wildfire and Sea Level Rise)	10%	20,750
Affirmatively Furthering Fair Housing (AFFH), based on RCAA+	25%	
AFFH (income shift)	30%	

All data used in the development of RHNA methodology is based on the following publicly available sources:

- Regional Growth Forecast (RGF): Housing growth from 8-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)
- Employment: AMBAG 2022 RGF, based on InfoUSA and California Employment Development Department (2020)
- Transit: Existing (2020) transit routes with 15- and 30-minutes headways, based on existing transit routes and stops from transit operators
- 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)
- Jobs-Housing Ratio (included in Option B only): 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).
- Affirmatively Furthering Fair Housing (AFFH) Unit Allocation: Jurisdictions with higher than the regional average for percentage above 200% of the poverty level and percentage white are defined as RCAs. Jurisdictions that qualify under one category receive a partial allocation. U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census
- Affirmatively Furthering Fair Housing (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

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

This RHNA methodology allocates a portion of housing units (12,524) based on data for projected housing growth for the eight-year RHNA planning period from the Regional Growth Forecast (RGF). The 2022 RGF was used in the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). The use of the same data within the RGF 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. Using the 2022 RGF in this RHNA methodology assures that large jurisdictions do not get inappropriately small allocations which do not fulfill the needs of their populations, and small jurisdictions do not get inappropriately large allocations that exceed the feasible capacity of developable land. 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 factor in the RHNA methodology; jobs, transit, and resiliency 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.

***Second Step in RHNA Methodology: Jobs, Transit, Resiliency, AFFH (Option A) and Additional Jobs-Housing Ratio Factor (Option B)***

Under Option A, the second step in the RHNA methodology is to allocate the remaining units (20,750 units) based on jobs, transit, resiliency and AFFH factors. Existing (2020) jobs account for 50% of the remaining housing units, jurisdictions with existing (2020) transit routes with 15- and 30-minute headways account for 5%, and 10% of units are allocated those jurisdictions who have the smallest percentages of high fire or high sea level risk. Finally, 35% of the housing units are allocated based on RCAs. Jurisdictions qualifying as RCAs or partial RCAs are shown in Attachment 3.

Under Option B, the second step in the RHNA methodology would add an additional factor of a jobs-housing ratio for 20% of the unit allocation. The addition of this factor would reduce the jobs and AFFH factors to 40% and 25% respectively. The request for a jobs-housing ratio factor to be considered was discussed at the November 29, 2021 PDF and AMBAG staff is including this option for consideration in response to comments received.

There was not consensus among the Planning Directors for either option so AMBAG staff is presenting two RHNA methodology options for consideration by the Board of Directors.

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

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

As a result of concerns with the TCAC data, 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 RCAs analysis better reflected the AMBAG region's areas of opportunity than the HCD/TCAC Opportunity Map data (see Attachment 3, Racially Concentrated Areas of Affluence for the AMBAG Region). Both final draft RHNA methodology options shift 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 30%. Both options shown here result in RCAs getting a higher share of their RHNA in the lower income categories. 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 30%. Both the final draft RHNA methodologies options unit allocation estimates by factor and for income allocation are provided in Attachment 4a and 4b.

AMBAG staff has evaluated both RHNA methodology Option A and Option B. While both options meet the requirements of supporting and furthering the 5 RHNA objectives and 13 factors and are likely to be approved by HCD, AMBAG staff believes Option B reduces RHNA allocations in higher opportunity areas and increases allocations in lower opportunity areas and therefore, AMBAG staff prefers Option A. Ultimately, it is up to the AMBAG Board to select and approve a methodology to submit to HCD for their review and approval. Attachment 5 includes a summary of the unit allocation estimates for both RHNA methodology Option A and Option B.

## ***Other Comments Received***

### ***Farmworker Housing***

AMBAG received a few public comments on including a separate allocation factor for farmworker housing. AMBAG staff does not recommend this as it would add additional units to the following jurisdictions: Gonzales, Greenfield, King City, Salinas, Soledad, Unincorporated Monterey, Unincorporated Santa Cruz and Watsonville. The prior draft methodology allocated a substantial number of units to lower opportunity agriculturally-oriented incorporated cities, and HCD flagged this as a concern with the methodology, suggesting that they expect to see a smaller proportional share of units in those cities. When AMBAG staff raised questions about how to reconcile the competing objectives of addressing farmworker housing needs and RHNA's income-balancing objectives, HCD staff suggested that other jurisdictions could address farmworker housing needs and that a lower RHNA does not prohibit agriculturally-oriented jurisdictions from planning for farmworker housing. Based on these discussions, AMBAG staff does not expect HCD will approve any methodology that directs additional housing away from high opportunity areas and towards agriculturally-oriented jurisdictions.

### ***Statutory Adjustments***

AMBAG has received several comments and questions regarding statutory adjustments to the RHNA methodology allocations as shown in Attachments 6-9. AMBAG issued a statutory mandated survey of statutory factors to local jurisdictions on July 1, 2021, and survey responses were due on August 15, 2021. AMBAG received surveys responses from all jurisdictions. The completed surveys will be included in the draft RHNA plan. Similar to what was done in the 5<sup>th</sup> Cycle, statutory adjustments will be considered after a methodology is selected. Any statutory adjustments will be made and documented as part of the draft RHNA Plan.

### **Next Steps**

Upon approval from the Board of Directors on a final draft methodology, AMBAG will submit the draft methodology to HCD for review and approval. Following approval from HCD, the AMBAG Board of Directors is scheduled to consider approval of the final RHNA methodology and direct AMBAG staff to issue the draft RHNA Plan with RHNA allocations by jurisdiction in March 2022.

**ALTERNATIVES:**

The Board of Directors may modify the final draft methodology or choose not to accept a draft methodology to send to HCD for review. If a draft methodology is not approved at the December 8, 2021 Board meeting, it will 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 by December 15, 2023.

**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. Summary of Factors for Consideration in 6<sup>th</sup> Cycle RHNA
3. Defining Racially Concentrated Areas of Affluence for the AMBGA Region
- 4A. Option A - Final Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
- 4B. Option B - Final Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
5. Comparison of Draft RHNA Methodologies
6. Letter Received from City of Pacific Grove
7. Letter Received from M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County
8. Letter Received LandWatch Monterey County – November 29, 2021
9. Summary of Comments Received on RHNA Methodology

**APPROVED BY:**

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 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)*

## Factors for Consideration in 6th Cycle RHNA

*Highlight Reflects Jurisdictions Where Factor Should be Considered*

	2020 Census Population	Jobs & Housing Relationship		Opportunities & Constraints to Development			Maximize Transit & Transportation Infrastructure	Directing Growth to Incorporated Areas	High Housing Cost Burdens % Burdened
		J/H Ratio	Sq.Mi.	% Resilient	Resil. Sq. Mi.				
	Population	J/H Ratio	Sq.Mi.	% Resilient	Resil. Sq. Mi.				
Region	<b>709,896</b>	1.5							41%
<b>Monterey County</b>	<b>439,035</b>								40%
Carmel-By-The-Sea	3,220	1.0	1	64%	< 1		no		41%
Del Rey Oaks	1,592	1.0	< 1	44%	< 1		yes		32%
Gonzales	8,647	3.2	2	100%	2		no	yes (more)	39%
Greenfield	18,937	2.0	2	100%	2		no	yes (more)	50%
King City	13,332	2.4	4	100%	4		no		50%
Marina	22,359	0.8	10	89%	9		yes		38%
Monterey	30,218	3.0	12	63%	8		yes		43%
Pacific Grove	15,090	1.0	4	95%	4		no		36%
Salinas	163,542	1.8	24	100%	24		yes	yes (more)	43%
Sand City	325	11.1	3	100%	3		yes		59%
Seaside	32,366	1.0	9	77%	7		yes		47%
Soledad	24,925	2.2	5	96%	4		no	yes (more)	36%
Uninc. Monterey	104,482	1.5	3695	19%	695		yes	yes (less)	33%
<b>Santa Cruz County</b>	<b>270,861</b>								41%
Capitola	9,938	2.2	2	83%	1		no		46%
Santa Cruz	62,956	1.8	16	75%	12		yes		45%
Scotts Valley	12,224	2.1	5	50%	2		yes		37%
Watsonville	52,590	2.0	7	95%	6		yes		49%
Uninc. Santa Cruz	133,153	0.8	578	13%	77		yes		37%

Sources:

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

Housing: AMBAG 2022 RGF, based on California Department of Finance (2020)

Area: U.S. Census Bureau TIGER geographic files (2019)

Resilience (percent not in high fire risk or 2' sea level rise risk): CALFIRE, CPUC, NOAA

High Quality Transit (has at least 30 minute headways): AMBAG 2015-2020 transit routes and stops

Directing growth: Jurisdiction survey

Cost Burden: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS)

## Factors for Consideration in 6th Cycle RHNA

*Highlight Reflects Jurisdictions Where Factor Should be Considered*

Region	Rate of Over-Crowding % Crowded	Housing Needs		Improving Equity		
		Farmworker Housing needs % Reg. Ag. Jobs	of College Students	Pov. Rate	% Above 200% Pov.	% White
Monterey County	14%			13%	67%	37%
Carmel-By-The-Sea	6%	0%		3%	88%	87%
Del Rey Oaks	1%	0%		5%	87%	68%
Gonzales	18%	5%		10%	59%	5%
Greenfield	29%	16%		13%	56%	3%
King City	20%	2%		19%	45%	7%
Marina	12%	0%	CSUMB	13%	64%	33%
Monterey	4%	0%		11%	80%	63%
Pacific Grove	8%	0%		7%	85%	71%
Salinas	19%	22%		17%	58%	11%
Sand City	10%	0%		16%	66%	50%
Seaside	12%	0%	CSUMB	13%	65%	29%
Soledad	24%	5%		14%	52%	8%
Uninc. Monterey	10%	31%	CSUMB	9%	72%	45%
Santa Cruz County	7%			13%	71%	54%
Capitola	7%	0%		16%	72%	65%
Santa Cruz	5%	0%	UCSC	21%	66%	58%
Scotts Valley	3%	0%		4%	87%	72%
Watsonville	21%	11%		15%	53%	12%
Uninc. Santa Cruz	5%	8%		10%	79%	66%

Sources:

Overcrowding, Poverty, Percent White: U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census

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

Other factors (data not available):

Loss of assisted housing units.

Housing needs of those experiencing homelessness.

Loss of units during emergency

SB 375 GHG reduction targets

**Defining Racially Concentrated Areas of Affluence (RCAs) for the AMBAG Region**

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

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

## DRAFT FOR DISCUSSION PURPOSES

Dec. 1, 2021

## Option A with RCAA Unit Allocation Estimate

RHNA Total 33,274	Housing 8-year Unit Change	Jobs 50% Jobs 2020	Reg. Units	Transit 5% Transit Score	Reg. Units	Resiliency (Wildfire & Sea Level Rise) 10% % Area Not in High Risk	Normalize (% Area x Unit Chg)	Reg. Units	RCAA 35% RCAA 2,075	Normalize (% RCAA x Unit Chg)	Reg. Units	RHNA 7,263
Region												Total 33,274
Monterey County												
Carmel	10	3,566	0.9%	97	0	0%	0	64%	6	0.1%	1	100%
Del Rey Oaks	69	748	0.2%	20	1	8%	87	44%	30	0.3%	6	100%
Gonzales	1,426	6,326	1.7%	171	0	0%	0	100%	1,426	13.1%	272	0%
Greenfield	550	7,882	2.1%	213	0	0%	0	100%	550	5.1%	105	0%
King City	488	8,195	2.1%	222	0	0%	0	100%	488	4.5%	93	0%
Marina	790	6,548	1.7%	177	1	8%	87	89%	706	6.5%	135	0%
Monterey	403	40,989	10.7%	1,110	1	8%	87	63%	252	2.3%	48	100%
Pacific Grove	98	8,016	2.1%	218	0	0%	0	95%	93	0.9%	18	100%
Salinas	4,333	78,874	20.6%	2,136	2	17%	168	100%	4,333	39.9%	829	0%
Sand City	108	2,092	0.5%	57	1	8%	87	100%	108	1.0%	21	50%
Seaside	649	10,476	2.7%	284	1	8%	87	77%	503	4.6%	96	0%
Soledad	473	9,010	2.4%	244	0	0%	0	96%	455	4.2%	87	0%
Uninc. Monterey	510	60,293	15.7%	1,633	1	8%	87	19%	96	0.9%	18	100%
Santa Cruz County												
Capitola	178	12,250	3.2%	332	0	0%	0	83%	147	1.4%	28	100%
Santa Cruz	789	43,865	11.5%	1,188	1	8%	87	75%	594	5.5%	113	50%
Scotts Valley	57	10,109	2.6%	274	1	8%	87	50%	28	0.3%	5	100%
Watsonville	1,023	28,514	7.4%	772	1	8%	87	95%	969	8.9%	185	0%
Uninc. Santa Cruz	570	45,264	11.8%	1,226	1	8%	87	13%	76	0.7%	15	100%

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

For example 0% in the table above may be 0.00-0.49%.

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

Statutory adjustments may be made after a methodology has been selected.

## DRAFT FOR DISCUSSION PURPOSES

Dec. 1, 2021

### Option A: Shifts Units Between Above Moderate and Very Low and Between Moderate and Low

Region	Baseline Income Allocation				RCAA		Raw RCAA Adjustments				Rebalance to Income Group				RHNA		
	V.L.	Low	Mod.	A.M.	RCAA	30%	30%	Very	Low	Low	Mod.	Above	Very	Low	Mod.	Above	Total
					RCAA	Shift	Shift	Low	Mod.	Mod.	Mod.	Mod.	Low	Mod.	Mod.	Mod.	
Region	7,868	5,146	6,167	14,093				7,661	5,011	6,302	14,300		7,868	5,146	6,167	14,093	33,274
Monterey County																	
Carmel-By-The-Sea	33	21	26	59	100%	10	6	43	27	20	49	44	28	20	47	139	
Del Rey Oaks	94	61	73	168	100%	28	18	122	79	55	140	125	81	54	136	396	
Gonzales	442	289	346	792	0%	-133	-87	309	202	433	925	317	207	424	921	1,869	
Greenfield	205	134	161	368	0%	-62	-40	143	94	201	430	147	97	197	427	868	
King City	190	124	149	340	0%	-57	-37	133	87	186	397	137	89	182	395	803	
Marina	281	184	220	504	0%	-84	-55	197	129	275	588	202	132	269	586	1,189	
Monterey	685	448	537	1,227	100%	206	134	891	582	403	1,021	915	598	394	990	2,897	
Pacific Grove	151	99	118	270	100%	45	30	196	129	88	225	201	132	86	219	638	
Salinas	1,764	1,154	1,385	3,161	0%	-529	-346	1,235	808	1,731	3,692	1,268	830	1,694	3,674	7,466	
Sand City	104	68	82	186	50%	0	0	104	68	82	186	107	70	80	183	440	
Seaside	264	173	207	473	0%	-79	-52	185	121	259	551	190	124	253	549	1,116	
Soledad	190	124	149	341	0%	-57	-37	133	87	186	398	137	89	182	396	804	
Uninc. Monterey	905	592	709	1,621	100%	272	178	1,177	770	531	1,349	1,209	791	520	1,307	3,827	
Santa Cruz County																	
Capitola	258	169	202	462	100%	77	51	335	220	151	384	344	226	148	372	1,090	
Santa Cruz	804	526	630	1,440	50%	0	0	804	526	630	1,440	826	540	617	1,417	3,400	
Scotts Valley	142	93	111	254	100%	43	28	185	121	83	211	190	124	81	205	600	
Watsonville	489	320	383	875	0%	-147	-96	342	224	479	1,022	351	230	469	1,017	2,067	
Uninc. Santa Cruz	867	567	679	1,552	100%	260	170	1,127	737	509	1,292	1,158	758	497	1,252	3,665	

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

RCAA = Racially Concentrated Areas of Affluence.

AFFH adjustments shift units between Above Moderate and Very Low (V.L.) categories, and between Moderate and Low.

## DRAFT FOR DISCUSSION PURPOSES

Dec. 1, 2021

## Option B with RCAA Unit Allocation and Jobs/Housing Ratio

Region	RHNA Total 33,274	Housing 40%	Jobs/Housing Ratio 20%			Transit 5%			Resiliency (Wildfire & Sea Level Rise) 10% % Area Not in High Risk Zone				RCAA 25%	Normalize (%) RCAA x Unit Chg) % Reg. Units						
	8-year Unit Change	Jobs 2020	% Reg.	Units	J/H	Jobs 2020	% Reg.	Units	Transit Score	% Reg.	Units	Normalize (% Area x Unit Chg)	% Reg.	Units	RCAA					
	12,524			8,299			4,150		1,038			2,075		5,188	33,274					
Monterey County																				
Carmel	10	3,566	0.9%	77	1.0	0	0.0%	0	0	0%	0	64%	6	0.1%	1	100%	10	0.4%	22	110
Del Rey Oaks	69	748	0.2%	16	1.0	0	0.0%	0	1	8%	87	44%	30	0.3%	6	100%	69	2.9%	153	331
Gonzales	1,426	6,326	1.7%	137	3.2	6,326	2.5%	106	0	0%	0	100%	1,426	13.1%	272	0%	0	0.0%	0	1,941
Greenfield	550	7,882	2.1%	171	2.0	7,882	3.2%	132	0	0%	0	100%	550	5.1%	105	0%	0	0.0%	0	958
King City	488	8,195	2.1%	178	2.4	8,195	3.3%	137	0	0%	0	100%	488	4.5%	93	0%	0	0.0%	0	896
Marina	790	6,548	1.7%	142	0.8	0	0.0%	0	1	8%	87	89%	706	6.5%	135	0%	0	0.0%	0	1,154
Monterey	403	40,989	10.7%	888	3.0	40,989	16.5%	686	1	8%	87	63%	252	2.3%	48	100%	403	17.2%	892	3,004
Pacific Grove	98	8,016	2.1%	174	1.0	0	0.0%	0	0	0%	0	95%	93	0.9%	18	100%	98	4.2%	217	507
Salinas	4,333	78,874	20.6%	1,710	1.8	78,874	31.8%	1,318	2	17%	168	100%	4,333	39.9%	829	0%	0	0.0%	0	8,358
Sand City	108	2,092	0.5%	45	11.1	2,092	0.8%	35	1	8%	87	100%	108	1.0%	21	50%	54	2.3%	120	416
Seaside	649	10,476	2.7%	227	1.0	0	0.0%	0	1	8%	87	77%	503	4.6%	96	0%	0	0.0%	0	1,059
Soledad	473	9,010	2.4%	195	2.2	9,010	3.6%	151	0	0%	0	96%	455	4.2%	87	0%	0	0.0%	0	906
Unincorporated Monterey	510	60,293	15.7%	1,306	1.5	0	0.0%	0	1	8%	87	19%	96	0.9%	18	100%	510	21.8%	1,129	3,050
Santa Cruz County																				
Capitola	178	12,250	3.2%	265	2.2	12,250	4.9%	205	0	0%	0	83%	147	1.4%	28	100%	178	7.6%	394	1,070
Santa Cruz	789	43,865	11.5%	950	1.8	43,865	17.7%	734	1	8%	87	75%	594	5.5%	113	50%	395	16.8%	873	3,546
Scotts Valley	57	10,109	2.6%	219	2.1	10,109	4.1%	169	1	8%	87	50%	28	0.3%	5	100%	57	2.4%	126	663
Watsonville	1,023	28,514	7.4%	618	2.0	28,514	11.5%	477	1	8%	87	95%	969	8.9%	185	0%	0	0.0%	0	2,390
Unincorporated Santa Cruz	570	45,264	11.8%	981	0.8	0	0.0%	0	1	8%	87	13%	76	0.7%	15	100%	570	24.3%	1,262	2,915

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.

Statutory adjustments may be made after a methodology has been selected.

**DRAFT FOR DISCUSSION PURPOSES**
**Dec. 1, 2021**
**Option B: Shifts Units Between Above Moderate and Very Low and Between Moderate and Low**

Region	Baseline Income Allocation				RCAA		Raw RCAA Adjustments				Rebalance to Income Group Totals				<b>RHNA</b>	
	V.L.	Low	Mod.	A.M.		30%	30%									
			RCAA	Shift	V.L.	Shift	Low	Very	Low	Mod.	Above	Very	Low	Mod.	Above	
Monterey County	7,868	5,146	6,167	14,093				7,440	4,868	6,445	14,521	7,868	5,146	6,167	14,093	<b>33,274</b>
Carmel-By-The-Sea	26	17	20	47	100%	8	5	34	22	15	39	36	23	14	37	<b>110</b>
Del Rey Oaks	78	51	61	140	100%	23	15	101	66	46	118	107	70	44	110	<b>331</b>
Gonzales	459	300	360	822	0%	-138	-90	321	210	450	960	339	222	431	949	<b>1,941</b>
Greenfield	227	148	178	406	0%	-68	-44	159	104	222	473	168	110	212	468	<b>958</b>
King City	212	139	166	379	0%	-64	-42	148	97	208	443	157	103	199	437	<b>896</b>
Marina	273	178	214	489	0%	-82	-53	191	125	267	571	202	132	255	565	<b>1,154</b>
Monterey	710	465	557	1,272	100%	213	140	923	605	417	1,059	976	640	399	989	<b>3,004</b>
Pacific Grove	120	78	94	215	100%	36	23	156	101	71	179	165	107	68	167	<b>507</b>
Salinas	1,978	1,293	1,550	3,539	0%	-593	-388	1,385	905	1,938	4,130	1,463	955	1,854	4,086	<b>8,358</b>
Sand City	98	64	77	176	50%	0	0	98	64	77	177	104	68	74	170	<b>416</b>
Seaside	250	164	196	449	0%	-75	-49	175	115	245	524	185	122	234	518	<b>1,059</b>
Soledad	214	140	168	384	0%	-64	-42	150	98	210	448	159	104	201	442	<b>906</b>
Unincorporated Monterey	721	472	565	1,292	100%	216	142	937	614	423	1,076	991	649	405	1,005	<b>3,050</b>
Santa Cruz County																
Capitola	253	165	198	453	100%	76	50	329	215	148	378	348	227	142	353	<b>1,070</b>
Santa Cruz	838	548	657	1,502	50%	0	0	838	548	657	1,503	886	579	629	1,452	<b>3,546</b>
Scotts Valley	157	103	123	281	100%	47	31	204	134	92	233	216	142	88	217	<b>663</b>
Watsonville	565	370	443	1,012	0%	-170	-111	395	259	554	1,182	418	274	530	1,168	<b>2,390</b>
Unincorporated Santa Cruz	689	451	540	1,235	100%	207	135	896	586	405	1,028	948	619	388	960	<b>2,915</b>

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

RCAA = Racially Concentrated Areas of Affluence.

## Comparison of Draft RHNA Methodologies

	<b>Revised Draft (as presented at the 11/10/21 Board meeting)</b>	<b>Option A: Final Draft (as presented at the 11/29 Planning Directors meeting)</b>	<b>Option B: Final Draft (includes New J/H Ratio factor)</b>	RCAA
<b>Region</b>	<b>33,274</b>	<b>33,274</b>	<b>33,274</b>	
<b>Monterey County</b>	<b>23,943</b>	<b>22,452</b>	<b>22,690</b>	
Carmel-By-The-Sea	154	139	110	100%
Del Rey Oaks	193	396	331	100%
Gonzales	2,261	1,869	1,941	0%
Greenfield	1,085	868	958	0%
King City	1,009	803	896	0%
Marina	1,432	1,189	1,154	0%
Monterey	2,221	2,897	3,004	100%
Pacific Grove	451	638	507	100%
Salinas	9,353	7,466	8,358	0%
Sand City	308	440	416	50%
Seaside	1,376	1,116	1,059	0%
Soledad	1,017	804	906	0%
Unincorporated Monterey	3,083	3,827	3,050	100%
<b>Santa Cruz County</b>	<b>9,331</b>	<b>10,822</b>	<b>10,584</b>	
Capitola	726	1,090	1,070	100%
Santa Cruz	2,870	3,400	3,546	50%
Scotts Valley	544	600	663	100%
Watsonville	2,624	2,067	2,390	0%
Unincorporated Santa Cruz	2,567	3,665	2,915	100%



**CITY OF PACIFIC GROVE  
COMMUNITY DEVELOPMENT DEPARTMENT  
300 Forest Avenue □ Pacific Grove, California 93950**

November 17, 2021

**Dear AMBAG Board of Directors and Planning Directors Forum Participants,**

The affordable housing crisis affects all jurisdictions in Monterey County. The City of Pacific Grove (PG) is committed to increasing the supply and choice of affordable housing within its city limits and throughout the region.

The RHNA process and the Housing Element are two fundamental tools for affordable housing planning if and when they are properly implemented. The AMBAG region is in critical need of affordable housing. However the draft distribution neglects to place units in locations where they have the greatest chance of being built. If units are not assigned in a more practical and equitable way, the region risks not having units built altogether and possible state penalties for not building the units as some jurisdictions have very real and persistent limitations.

Unique local conditions must be considered when developing the RHNA methodology. Considerations for the City of Pacific Grove:

- Compared to other jurisdictions in Monterey County, PG is very limited in its **land availability** as reflected in the attached Vacant and Underutilized maps from the City's 2015-2023 Housing Element. Based on this limitation, the City would need to realistically determine where and how it could accommodate the proposed units within the next eight year period. The City anticipates continuing building ADU's and expects this would be feasible and rezoning/upzoning parcels that could accommodate density bonus and other incentives to accommodate more density and affordable units. Planning for high numbers of units in a city that is built-out with few vacant parcels must be considered. The City is approximately 3.5 square miles and built out with about 6,835 households and infill is the only form of development that could occur as confirmed in the analyses of the current Housing Element 2015-2023.
- The City is implementing **tools** to support near-term affordable housing production such as ADUs, a local density bonus ordinance, objective design and development standards, and identifying key opportunity sites that can be leveraged through partnerships with affordable housing developers.
- PG and other peninsula cities are subject to the State Water Resources Control Board 2009 **Cease-and-Desist Order (CDO)** on **water extraction** from the Carmel River. As a result, jurisdictions within the Monterey Peninsula Water Management District are prohibited from establishing or setting new meters and from changing use at existing sites. This policy is critically limiting our ability to move forward with shovel-ready projects and planning for future housing on the Peninsula.
- The **cost of construction** has skyrocketed since the onset of the COVID-19 pandemic and now requires even higher levels of subsidy. PG and other small jurisdictions have severely limited access to housing subsidies, land, and

related resources needed to produce lower income housing units at the numbers indicated in the draft distribution of RHNA numbers.

### RHNA Methodology

The two methodologies proposed by AMBAG include the Racially Concentrated Areas of Affluence (RCAAs) and HCD/TCAC Opportunity Map methodology. Implementing one or the other would result in very different outcomes for PG. The table below shows the results of the RCAA methodology that increases very low income units by 33%, a 32% increase in low income units, a decrease of 50% in moderate income units and a 38% decrease in above moderate income units:

City of Pacific Grove RHNA Numbers	TCAC	RCAA	% Change
Very Low	152	202	33%
Low	100	132	32%
Moderate	48	24	-50%
Above mod	150	93	-38%
Total Units Assigned	450	451	0%

### Racially Concentrated Areas of Affluence (RCAAs)

The proposed RHNA methodology utilizing the Racially Concentrated Areas of Affluence (RCAAs), which reflects areas of advantage in the region and directs a higher share of lower-income housing to RCAA's, results in approximately 74% of the very low or low income RHNA allocation to those jurisdictions including the City of Pacific Grove.

This methodology puts undue burden on cities like Pacific Grove who are small, do not have federal or state direct subsidies to develop very low, low, or moderate income housing, and do not have the land to build sufficient above moderate units that could yield lower income units through other incentives.

### Examining Tools to Build Affordable Housing and Meet RHNA Goals

Over the last year, PG examined how it would accommodate new RHNA numbers on existing sites through a robust community engagement process for its Welcome Home initiative. The City looked at underutilized and vacant parcels as well as examined zoning. Carefully determining eligible sites and the right tools that will yield units is part of the creativity that needs to occur in order to squeeze higher density development on any available parcels.

### City of Pacific Grove Local Water Project and ADU Development

Through great ingenuity, PG created a new water supply through the Local Water Project, a new satellite recycled water treatment plant (SRWTP) that recycles a portion of Pacific Grove's wastewater. If unused water meters exist on a property, the City can sell that allocation of water and use the revenue for ADU and JADU development. In the past two years, 104 permits have been pulled for ADU's/JADU's and of those, 29 have received their final inspection, and 21 are in the process of building plan review. The remaining 54 are somewhere in between. The City expects it could continue to accommodate more ADU development even with the CDO in place.

### Density Bonus

The table below details minimum scenarios to meet proposed RHNA allocations with density bonus incentives. If a density bonus project was hypothetically proposed to meet just the very low income requirements, the development would need to be over 400 units to yield the very low income requirement with 50% very low income affordability. Additional developments of approximately an additional 284 units would be needed to meet the affordable units proposed. There are no developments of that size in PG. The City would need to have many density bonus developments and upzone many

parcels and include density bonus incentives to meet the needs of the lower income units to accommodate the number of lower income units required by the proposed RHNA allocation. It is highly unlikely that a density bonus development would occur with 100% affordability, so realistically, these are minimum numbers and far greater numbers would be needed to accommodate the lower income units.

Density Bonus as a Tool to Meet Affordability		
Income Level	RHNA RCAA Proposed Units for PG	Minimum Density Bonus required to yield RHNA units
Very Low Income	202	404 (100% affordable development)
Low Income	132	236 (100% affordable development)
Moderate Income	24	48 (80% density bonus with 50% affordability)
Above Moderate	93	93 (no subsidy just building units)
Total	451	781

## Inclusionary Zoning

The City has examined implementing an Inclusionary Zoning Ordinance. The table below details the RHNA numbers needed to meet affordability requirements. If an inclusionary requirement comparable to the County of Monterey were applied, after the threshold of about six or more housing units is met and a hypothetical 20% inclusionary requirement is applied at the distribution of 6% very low income, 6% low income, and 8% moderate income units; in order to reach 202 very low income units, the City would need to develop 3,367 units, 2,200 additional units to meet the low income requirement of 132 units, and 300 units to meet the 24 unit moderate requirement. The total number of units through an inclusionary requirement to meet those affordability requirements alone in the RCCA model would be 5,867 units, or an 86% increase in the total housing stock of Pacific Grove.

Inclusionary Zoning Needed to Meet Draft RHNA Numbers				
Income Level	RHNA RCAA Proposed Units for PG	Minimum Needed	Inclusionary Units	
6% Very Low Income	202	3,367		
6% Low	132	2,200		
8% Moderate	24	300		
Above Moderate	93	93		
Total units	451	5867		

## Cost to Build Lower Income Units

The latest development estimates from non-profit housing developers to build a lower income unit is approximately \$550,000/unit and this estimate is for a studio or 1-bedroom unit. The cost to build 358 subsidized units would be approximately \$196,900,000.

## Very Low Income Units and Additional Subsidies

Very-low income units often require additional subsidies for supportive housing services. The cost of these services have been estimated by the State's No Place Like Home (NPLH) funding program to be about an additional \$6,500/year/unit in operating subsidies to support clients in retaining housing. Some estimates locally can be as high as approximately \$16,000/year/unit. In order to meet the subsidy for one year after averaging the supportive service cost estimates, an additional \$2,272,500 might be needed annually to maintain the services for very low income households.

### **Limited Access to regional funds for affordable housing**

Project based Section 8/Housing Choice Vouchers are significant in developing affordable housing but the city of Pacific Grove is at a disadvantage in accessing them. The City of Salinas receives the largest investment from the County's Housing Authority that develops affordable housing. The Housing Authority has the majority of their low-income housing development in the City of Salinas and owns many properties in Salinas. Additionally, other housing developers, such as Eden, MidPen, EAH Housing, and CHISPA focus most of their development efforts in Salinas and South County. A lot of this has to do with the availability of land, water, and subsidies. Additionally, Salinas can invest an initial subsidy from HOME funds that makes TCAC applications more competitive.

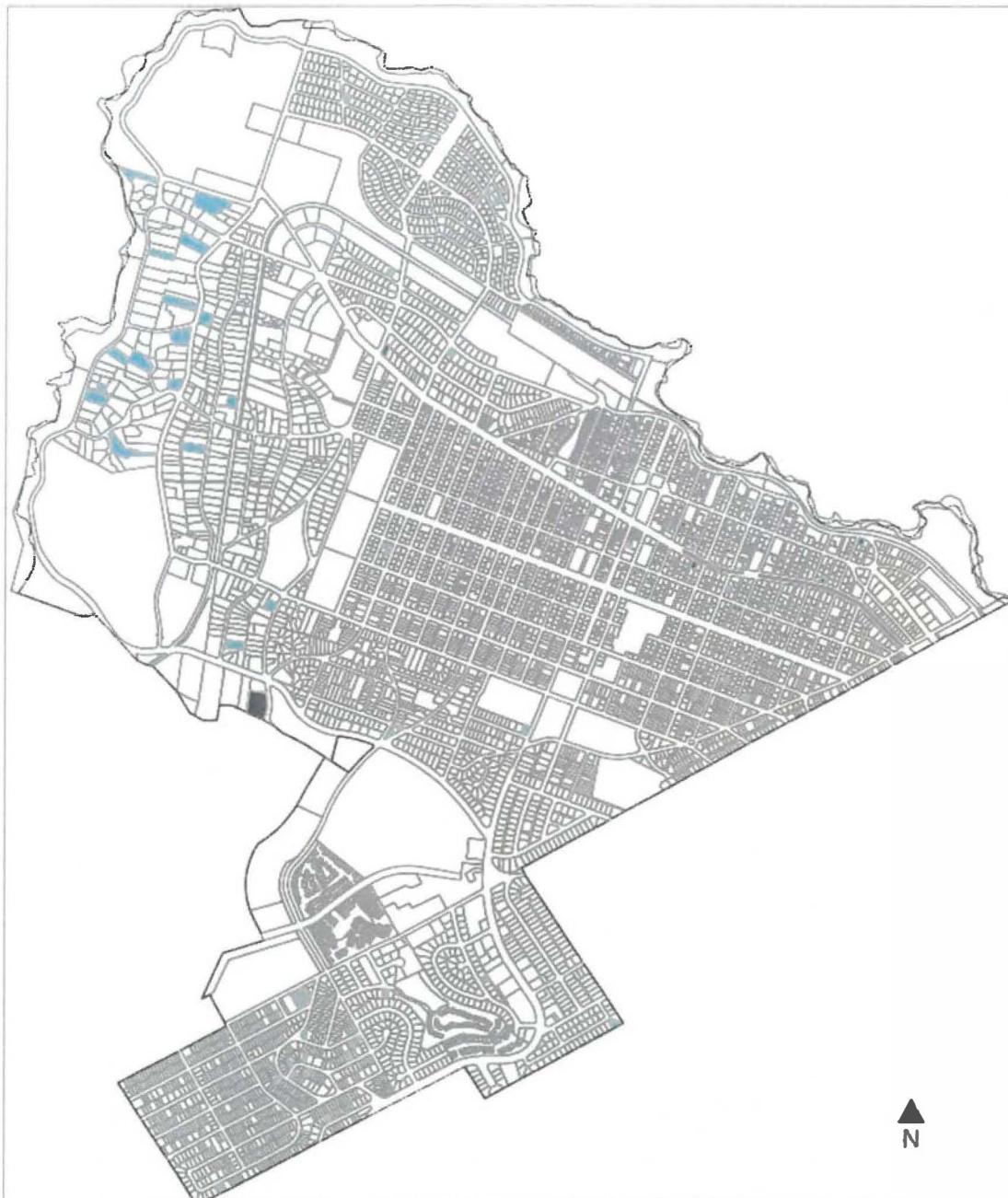
**Conclusion/Request:** When it comes to the allocation of RHNA numbers, one unit of lower income housing, especially very low and low, is not equal to one unit of above moderate housing. If AMBAG selected this methodology, the City would require serious subsidies to ensure its share of lower income units are built. More importantly, it would require development of additional above moderate units to yield lower income units. The RCAA methodology is technically giving the City more above moderate units. The City proposes moving toward a methodology that more equitably and reasonably distributes lower income units. The RCAA methodology is unrealistic for the City and needs to be adjusted based on the City's unique limitations to succeed in the next RHNA cycle.

Sincerely,

*Alyson Hunter*

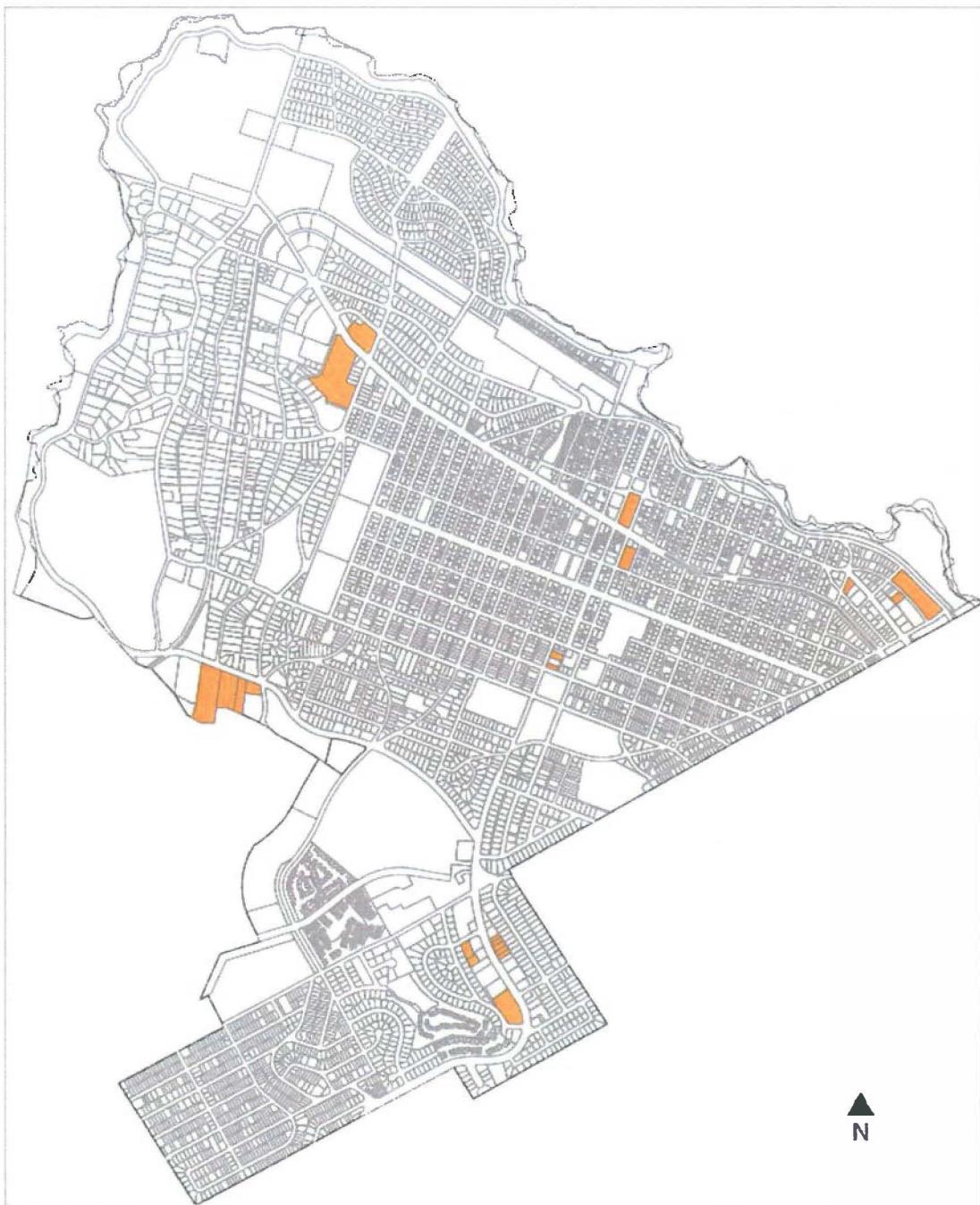
Alyson Hunter, AICP  
Community Development Director  
City of Pacific Grove

**Figure B-1: Vacant Sites**



Vacant High Density Residential Parcels     Vacant Commercial Parcels     City Boundary  
 Vacant Low Density Residential Parcels     Parcels

**Figure B-2: Underutilized Sites**



Underutilized Parcels

Parcels

City Boundary



November 24, 2021

**Via e-mail**

Planning Directors Forum  
 Maura Twomey, Executive Director  
 Heather Adamson, Planning Director  
 Association of Monterey Bay Area Governments  
 24580 Silver Cloud Court  
 Monterey, CA 93940

**Re: RHNA Methodology**

Dear Planning Directors, Ms. Twomey, and Ms. Adamson:

I write on behalf of LandWatch Monterey County regarding the draft proposed RHNA methodology to follow up on the concerns LandWatch raised at the Planning Director's Forum on November 1, 2021 and the AMBAG Directors' meeting on November 10, 2021.

LandWatch asks that AMBAG base its jobs-related allocation on the relationship of jobs to housing in each jurisdiction rather than just that jurisdiction's percent share of regional jobs. The proposed jobs-related allocation method is not in conformance with the Housing Element Law, which mandates consideration of this relationship. LandWatch provides an alternative allocation that properly considers the jobs to housing relationship and that is consistent with all statutory objectives in Attachment 1.

- A. The allocation of units based only on a jurisdiction's jobs conflicts with the statutory objective to promote "an improved intraregional relationship between jobs and housing" because it fails to consider the housing part of that relationship.**

The methodology now proposed by AMBAG staff in its staff report for the November 29 Planning Directors' meeting would allocate 10,374 units of HCD's Regional Housing Needs Determination (RHND) based on each jurisdiction's share of regional jobs.<sup>1</sup>

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<sup>1</sup> The method would allocate the remaining portion of the Regional Housing Needs Determination as follows: 12,524 units based on the Regional Growth Forecast; 1,038

The allocation of the 10,374 jobs-related portion of the RHND should not be based merely on each jurisdiction's share of regional jobs. This approach fails to meet the statutory objective to promote "an improved intraregional relationship between jobs and housing." (Gov. Code, § 65584(d)(3).) There is simply no statutory basis for an allocation based on a jurisdiction's jobs that ignores the "relationship" and "balance" between jobs and housing.<sup>2</sup>

Promoting an improved intraregional relationship between jobs and housing requires that the allocation take existing housing units into account, not simply the existing jobs. Furthermore, the method used to promote an "improved" jobs/housing relationship must allocate proportionately more units to jurisdictions that have higher than average jobs/housing balances, because the purpose of this statutory objective is to remedy those high jobs/housing balances. The method used to improve the intraregional jobs/housing balance should not allocate units to those jurisdictions that have acceptable jobs/housing balances because that will divert units from jurisdictions that need the remedy. Jurisdictions with acceptable jobs/housing balances can and will be allocated units based on other statutory objectives.

However, the allocation method now proposed in the November 29, 2021 staff report, 2021, simply fails to take the jobs/housing balance into account because it allocates units based only on the percentage of regional jobs and pays no attention to existing housing units. Thus, the currently proposed method allocates thousands of units to jurisdictions like Marina, Seaside, Pacific Grove, Carmel, Del Rey Oaks, unincorporated Monterey County, and unincorporated Santa Cruz County, even though these jurisdictions do not have a jobs/housing imbalance. The method also allocates disproportionately large numbers of units to jurisdictions like Salinas and Santa Cruz that have only slightly higher than average jobs/housing balance.

And because the method diverts units are to jurisdictions with lower than average jobs/housing balances, it does not allocate enough units to jurisdictions with high jobs/housing balances to materially improve those balances. An analysis of RHNA best practices prepared for HCD endorses methodologies that "specifically targeted areas

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units based on transit; 2,075 units based on resiliency; and 7,263 units to Racially Concentrated Areas of Affluence.

<sup>2</sup> The five mandatory statutory objectives for RHNA allocation only mention jobs in one subsection, and only in relationship to housing units: "The regional housing needs allocation plan shall further all of the following objectives: . . . 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." (Gov. Code, § 65584(d)(3).)

where the existing jobs housing imbalance was the largest.”<sup>3</sup> The method proposed in the current staff report fails to do this.

In sum, the proposed method does not meet the statutory objective to promote an improved relationship between jobs and housing.

**B. The proposed allocation also conflicts with the statutory objective to promote infill, protect environmental and agricultural resources, and reduce GHG.**

The disproportionate allocation of units to unincorporated areas that have below average jobs/housing balances is also inconsistent with the mandatory objective of “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.” (Gov. Code, § 65584(d)(2).)

For example, average VMT and thus GHG are higher for both home-based and employment-based trips in the unincorporated Monterey County than in incorporated areas, so it makes sense to concentrate new units in cities.<sup>4</sup> The analysis of RHNA best practices prepared for HCD cites research explaining that assigning rural areas 3 to 4 times more housing units than their expected growth is inconsistent with the objective of lowering GHG emissions.<sup>5</sup> Exactly the same misallocation is proposed here: the 1,633 units assigned to unincorporated Monterey County based on jobs would be more than 3

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<sup>3</sup> Annelise Osterberg, Best Practices for Allocating and Evaluating RHNA, A Study Conducted for the California Department of Housing and Community Development Sacramento, California, Spring 2020, p. 42, available AT [https://ternercenter.berkeley.edu/wp-content/uploads/pdfs/A.Osterberg\\_APB\\_Best\\_Practices\\_for\\_Allocating\\_and\\_Evaluating\\_RHNA\\_.pdf](https://ternercenter.berkeley.edu/wp-content/uploads/pdfs/A.Osterberg_APB_Best_Practices_for_Allocating_and_Evaluating_RHNA_.pdf).

<sup>4</sup> Staff Report to Monterey County Planning Commission, Jan. 13, 2021, re VMT Thresholds and Exhibit B, Table summary of preliminary VMT figures, available at <http://monterey.legistar.com/gateway.aspx?M=F&ID=fa5798d5-bf42-4bb6-86e3-bdb9820d8aca.pdf> and <http://monterey.legistar.com/gateway.aspx?M=F&ID=cf0c6f16-580d-49e6-95eb-80e7539b898f.pdf>.

<sup>5</sup> Annelise Osterberg, Best Practices for Allocating and Evaluating RHNA, A Study Conducted for the California Department of Housing and Community Development Sacramento, California, Spring 2020, p. 15, *citing* Perry, F. Noel, Colleen Kredell, Marcia E. Perry, and Stephanie Leonard. “Missing the Mark: Examining the Shortcomings of California’s Housing Goals.” Next 10, February 28, 2019. <https://www.next10.org/publications/housing-goals>.

times its expected growth of 510 units. And the total proposed assignment to unincorporated Monterey County of 3,827 units is more than 7 times its expected growth. No other jurisdiction with expected growth over 200 units has a higher total allocation in proportion to its expected growth. In preparing the Sustainable Communities Strategy, ABMBAG staff may find it difficult or impossible to meet CARB's GHG reduction targets if AMBAG allocates thousands of units to rural areas instead of the areas with severe jobs/housing imbalances.

And rural development clearly presents few opportunities for infill and efficient development patterns. Rural development does not protect environmental and agricultural resources.

The November 29, 2021 staff report contends that the objectives to promote infill, environmental protection, preservation of agricultural land, and GHG reduction is met by allocating some units on the basis of the Regional Growth Forecast (RGF). However, the proposed methodology allocates only 12,524 units based on the RGF and then misallocates another 10,374 units based only on regional jobs shares rather than based on the statutory objective to improve intraregional jobs/housing imbalances. Since that misallocation does not further the Government Code Section 65584(d)(3) objective, and since thousands of the misallocated units would be going to rural areas, the misallocation conflicts with the Government Code Section 65584(d)(2) objective to promote infill, environmental protection, preservation of agricultural land, and GHG reduction. Obviously, some statutory objectives can be in tension with each other. But when units are misallocated without statutory justification, the conflict with other statutory objectives cannot be justified.

The analysis of RHNA best practices prepared for HCD highlights the importance of a common sense review of the results against the statutory objectives. “To truly understand the extent to which an allocation plan furthers the statutory objectives of RHNA – especially within the context of each region, it is necessary to analyze the actual output of the methodology.”<sup>6</sup> The proposed allocation of 3,827 units to unincorporated Monterey County, the second largest allocation to any jurisdiction, does not support the statutory objectives.

### **C. The draft allocation can and should be revised to allocate units to improve poor jobs/housing balances.**

AMBAG should not allocate units based on the jurisdictions' shares of 2020 regional jobs (hereinafter, the “Percent of Regional Jobs Method”) because it does not comply with the statutory mandate. Instead AMBAG should revise its draft methodology to

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<sup>6</sup> Annelise Osterberg, Best Practices for Allocating and Evaluating RHNA, A Study Conducted for the California Department of Housing and Community Development Sacramento, California, Spring 2020, p. 40.

allocate units based on the statutory objective to improve the jobs/housing balance for jurisdictions with poor balances. Such a method would comply with the statutory mandate.

LandWatch has prepared a spreadsheet that provides an alternative method to allocate the 10,374 units proposed for a jobs-related allocation. This proposed “Jobs-Housing Balance Method” allocates units to promote better jobs/housing balances by focusing on the relationship between each jurisdiction’s 2020 jobs and its 2020 housing units. The allocation appears in Attachment 1, which sets out and compares the Jobs-Housing Balance Method and the Percent of Regional Jobs Method.

The Jobs-Housing Balance Method we propose starts by determining each jurisdiction's jobs/housing balance, using the same Regional Growth Forecast data that AMBAG staff used in its November 29 staff report.<sup>7</sup> The method also determines the regional average jobs/housing balance, which is 1.55 jobs per housing unit, again consistent with the November 29 AMBAG staff report.

The method then determines how many additional units each jurisdiction would have to build to attain the regional average of 1.55 jobs per housing unit.<sup>8</sup> Because many jurisdictions have much higher jobs/housing balances than the regional average, 41,266 units would have to be built for all of these jurisdictions to attain the regional average balance.

However, the previously proposed methodology starts with the assumption that only a certain fixed number of units will be allocated based on any jobs-related data, i.e., the 10,374 units representing 50% of the total RHND that is not to be allocated based on the Regional Growth Forecast. Thus, in order to conform to the 10,374-unit limit for a jobs-related housing allocation, the Jobs-Housing Balance Method makes a pro-rata reduction to the units needed by each jurisdiction so that the total allocated by this method is not 41,266 units but only 10,374 units.<sup>9</sup>

Although each jurisdiction would not attain the regional average jobs/housing balance, the Jobs-Housing Balance Method does allocate units just to the jurisdictions that actually need to improve their jobs/housing balances, and it allocates units in proportion to the severity of their jobs/housing imbalance. And the Jobs-Housing Balance Method does

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<sup>7</sup> 2020 jobs and housing data are from the Regional Growth Forecast, available at [https://www.ambag.org/sites/default/files/2020-12/Final%20Draft%202022%20Regional%20Growth%20Forecast\\_PDF\\_A.pdf](https://www.ambag.org/sites/default/files/2020-12/Final%20Draft%202022%20Regional%20Growth%20Forecast_PDF_A.pdf).

<sup>8</sup> See Attachment 1, column labeled “Units Short of Regional Average Jobs-Housing Balance.”

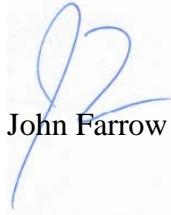
<sup>9</sup> See Attachment 1, column labeled “Prorated Allocation of 10,374 Units to Cities with Below Avg J/H Balance.”

not allocate additional units to jurisdictions that already have better than average jobs/housing balance.

In conclusion, LandWatch asks that the Planning Directors endorse the use of the Jobs-Housing Balance Method. Unlike the Percent of Jobs Method, the Jobs-Housing Balance Method meets the statutory objective to improve the jobs/housing relationship and furthers the objectives to promote infill, protect environmental and agricultural resources, encourage efficient development patterns, and achieve GHG reductions targets.

Yours sincerely,

M. R. WOLFE & ASSOCIATES, P.C.



The image shows a handwritten signature in blue ink, which appears to be "JF". Below the signature, the name "John Farrow" is printed in a black sans-serif font.

JHF:hs

Attachment

cc: Tawny Macedo, HCD  
Matt Huerta, MBEP  
Elizabeth Madrigal, MBEP  
Aaron Eckhouse, California YIMBY  
Rafa Sonnenfeld, Santa Cruz YIMBY and YIMBY Law

Attachment 1 - Alternative Allocation Using Jobs and Housing Data Instead of Jobs Only

AMBAG Jurisdictions (excluding San Benito County)	RGF, TRANSIT, RESILIENCY, & RCAA UNITS				PERCENT OF REGIONAL JOBS METHOD			JOBS-HOUSING BALANCE METHOD					COMPARISON	
	Units Allocated by Regional Growth Forecasts		Units Allocated by Units Allocated by Transit		Allocation of 10,374 Units Based on Percent of Regional Jobs		2020 Jobs			2020 Jobs-Housing Balance		Prorated Allocation of 10,374 Units to Cities with Below Avg J/H Balance		
	Units Allocated by Resiliency	Units Allocated by RCAA	Percent of Regional Jobs	Total RHNA	Housing Units	Jobs-Housing Balance	Average Housing Balance	Cities with Below Avg J/H Balance	Total RHNA					
Monterey County														
Carmel-By-The-Sea					3,566	0.9%	97	139	3,437	1.04	0	42	-97	
Del Rey Oaks			1		748	0.2%	20	396	741	1.01	0	376	-20	
Gonzales	10	-			6,326	1.7%	171	1,869	1,987	3.18	2,107	2,228	358	
Greenfield	69	87		31	7,882	2.1%	213	868	3,981	1.98	1,120	937	68	
King City			6272		8,195	2.1%	222	803	3,432	2.39	1,872	530	249	
Marina	550	-			6,548	1.7%	177	1,189	7,784	0.84	0	282	-177	
Monterey	488	-	105		40,989	10.7%	1,110	2,897	13,705	2.99	12,824	471	2,114	
Pacific Grove	790	87	93	1,249	8,016	2.1%	217	637	8,201	0.98	0	420	-217	
Salinas	403	87	135		78,874	20.6%	2,136	7,466	43,411	1.82	7,638	7,250	-216	
Sand City	98	33	48		2,092	0.5%	57	440	189	11.07	1,165	1,920	676	
Seaside	108	168	18		10,476	2.7%	284	1,116	10,920	0.96	0	832	-284	
Soledad	649	87	21		9,010	2.4%	244	804	4,137	2.18	1,695	293	986	
Unincorporated Area	473	-	96		60,293	15.7%	1,633	3,827	39,839	1.51	0	2,194	-1,633	
Santa Cruz County											426			
Capitola	510	87	87	1,579	12,250	3.2%	332	1,090	5,554	2.21	2,375	1,355	265	
Santa Cruz					43,865	11.5%	1,188	3,400	23,954	1.83	4,437	3,327	-73	
Scotts Valley	178	-		552	10,109	2.6%	274	600	4,739	2.13	1,804	597	180	
Watsonville	789	87	28	113	28,514	7.4%	772	2,067	14,226	2.00	4,229	2,358	291	
Unincorporated Area	57	23	87	15	45,264	11.8%	1,226	3,665	57,662	0.78	0	453	-1,226	
Total Monterey and Santa Cruz Counties	570	12,524	87	1,038	5785	2,075	1,767	7,263	383,017	10,374	33,274	247,899	1.55	
			87							41,266	10,374	33,274		0



November 29, 2021

Board of Directors  
Association of Monterey Bay Area Governments  
24580 Silver Cloud Court Monterey, CA 93940  
Via e-mail

Re: RHNA Methodology

Dear Members of the Board:

I write to follow up on the concerns LandWatch has raised regarding the draft proposed RHNA methodology. For context, LandWatch's advocates for housing that is both climate-friendly and affordable to local working families. To be climate-friendly by reducing reliance on automobiles, housing must be located in urban areas that are near to public and private services and opportunities, e.g., jobs, schools, and shopping. To be affordable for local working families, housing must be higher density, smaller, and available for rent.<sup>1</sup> Achieving both goals means avoiding sprawling into areas where long commutes by cars are mandatory (and expensive) and where public services and opportunities are unavailable or expensive (and escalating).

To these ends, LandWatch asks that AMBAG base its jobs-related allocation on each jurisdiction's jobs/housing balance rather than just its share of regional jobs. The statutory objective calls for improving the "intraregional relationship between jobs and housing," which requires consideration of both jobs and available housing units.

LandWatch proposes an alternative allocation in Attachment 1 based on the jobs/housing relationship. This method better fits the statutory objective related to jobs and housing, better meets other statutory objectives, and is well within your discretion as a Board.

**A. The allocation of units based only on a jurisdiction's jobs does not adequately fulfill the statutory objective to promote “an improved intraregional relationship between jobs and housing” because it fails to consider the housing part of that relationship.**

The methodology now proposed by AMBAG staff would allocate 10,374 units of HCD's Regional Housing Needs Determination (RHND) based on each jurisdiction's share of regional jobs.<sup>2</sup>

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<sup>1</sup> See [California needs more housing types for more people, not just more of the same big, single-family houses](#), the recent op-ed I co-authored with YIMBY in Monterey County Weekly, and [How to House People and Achieve California's Climate Goals](#), the op-ed I co-authored with Senator Caballero in CalMatters.

<sup>2</sup> The method proposed in the staff report for the November 29 Planning Directors' meeting would allocate the remaining portion of the Regional Housing Needs Determination as follows: 12,524 units based on the Regional Growth Forecast; 1,038 units based on transit; 2,075 units based on resiliency; and 7,263 units to Racially Concentrated Areas of Affluence.

However, the allocation of the jobs/housing-related portion of the RHND should also take into account each jurisdiction's available housing units. The statutory objective is phrased in terms of promoting "an improved intraregional relationship between jobs and housing."<sup>3</sup> (Gov. Code, § 65584(d)(3).) Promoting that improved intraregional relationship between jobs and housing requires that the allocation take into account existing housing units, not simply existing jobs.

Furthermore, the method used to promote an improved jobs/housing relationship should allocate proportionately more units to jurisdictions that have the worst jobs/housing balances, because the purpose of this statutory objective is to remedy those high jobs/housing balances. Conversely, the method should not allocate units to those jurisdictions that have acceptable jobs/housing balances because that will divert units from jurisdictions that need the remedy.

The proposed jobs/housing balance allocation method does not target the jobs/housing balance because it simply ignores the denominator. Thus, the proposed method allocates thousands of units to jurisdictions like Marina, Seaside, Pacific Grove, Carmel, Del Rey Oaks, unincorporated Monterey County, and unincorporated Santa Cruz County, even though these jurisdictions do not have a jobs/housing imbalance. The method also allocates disproportionately large numbers of units to jurisdictions like the cities of Salinas and Santa Cruz that have only slightly higher than average jobs/housing balances.

And because the method diverts units to jurisdictions with the best jobs/housing balances, it does not allocate enough units to jurisdictions with the worst jobs/housing balances to materially improve those balances. An analysis of RHNA best practices prepared for HCD endorses methodologies that "specifically targeted areas where the existing jobs housing imbalance was the largest."<sup>4</sup> The proposed method fails to do this.

**B. The proposed allocation does not support the statutory objectives to promote infill, protect environmental and agricultural resources, and reduce GHG.**

The disproportionate allocation of units to unincorporated areas that have below average jobs/housing balances does not support the statutory objectives of "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." (Gov. Code, § 65584(d)(2).)

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<sup>3</sup> The five mandatory statutory objectives for RHNA allocation only mention jobs in one subsection, and only in relationship to housing units: "The regional housing needs allocation plan shall further all of the following objectives: . . .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." (Gov. Code, § 65584(d)(3), emphasis added.)

<sup>4</sup> Annelise Osterberg, Best Practices for Allocating and Evaluating RHNA, A Study Conducted for the California Department of Housing and Community Development Sacramento, California, Spring 2020, p. 42, available at [https://ternercenter.berkeley.edu/wp-content/uploads/pdfs/A.Osterberg\\_APB\\_Best\\_Practices\\_for\\_Allocating\\_and\\_Evaluating\\_RHNA.pdf](https://ternercenter.berkeley.edu/wp-content/uploads/pdfs/A.Osterberg_APB_Best_Practices_for_Allocating_and_Evaluating_RHNA.pdf).

For example, average VMT, and resulting GHG emissions, are higher for both home-based and employment-based trips in the unincorporated Monterey County than in incorporated areas, so it makes sense to concentrate new units in cities.<sup>5</sup>

The analysis of RHNA best practices prepared for HCD cites research explaining that assigning rural areas 3 to 4 times more housing units than their expected growth is inconsistent with the objective of lowering GHG emissions.<sup>6</sup> Exactly the same misallocation is proposed here: the 1,633 units assigned to unincorporated Monterey County based on jobs is more than 3 times its expected growth of 510 units, and the total proposed assignment of 3,827 units is more than 7 times its expected growth.

In preparing the Sustainable Communities Strategy, ABMBAG staff may find it difficult or impossible to meet CARB's GHG reduction targets if AMBAG allocates thousands of units to rural areas instead of the areas with severe jobs/housing imbalances. Locating housing near jobs is a critical method to meet GHG reduction targets.

And rural development clearly presents few opportunities for infill and efficient development patterns. Rural development does not protect environmental and agricultural resources. In sum, the proposed misallocation of jobs-related units to rural jurisdictions conflicts with the objectives to promote infill, protect environmental and agricultural resources, and reduce GHG.

The analysis of RHNA best practices prepared for HCD highlights the importance of a common sense review of the methodology's results against the statutory objectives. "To truly understand the extent to which an allocation plan furthers the statutory objectives of RHNA – especially within the context of each region, it is necessary to analyze the actual output of the methodology."<sup>7</sup> The proposed allocation of 3,827 units to unincorporated Monterey County, the second largest allocation to any jurisdiction, does not support the statutory objectives. While some tension in objectives may be inevitable, the tension created by the proposed jobs-related allocation cannot be justified because it does not actually further the jobs/housing objective.

Finally, we note that the other statutory objectives are implemented through other factors in the proposed methodology, and the jurisdictions with acceptable jobs/housing balances will be allocated units based on those other factors. So, for instance, staff's proposed jobs-based allocation should not be rationalized based on the claim of incidental and untargeted effects on the statutory objective to affirmatively further fair housing (AFFH). This critical equity issue is directly addressed through the separate proposed allocation of 35% of the RHND based on a formula identifying Racially Concentrated Areas of Affluence and based on the separate targeted income shift process. LandWatch supports these separate targeted equity allocation

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<sup>5</sup> Staff Report to Monterey County Planning Commission, Jan. 13, 2021, re VMT Thresholds and Exhibit B, Table summary of preliminary VMT figures, available at <http://monterey.legistar.com/gateway.aspx?M=F&ID=fa5798d5-bf42-4bb6-86e3-bdb9820d8aca.pdf> and <http://monterey.legistar.com/gateway.aspx?M=F&ID=cf0c6f16-580d-49e6-95eb-80e7539b898f.pdf>.

<sup>6</sup> Annelise Osterberg, Best Practices for Allocating and Evaluating RHNA, A Study Conducted for the California Department of Housing and Community Development Sacramento, California, Spring 2020, p. 15, *citing* Perry, F. Noel, Colleen Kredell, Marcia E. Perry, and Stephanie Leonard. "Missing the Mark: Examining the Shortcomings of California's Housing Goals." Next 10, February 28, 2019. <https://www.next10.org/publications/housing-goals>.

<sup>7</sup> *Id.*, p. 40.

processes. If there is a need for further revisions in order to target equity, revisions should be made through those separate processes.

**C. The draft allocation can and should be revised to allocate units to improve poor jobs/housing balances.**

AMBAG should revise its draft methodology to allocate the jobs-related units based on the objective to improve the jobs/housing balance in jurisdictions with poor balances. Such a method would directly and proportionately further the statutory objective without the dilution caused by misallocation of these units to jurisdictions with acceptable jobs/housing balances.

LandWatch has prepared a spreadsheet that provides an alternative method to allocate the 10,374 units proposed for a jobs-related allocation. This proposed “Jobs-Housing Balance Method” allocates units to promote better jobs/housing balances by focusing on the relationship between each jurisdiction’s 2020 jobs and its 2020 housing units. The allocation appears in Attachment 1, which sets out and compares the Jobs-Housing Balance Method and the Percent of Regional Jobs Method.

The Jobs-Housing Balance Method we propose starts by determining each jurisdiction's jobs/housing balance, using the same Regional Growth Forecast data that AMBAG staff used in its November 29 staff report.<sup>8</sup> The method also determines the regional average jobs/housing balance, which is 1.55 jobs per housing unit, again consistent with the November 29 AMBAG staff report.

The method then determines how many additional units each jurisdiction would have to build to attain the regional average of 1.55 jobs per housing unit.<sup>9</sup> Because many jurisdictions have much higher jobs/housing balances than the regional average, a total of 41,266 units would have to be built for all of these jurisdictions to attain the regional average balance.

However, the proposed methodology starts with the assumption that only a certain fixed number of units will be allocated based on any jobs-related data, i.e., the 10,374 units representing 50% of the total RHND that is not to be allocated based on the Regional Growth Forecast. Thus, in order to conform to the 10,374-unit limit for a jobs-related housing allocation, the Jobs-Housing Balance Method makes a pro-rata reduction to the units needed by each jurisdiction so that the total allocated by this method is not 41,266 units but only 10,374 units.<sup>10</sup>

Although each jurisdiction would not attain the regional average jobs/housing balance, the Jobs-Housing Balance Method does allocate units just to the jurisdictions that actually need to improve their jobs/housing balances, and it allocates units in proportion to the severity of their jobs/housing imbalance. And the Jobs-Housing Balance Method does not allocate additional

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<sup>8</sup> 2020 jobs and housing data are from the Regional Growth Forecast, available at [https://www.ambag.org/sites/default/files/2020-12/Final%20Draft%202022%20Regional%20Growth%20Forecast\\_PDF\\_A.pdf](https://www.ambag.org/sites/default/files/2020-12/Final%20Draft%202022%20Regional%20Growth%20Forecast_PDF_A.pdf).

<sup>9</sup> See Attachment 1, column labeled “Units Short of Regional Average Jobs-Housing Balance.”

<sup>10</sup> See Attachment 1, column labeled “Prorated Allocation of 10,374 Units to Cities with Below Avg J/H Balance.”

units to jurisdictions that already have better than average jobs/housing balance. This is clearly a better fit to the statutory objective to improve intraregional jobs/housing balances.

In conclusion, LandWatch asks that the members of the Board of Directors approve a methodology that uses the attached Jobs-Housing Balance Method. The Jobs-Housing Balance Method better meets the statutory objective to improve the jobs/housing relationship and furthers the objectives to promote infill, protect environmental and agricultural resources, encourage efficient development patterns, and achieve GHG reductions targets.

Sincerely,



Michael D. DeLapa  
Executive Director

cc: Maura Twomey, Executive Director  
Heather Adamson, Planning Director  
Tawny Macedo, HCD  
Matt Huerta, MBEP  
Elizabeth Madrigal, MBEP  
Aaron Eckhouse, California YIMBY  
Rafa Sonnenfeld, Santa Cruz YIMBY and YIMBY Law

Attachment 1 - Alternative Allocation Using Jobs and Housing Data Instead of Jobs Only

AMBAG Jurisdictions (excluding San Benito County)	RGF, TRANSIT, RESILIENCY, & RCAA UNITS				PERCENT OF REGIONAL JOBS METHOD			JOBS-HOUSING BALANCE METHOD					COMPARISON	
	Units Allocated by Regional Growth Forecasts		Units Allocated by Units Allocated by Transit		Allocation of 10,374 Units Based on Percent of Regional Jobs		2020 Jobs			2020 Jobs-Housing Balance		Prorated Allocation of 10,374 Units to Cities with Below Avg J/H Balance		
	Units Allocated by Resiliency	Units Allocated by RCAA	Percent of Regional Jobs	Total RHNA	Housing Units	Jobs-Housing Balance	Average Housing Balance	Cities with Below Avg J/H Balance	Total RHNA					
Monterey County														
Carmel-By-The-Sea					3,566	0.9%	97	139	3,437	1.04	0	42	-97	
Del Rey Oaks			1		748	0.2%	20	396	741	1.01	0	376	-20	
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Salinas	403	87	135		78,874	20.6%	2,136	7,466	43,411	1.82	7,638	7,250	-216	
Sand City	98	33	48		2,092	0.5%	57	440	189	11.07	1,165	1,920	676	
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Soledad	649	87	21		9,010	2.4%	244	804	4,137	2.18	1,695	293	986	
Unincorporated Area	473	-	96		60,293	15.7%	1,633	3,827	39,839	1.51	0	2,194	-1,633	
Santa Cruz County											426			
Capitola	510	87	87	1,579	12,250	3.2%	332	1,090	5,554	2.21	2,375	1,355	265	
Santa Cruz					43,865	11.5%	1,188	3,400	23,954	1.83	4,437	3,327	-73	
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Watsonville	789	87	28	113	28,514	7.4%	772	2,067	14,226	2.00	4,229	2,358	291	
Unincorporated Area	57	23	87	15	45,264	11.8%	1,226	3,665	57,662	0.78	0	453	-1,226	
Total Monterey and Santa Cruz Counties	570	12,524	87	1,038	5785	2,075	1,767	7,263	383,017	10,374	33,274	247,899	1.55	
			87							41,266	10,374	33,274		0

## Public Comments Received on the AMBAG 6th Cycle RHNA Methodology

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
1	Public	Lee	Ruckus	<p>In Consideration of 5th Cycle Results and</p> <ul style="list-style-type: none"> <li>•Historical exclusion of Extremely-Low Income (ELI) category from RHNA goals despite statutory objectives [Equal representation does not necessitate an asterisk]</li> <li>•AMBAG 6th Cycle RHNA goals for the lowest-incomes: ratios of Very-Low Income (VLI) over "Above 120% AMI" (56%) and Low Income (LI) over "Above 120% AMI" (37%), per Agenda, p8</li> <li>•Available land historically prioritized for luxury/market-rate housing while "kicking can down the road" on "truly affordable" housing (ELI, VLI, LI) via in-lieu fees and/or land donations without developer under contract</li> <li>•Silicon Valley boundary encroachment into AMBAG counties</li> <li>•AMI increase due to that encroachment, e.g., rental rates @100% AMI</li> </ul> <p>1-person (only, regardless of square footage) household unit, monthly rental rate, per 2021 AMI</p> <p>Santa Cruz County: \$1958.75 (= \$78,350/12 x 0.3); "Above 120% AMI" = above \$2350.50</p> <p>San Benito County: \$1587.50 (= \$63,500/12 x 0.3); "Above 120% AMI" = above \$1905</p> <p>Monterey County: \$1427.50 (= \$57,100/12 x 0.3); "Above 120% AMI" = above \$1713</p> <p>1-person (only, regardless of square footage) household unit, monthly rental rate, per 2018 AMI</p> <p>Santa Cruz County: \$1522.50 (= \$60,900/12 x 0.3)</p> <p>San Benito County: \$1418.75 (= \$56,750/12 x 0.3)</p> <p>Monterey County: \$1208.75 (= \$48,350/12 x 0.3)</p>	HCD provides the units by income categories as part of its Regional Housing Need Determination.	Email	9/7/2021
2	Public	Lee	Ruckus	<p>Either</p> <ul style="list-style-type: none"> <li>•Establish an overriding timeline in each of the AMBAG designated areas for the lowest-income RHNA goals FOR EVERY TWO YEARS of the 8.5-year 6th Cycle (6/30/23 – 12/15/31), similar to AMBAG 6th Cycle RHNA goal ratios of Very-Low Income (VLI) over "Above 120% AMI" (56%) and Low Income (LI) over "Above 120% AMI" (37%), per Agenda, p8 Suspend permit approvals for "Above 120% AMI" housing units should that timeline goal for the lowest-income-level housing units not be accomplished at the end of each two-year period. Or Require the State to provide the funds up front (not via grant lotteries, tax credits, etc.) to fulfill the lowest-income RHNA goals. How about taxing Tech and luxury-rate real estate developers —those purveyors of rooftop pools and bars— to contribute to that purpose?</li> </ul>	AMBAG does not have land use authority. Each local jurisdiction is responsible for preparing a housing element and permitting housing units.	Email	9/7/2021
3	Public	Lee	Ruckus	<p>The Hubris of Density Up in a Seismic Zone</p> <p>No engineer or architect can design an "earthquake-proof" structure. That concept does not exist in reality, despite its common usage. They design toward the goal of "earthquake-resistance" to minimize lateral movement, but they cannot guarantee that any structure they design will be habitable... or standing... after every earthquake.</p> <p>They can cite a low probability of failure based on statistical analyses, but earthquakes are unique and unpredictable.</p> <p>And there are other variables, including the inherent faulty construction practices and materials that may not be discovered until after successive ground movement has occurred to expose them.</p> <p>"Earthquake design is a fuzzy proposition. You can't ask an engineer to guarantee that a building will never collapse in an earthquake. That is not fair, and it is not the deal that society has made with the construction world. You can ask that it will behave as well as possible, meeting at least the code requirements. Even that's a heavy responsibility." —Leonard Joseph, Principal, Seismic Performance-Based Design, Thornton Tomasetti</p>	Comment noted.	Email	9/7/2021
4	Santa Cruz YIMBY	Sonnenfeld	Rafa	<p>Santa Cruz YIMBY advocates for more affordable housing to meet the needs of our growing population in response to the ever-increasing cost of living and the housing crisis in our region. We have been closely following the RHNA methodology discussion that has been occurring this year, and recommend the following changes to the staff-proposed RHNA allocation methodologies in order to improve the housing-construction feasibility and social equity that come out of the RHNA allocation:</p> <p>Use AFFH as a significant factor in allocation housing totals, not just adjusting the share of allocation for Low/Very Low Income. This will ensure that high opportunity areas receive higher numbers of both low income units as well as market rate units, instead of the proposed income shift methodology that assigns more market rate units to low opportunity communities, which could exacerbate gentrification.</p>	<p>AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.</p> <p>The AMBAG Board of Directors can direct staff to modify the draft methodology to consider an AFFH factor as an allocation factor and bring back to the Planning Directors for discussion.</p>	Letter	9/20/2021
5	Santa Cruz YIMBY	Sonnenfeld	Rafa	Use jobs access as the other major factor, and base that on jobs proximity instead of within jurisdiction jobs-housing balance.	<p>By putting more housing where the largest number of jobs are, that meets the statutory RHNA objective of improving jobs/housing balance. Objective 2 of RHNA states "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." ABAG's assessment of Objective 2, recommended by HCD, was to assess RHNA's performance based on jurisdiction-level jobs data, not job proximity.</p>	Letter	9/20/2021
6	Santa Cruz YIMBY	Sonnenfeld	Rafa	Set up a strong evaluative framework to assess methodology performance (and base it primarily on the number of units allocated, not the % at different income levels).	AMBAG's evaluation framework is to ensure the allocation meets the five statutory objectives and addresses the 13 statutory factors. AMBAG proposes using an evaluation framework of metrics as presented in the revised draft methodology to the Planning Directors meeting on November 1, 2021. Evaluation of each jurisdiction's progress towards fulfilling their RHNA allocation is done by HCD through their Annual Progress Reporting process.	Letter	9/20/2021

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7	Santa Cruz YIMBY	Sonnenfeld	Rafa	We find that the proposed methodologies presented in the August planning directors meeting do not adequately account for the need for Farmworker Housing. Farmworker jobs are not necessarily accurately captured in the Census data; to ensure that homes are adequately distributed to farmworker communities, we suggest a methodology factor that explicitly allocates approximately 900-1000 80% AMI farmworker housing units (the number of farmworker housing units identified as feasible to construct in the Pajero/Salinas Valley Farmworker Housing study) between the following jurisdictions: Unincorporated Santa Cruz and Monterey Counties, Watsonville, and all Salinas Valley jurisdictions including Gonzalez, Greenfield, King City, Salinas, and Soledad.	Ag jobs are included in our jobs data. We are not using "Census" jobs data—we're using address-level data from the California Employment Development Department, InfoUSA, and nearly a year of extensive ground-truthing the data by AMBAG staff. These data sources do include agricultural jobs as well as agricultural support jobs. If the number of ag jobs in the 2022 RGF appears low, it is not because we missed ag jobs, it's because of industry classifications. Within NAICS classifications, support activities for agricultural or animal production (e.g., harvesting contractors, farm labor contractors, crop packaging, warehousing) appear in manufacturing, transportation and warehousing, or wholesale. In addition, a comprehensive review of AMBAG region firms listed in the agriculture NAICS sector showed many support activities. AMBAG staff re-classified these to manufacturing, wholesale, or retail. For these reasons, allocating by total jobs does help to ensure that housing will be planned where farmworkers live. Perhaps more importantly: The listed jurisdictions (Gonzales, Greenfield, King City, Salinas, Soledad, Unincorporated Monterey, Watsonville, and Unincorporated Santa Cruz) account for nearly 2/3rds of the Very Low and Low income allocation (more than 8,000 units) under the proposed framework. Allocating an additional 1,000 units to those jurisdictions (many of which are already lower-income) would necessitate taking lower-income units away from high-resource jurisdictions, and thus perpetuating existing inequalities—a principle RHNA is designed to protect against.	Letter	9/20/2021
8	Santa Cruz YIMBY	Sonnenfeld	Rafa	We recommend using separate allocation methodologies for low-income units assigned to jurisdictions in Monterey County vs Santa Cruz County: in Santa Cruz County, it is reasonable for jurisdictions in Santa Cruz County to plan for low-income units assigned to them on the basis of AFFH high opportunity areas. However in Monterey County, the unincorporated portion of the county has many high opportunity areas that are not good candidates for low income housing due to lack of transportation and other infrastructure necessary to be competitive for affordable housing tax credit financing. We recommend using a methodology that results in reallocating AFFH-based low-income units in Monterey County that would have been assigned to the unincorporated county to instead be allocated to incorporated cities with high opportunity such as Monterey, Pacific Grove, and Carmel.	AMBAG receives one number for both counties. There is a process for becoming a subregion and receiving a separate determination from HCD for that subregion. The timing for that has passed. Monterey and Santa Cruz counties share a number of the same characteristics such as: a sizable inter-county commute flow, need for farmworker and college housing, jobs/housing imbalance, a large share of agriculture and tourism based jobs, etc.	Letter	9/20/2021
9	Monterey Bay Economic Partnership (MBEP)	Madrigal	Elizabeth	I would like to submit the attached policy brief as written comment under agenda item 10.B, 6th Cycle Regional Housing Needs Allocation Methodology for the 10/13 AMBAG Board of Directors meeting.  Introduction: MBEP's housing initiative is aimed at promoting the increase of housing at all income levels in the Monterey Bay region via data driven policies, funding solutions, and advocacy. The purpose of this brief is to bring clarity to the methodology options that are best suited to equitably meet the housing demands of our region, as well as the intricate issues we face. MBEP's goal is to play a proactive role in convening housing advocates to build a common understanding and developing housing production oriented recommendations for consideration by local government staff and elected officials  The Regional Housing Needs Assessment (RHNA) is one of the tools available to the State of California to address our state wide housing crisis. RHNA requires that jurisdictions adequately plan for existing and future growth within their respective region. The RHNA process can be summed up in four phases, which include: 1) Regional Housing Needs Determination (RHND), 2) RHNA methodology, 3) RHNA plan, and 4) Housing Element updates. For additional information on the Housing Element and all it entails, please refer to MBEP's Housing Element FAQ.  The Association of Monterey Bay Area Governments (AMBAG) prepares the RHNA plan for Monterey and Santa Cruz counties. The Council of San Benito County Governments (SBCOG) assumes the same role as AMBAG, but for San Benito County. As of the writing of this brief, AMBAG is in Phase 2 - preparing a draft methodology which will be used to allocate a share of the Regional Housing Needs Determination (RHND) to each locality within AMBAG. SBCOG is recently received its Regional Housing Needs Determination from HCD, and is beginning to embark on Phase 2.	Thank you for your comments.	Letter	10/8/2021

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10	MBEP	Madrigal	Elizabeth	<p>Overview: Historically, the Monterey Bay Region has fallen short of permitting the units needed in order to fulfill the RHNA numbers stipulated for each jurisdiction. As of the latest state reporting period ending July 2021, AMBAG has only met 58.8% of its 5th Housing Element Cycle RHNA allocation, which spans 2014-2023. Further analysis determined that jurisdictions defined as high opportunity areas by the California Department of Housing and Community Development were least likely to be on track to meet their very low and low income RHNA targets. Of the six jurisdictions in AMBAG that have a minimum of three high opportunity areas within them, they were cumulatively found to have only produced 11.94% of AMBAG's overall RHNA allocation. Of note is that between all six jurisdictions in AMBAG that have a minimum of three high opportunity areas within them, they have collectively only permitted 294 very low income and low income units - 7% of AMBAG's allocation for very low income and low income units (4,155 total very low and low income goal). We must continue to track and evaluate the specific practices that have led to high opportunity areas within our region underperforming, especially when it comes to very low income and low income units. As a result of HCD now taking both existing and project housing needs into account when determining the Regional Housing Determination for each COG, the determinations under the 6th Housing Element cycle have turned out to be significantly higher than past determinations. The final regional housing need determination for AMBAG is 33,274 units across four income categories - very-low (extremely-low units are included within this category), low, moderate, and above-moderate. This is a 219% increase from AMBAG's total 5th Housing Element cycle RHNA allocation of 10,430. As for SBCOG, their final regional housing need determination for the 6th Housing Element cycle is 5,005 units across the four income categories of very-low (extremely-low units are included within this category), low, moderate, and above-moderate. This amounts to a 128% increase from SBCOG's total 5th Housing Element cycle RHNA allocation of 2,194.</p> <p>Now that AMBAG has received its RHND from HCD, it is tasked with determining the methodology that will be utilized to allocate the Monterey Bay Region's housing need across jurisdictions. The priority factors AMBAG has identified in developing its methodology are: regional growth forecast, employment, transit, resiliency, and affirmatively furthering fair housing (AFFH). Of note is that the AFFH allocation approach does not affect the number of units a jurisdiction is assigned - it only adjusts the share of allocation for very low &amp; low income units.</p>	<p>AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.</p> <p>The AMBAG Board of Directors can direct staff to modify the draft methodology to consider an AFFH factor as an allocation factor and bring back to the Planning Directors for discussion.</p>	Letter	10/8/2021
11	MBEP	Madrigal	Elizabeth	<p>Methodology Approach Case Study: In order to offer a view into a comparable region in the state, the methodology the Santa Barbara County Association of Governments (SBCAG) adopted will be broken down. Similar to AMBAG in that SBCAG is comprised of subregions that are distinct from one another, SBCAG chose to divide their allocation between the North County and South Coast subregions in order to focus on the region's sub-regional jobs-housing imbalance. Afterwards, a jobs-balance allocation method was applied, which includes a 60% weighing on current jobs, and a 40% weighing on forecasted 2020-2030 jobs from SBCAG's Regional Growth Forecast. The result of this first step allocated 60% of the region's RHNA determination to South Coast jurisdictions as this subregion is host to 60% of the region's current jobs. The remaining 40% of the RHNA determination was allocated to North County jurisdictions. Subsequently, SBCAG elected to distribute the subregional allocations to jurisdictions based on equal weighting (50%) for both overcrowding and cost burden. Lastly, SBCAG elected to have the methodology adjusted per RHNA's four income categories. This adjustment made it so that any jurisdiction with a high share of housing from a specific income category would receive a lower proportion of units of that very income category. As a result of this strong equity adjustment, 75% of the lower income RHNA figure was allocated towards high opportunity areas with access to jobs. The methodology approach SBCAG opted to move forward with ought to be further explored by AMBAG as our respective regions are both distinct subregions in which one approach would not adequately take into account the intricacies underlying each subregion. A strong equity adjustment similar to the one SBCAG implemented should also be highly considered by AMBAG in order for high resource areas within AMBAG's jurisdiction to build their fair share of very low and low income units.</p>	<p>Objective 1 of RHNA states: 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. Housing law does not allow any jurisdiction to get 0 low- and very low income units. By allocating units to jurisdictions based on their number of jobs and their access to high-quality transit, and then shifting across income categories, the proposed methodology does funnel more very low and low income RHNA units to higher-income areas with access to key resources. In assessing the results of the draft methodology, we have also noted that jurisdictions with higher per capita unit allocations have current housing shortages, as illustrated by high rates of overcrowding and high need for farmworker housing. The proposed methodology balances existing housing needs by locating housing where it is needed, and balances equity by shifting across income categories.</p>	Letter	10/8/2021
12	MBEP	Madrigal	Elizabeth	<p>Recommendations to Consider: Farmworker Housing - The Monterey Bay Area region is distinct from various regions in the state in that it is comprised of a multi billion dollar agricultural industry primarily concentrated in the Salinas Valley, as well as a booming tourism industry in the coastal regions of the Monterey Peninsula and Santa Cruz. On the point of economic drivers within the Monterey Bay Region, it is imperative that AMBAG specifically account for the housing needs of farmworkers, especially when factoring in the significant rates of overcrowding in our region when it comes to this special needs population. According to the Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley, farmworker households were found to be occupied at 7 People Per Dwelling (PPD) to the average PPD of 3.23 in Monterey County, and 2.60 PPD in Santa Cruz County. It is recommended that AMBAG staff explore incorporation of a factor allocating very low &amp; low income farmworker housing units throughout the Salinas Valley jurisdictions, Watsonville, and unincorporated Monterey &amp; Santa Cruz counties. AMBAG staff also ought to consider measures that can be taken to address the jobs-housing imbalance prevalent within coastal areas of our region with large hospitality and service sector employees.</p>	<p>While farmworker needs must be taken into account through the RHNA process, AMBAG is mandated to allocate units based on income, not on occupant type. While the farmworker and hospitality/service sectors are located in different places, on balance the distribution jobs across lower-wage industries (ag, retail, services) very closely mirrors that of total jobs across the region. Thus, while it might seem counter-intuitive, the total jobs factor results in an allocation that also distributes units to places with lower-wage industries. Finally, AMBAG explored such as allocating RHNA based on type of job based on discussions with the Planning Directors Forum. Ultimately, the consensus was that total jobs made more sense. We also double checked the numbers and found if we did use such a factor as suggested, more units would be allocated to lower income areas and less units allocated to higher opportunity areas. Staff does not feel that this meets the equitable distribution factor as compared to option staff presented.</p>	Letter	10/8/2021
13	MBEP	Madrigal	Elizabeth	<p>Affirmatively Furthering Fair Housing - Another large question to consider is whether AMBAG's methodology is effectively incorporating the Affirmatively Furthering Fair Housing factor. As it currently stands, the Affirmatively Furthering Fair Housing metric AMBAG is utilizing does not affect the total number of housing units a jurisdiction is allocated - it is simply used as a shifting mechanism to adjust the share of very low &amp; low income units a jurisdiction receives. Santa Cruz YIMBY has flagged this usage of the Affirmatively Furthering Fair Housing metric as a concern as it would in effect assign more market rate units to low opportunity communities, which has the potential to lead to gentrification. AMBAG staff ought to review and take into consideration Affirmatively Furthering Fair Housing factors other COGs in the state have utilized that have been shown to produce larger lower income RHNA allocations within high opportunity areas, such as the strong AFFH factors SBCAG and SCAG developed into their methodologies. As stated on the previous page of this brief, SBCAG was able to have 75% of the lower income RHNA numbers allocated towards high opportunity areas. As for SCAG, this COG was able to allocate 95% of their lower income RHNA figures to high and highest resource areas (with the exception of the cities of Industry and Vernon) due to their strong AFFH factor in their methodology.</p>	<p>There is no guidance under state law that suggests total units should be reduced in lower-income jurisdictions. Instead the law states that the RHNA plan must "(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." [Emphasis added.] In many cases reducing the total number of units could be counter-productive for equity as lower-opportunity jurisdictions tend to have high overcrowding rates and are in need of additional housing. Moreover the research on market rate housing and gentrification is mixed at best.</p>	Letter	10/8/2021

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14	MBEP	Madrigal	Elizabeth	Water for Housing - Lastly, a distinct issue that AMBAG must take into consideration when developing the RHNA methodology is that of the water supply problem the Monterey Peninsula is faced with. While AMBAG chose to adjust the RHNA allocation of cities within the Monterey Peninsula downwards during the 5th Housing Element cycle, we urge AMBAG to explore options that would not decrease the RHNA allocations of jurisdictions in the Monterey Peninsula, especially as most high opportunity areas within Monterey County are located within the Monterey Peninsula. Detailed in length in MBEP's Study on the Impact of Water on Housing Development in the Monterey Peninsula, a possible solution would be for AMBAG to develop an alternative distribution of the RHNA numbers in order to assign additional units to Peninsula jurisdictions once the Carmel River Cease and Desist order is lifted by the deadline the California State Water Resources Control Board has imposed of December 31st, 2021. It is equally important to acknowledge that while water is often cited as a barrier to the production of new housing in the Monterey Peninsula, it is not the main, nor the only barrier to housing development in these communities. Such barriers include community opposition to high density housing, high costs of construction on new housing development, and there not existing a guaranteed source of local affordable housing financing - to name a few. Establishing solutions to combat these challenges well before a new supply of water is available must be accomplished in order for jurisdictions to be well positioned to take advantage, and partner with developers to build housing without any delays.	Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including: <ol style="list-style-type: none"><li>1. Jobs and housing relationship</li><li>2. Opportunities and constraints to development of additional housing (see below)</li><li>2a. Capacity for sewer and water service</li><li>2b. Availability of land suitable for urban development</li><li>2c. Lands preserved or protected from urban development</li><li>2d. County policies to preserve prime agricultural land</li><li>3. Opportunities to maximize transit and existing transportation infrastructure</li><li>4. Policies directing growth toward incorporated areas</li><li>5. Loss of units contained in assisted housing developments</li><li>6. High housing cost burdens</li><li>7. Rate of Overcrowding</li><li>8. Housing needs of farmworkers</li><li>9. Housing needs of UC and Cal State students</li><li>10. Individuals and families experiencing homelessness</li><li>11. Loss of units during an emergency</li><li>12. SB 375 Greenhouse Gas Reduction Targets</li><li>13. Other factors adopted by Council of Governments</li></ol>	Letter	10/8/2021
15	MBEP	Madrigal	Elizabeth	Conclusion: The RHNA methodology established by AMBAG must address the housing demands of Monterey Bay residents, both existing and projected, as well as the unique issues we face. Incorporating the considerations above including a strong Affirmatively Furthering Fair Housing factor, adequately accounting for farmworker & hospitality service housing needs, and making production oriented adjustments regarding the Monterey Peninsula's water challenges are vital when equitably planning for the future of our region. Once AMBAG and SBCOG have established their respective methodologies, they will be used to allocate a share of the Regional Housing Needs Determination to each locality that resides within AMBAG and SBCOG. After this step has been completed, each jurisdiction will have to create a Housing Element, which is required to detail how the allocated number of units will be accommodated, and any zoning changes that will need to be made to account for the units stipulated under RHNA. MBEP will be involved throughout the duration of the duration of the RHNA process, and urges advocacy groups and community members to become involved in this undertaking that directly shapes the future of our region.	Thank you for your comments.	Letter	10/8/2021
16	Public	Porter	Ed	This Ambag meeting is upon us with its planned big numbers of market rate homes and above. I'm hoping AMBAG Board members will realize that the proposed numbers are upside down. The low and very low numbers are absurdly small! (not to mention that State density bonus law RETARDS and BLOCKS application of our legally required 20% inclusionary mandate!) Guess who dreamed THAT up as a dishonest pretext to get more affordable housing! It seems like the people who proposed the published schedule (below) have not read newspapers for a few years. (haven't noticed the homeless camps?) I would challenge their methodology because it clearly delivered a ridiculous set of numbers that do not address our true and clear needs especially for very low income units. Very Low (0-50% AMI) = 817 units Low (50-80% AMI) = 534 units Moderate (80-120% AMI) = 427 units Above Moderate (120% or more of AMI) = 1,092 units	HCD provides the units by income categories as part of its Regional Housing Need Determination.	Email	10/10/2021
17	Public	Porter	Ed	As far as I am concerned, the need for moderate and especially above moderate is negligible and that's clearly demonstrated by lack of residents (vacancies) at 555 Pacific Ave. and probably at other Downtown locations like 2030 N. Pacific. Way back when I was on the SC City Council, AMBAG was setting absolutely absurd, ridiculous numbers for the City of Santa Cruz. Fact is, we had to take AMBAG to court to get reasonable numbers! I hope our elected friends who understand these things will put ideas something like this on the AMBAG record for the Wednesday meeting. Is this reasonable? "The state's requirements for the number of homes built in Santa Cruz and Monterey counties will more than triple starting in June 2023. NO! Not reasonable. It's bizarre! And how on Earth can they say with a straight face that the quota for above Moderate (120% or more of AMI) = 1,092 units? THAT's what I am calling gentrification insurance. (or Gentrification guarantees!) Regarding AMGAG methodology, I think the decline in the California 2020 US census population should send them back to their "drawing boards"! If there was an emergency in previous years, with a population decline since, and increased housing production on record, the emergency has ended by definition. Let's address the true deficiency especially of very low income units! THAT is a true emergency!	HCD provides the units by income categories as part of its Regional Housing Need Determination.	Email	10/10/2021

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18	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse	Aaron	<p>California YIMBY, Santa Cruz YIMBY, and YIMBY Law are submitting this letter to the Association of Monterey Bay Area Governments to provide recommendations for adopting a Regional Housing Needs Allocation methodology, based on best practices developed through rigorous academic analysis by experts in the field of planning and housing development, of various methodologies that have already been adopted by Councils of Governments in other regions during the 6th Housing Element Cycle. We also offer our own analysis of the ability of the currently proposed RHNA methodology to meet the statutory requirements for the RHNA process, and make specific recommendations for modifications to the methodology that would further the required statutory objectives, beyond what has been proposed, which we believe to be inadequate.</p> <p>Accompanying this letter we have included a copy of the RHNA Methodologies Best Practices report from the UC Berkeley Terner Center for Housing Innovation. This report highlights some important policy considerations which we believe AMBAG have, to date, not incorporated sufficiently into its proposed allocation methodology. There are a number of best practices COGs can use to increase the likelihood that their allocation promotes the statutory objectives of RHNA. These are highlighted in this letter with bullet points.</p>	Thank you for your comments.	Letter	10/15/2021
19	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse	Aaron	<p>Put more emphasis on strategies that promote both RHNA's equity and environmental goals simultaneously. Allocating RHNA near existing job centers promotes both equity and environmental goals because workers are often forced to commute long distances when adequate housing isn't available near jobs. COGs should put more emphasis on factors such as proximity to jobs that can simultaneously promote both the state's equity and environmental goals.</p> <p>In an equitable distribution, we would expect to see, at the very least, no pattern of lower-income jurisdictions consistently taking on a larger share of the RHNA allocation relative to their share of the region's population or jobs. Ideally, given that wealthier jurisdictions have historically used exclusionary policies to limit growth within their jurisdictional boundaries, we would see higher-income jurisdictions taking on a larger share of the regional RHNA allocation relative to their share of the region's population and jobs. On the following page is a chart of AMBAG's RHNA distribution as currently proposed in the staff's recommended methodology compared to existing housing stock. This chart shows the total number of housing units in each jurisdiction according to the 2020 US Census, as well as the Attachment 5 percentage growth that the proposed allocation has, based on their 2020 total number of housing units.</p> <p>As currently proposed, AMBAG's regional methodology does an extremely poor job at promoting equity. According to the 2020 US Census, the AMBAG region has a total of 249,976 housing units. With a determination of 33,274 units for the region, the total regional growth is 13.3%. As currently proposed, some of the wealthiest, most exclusive jurisdictions in our region, such as Carmel and Pacific Grove, are being allocated much smaller growth rates, less than 6%, compared to the region as a whole; while less affluent, more rural communities such as Greenfield and King City are being allocated over 25% growth rates, and two jurisdictions, Sand City and Gonzales, are each being allocated over 100% growth rates. We strongly encourage AMBAG to adopt a more equitable allocation strategy to ensure areas of highest opportunity and access to employment are allocated higher than average growth rates, not lower than average growth rates, as is currently the case.</p>	<p>A substantial share of the proposed RHNA allocation is based on jobs. The proposed methodology balances existing housing needs by locating housing where it is needed, and balances equity by shifting across income categories.</p>	Letter	10/15/2021
20	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse	Aaron	<p>Consider equity directly when determining how many total RHNA units a jurisdiction will receive. Using explicit equity-focused factors—such as measures of segregation or opportunity—when determining each jurisdiction's total RHNA allocation can help ensure lower-income and racially segregated areas are not taking on more than their fair share of RHNA, while also funneling more RHNA to higher income areas with access to key resources that promote economic mobility. We note that AMBAG's current methodology does not consider equity directly when determining total RHNA allocations. Instead, staff have proposed an "income-shift" approach that swaps low-income units from lower-opportunity jurisdictions with the higher-income units from higher opportunity areas. The intended outcome of the staff approach is to affirmatively further fair housing by increasing the percentage of low-income units planned for in higher opportunity areas, however, we believe a better approach would be to instead allocate additional total numbers of low income units to areas of high opportunity, instead of just shifting the percentages.</p>	<p>AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.</p> <p>The AMBAG Board of Directors can direct staff to modify the draft methodology to consider an AFFH factor as an allocation factor and bring back to the Planning Directors for discussion.</p>	Letter	10/15/2021

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21	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse	Aaron	ABAG calls our preferred approach the “Bottom-Up” AFFH methodology. In contrast to the Income Shift, the Bottom-Up income allocation approach does not start with a total allocation assigned with a factor-based methodology. Instead, this approach builds up the total allocation by using factors to determine allocations for the four income categories separately. Factors are selected for the lower two income categories, and then for the upper two income categories, and a jurisdiction’s allocation within each income category is determined based on how the jurisdiction scores relative to the rest of the region on the selected factors. The jurisdiction’s total allocation is calculated by summing the results for each income category. The bottom-up approach ensures that more low-income units go to where they are needed most: near higher paying jobs, and in historically exclusive communities. COG planning staff in other regions argue that simply performing an income shift to affirmatively further fair housing for RHNA allocation is sufficient, given that what really matters is how much lower-income RHNA wealthier jurisdictions receive, not their total RHNA allocation. This is due to the fact that lower-income RHNA must be accommodated with a higher zoned density (generally 30 units per acre). Therefore, if suburban or rural jurisdictions receive a large allocation of lower-income units, they will likely accommodate the RHNA with parcels located near the urban core (given that they won’t want high density buildings located on the outskirts of town). On the other hand, if these jurisdictions receive a large allocation of higher-income units, they may find that the easiest way to accommodate their RHNA is to zone for single family housing on undeveloped land – which could lead to sprawl. Consequently, some COGs argue that ensuring non-urban jurisdictions receive a high percentage of lower-income units and a relatively small total RHNA allocation is the best strategy for promoting both RHNA’s equity and environmental objectives. The proposed methodology that AMBAG staff are recommending does not follow the recommended strategy of low total allocations to non-urban jurisdictions. In fact, unincorporated Monterey County, the most rural jurisdiction in the region, is proposed to be allocated the second highest total number of housing units of any jurisdiction in the region after the city of Salinas, while another relatively rural jurisdiction, Gonzales, is proposed to be allocated over a 100% unit increase from 2020 levels, with over 66% of the proposed 2,261 units being moderate or above moderate housing units. Gonzales’ proposed total allocation is nearly as large as the proposed allocation for unincorporated Santa Cruz County, which is a much larger, more urban, higher resourced jurisdiction with over ten times the existing housing stock. Using a bottom-up approach to affirmatively further fair housing would not only help to reduce the likelihood of sprawl development in rural communities such as Gonzales, but would help ensure more homes in our region will be built for people of lower incomes in areas of the highest opportunities.	AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.  The AMBAG Board of Directors can direct staff to modify the draft methodology to consider an AFFH factor as an allocation factor and bring back to the Planning Directors for discussion.	Letter	10/15/2021
22	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse	Aaron	Consider a jurisdiction’s connection to the regional job market, rather than the number of jobs located within a jurisdiction. There is existing data that measures how many jobs are within a 30-minute commuting distance by car of census blocks across the state. Using this data to allocate RHNA can ensure that smaller, wealthier jurisdictions that might be located adjacent to a job center, but don’t have a large number of jobs within their jurisdictional boundary, are still allocated their fair share of RHNA.	Looking at any factor—including jobs—without considering jurisdiction size could lead to unreasonable results (such as thousands of units allocated to a city that is just a few square miles in area). Objective 2 of RHNA states “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.” Statute, and thus the methodology, centers on jobs “in each jurisdiction.” As a legacy of Prop 13, job-heavy jurisdictions have fiscal incentives to avoid planning for housing within their jurisdiction. Diluting their imbalance by looking at neighboring areas could undermine this RHNA objective.	Letter	10/15/2021
23	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse	Aaron	Carefully weigh whether basing the RHNA allocation on the land use projections in the SCS is appropriate. Some SCS land use projections incorporate factors—such as the speed by which jurisdictions approve housing permits and a jurisdiction’s current zoned capacity—that arguably should not be considered at any point in the RHNA allocation process based on statutory guidelines. Further, allocating RHNA based on these land use projections can result in an allocation that does not further the statutory objectives of RHNA. In these cases, COGs should not assume they are legally required to allocate RHNA based on the SCS. The AMBAG Sustainable Communities Strategy states that “All growth is consistent with General Plans and was based on direction from jurisdiction planning staff.” This makes it problematic to use the SCS as the primary basis for assigning RHNA when RHNA may specifically require general plan amendments to implement. Relying on the SCS for a baseline allocation bakes in the constraints from jurisdictions existing general plans, and doubles down on existing patterns of systemic segregation and inequity to the extent that those are undressed in the existing general plans. AMBAG staff currently propose to allocate part of the RHNA, approximately half, based on the land use projections in their SCS, which is primarily designed to help the region meet its greenhouse gas reduction goals. When equity is taken into account, it is as a secondary step that only affects what percentage of a jurisdiction’s RHNA allocation falls into each of the four income buckets. AMBAG’s SCS gives jurisdictions that believe they are already “built out” a lower proportion of the projected population growth, even if they also have high access to jobs and other key resources. AMBAG’s SCS incorporates factors—such as the speed by which jurisdictions approve housing permits and a jurisdiction’s current zoned capacity—that should not be considered at any point in the RHNA allocation process given statutory guidelines. Further, depending on how the SCS incorporates existing zoned capacity into its growth projections, predominantly using the SCS to allocate RHNA could result in a distribution that does not further any of the five statutory objectives.	In the current proposal, more than half of the RHNA allocation is based on factors other than the Regional Growth Forecast (RGF). Having the RHNA consistent with the MTP SCS is important but is not the only—or the dominant factor being proposed. Also, objective 2 of RHNA states “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.” Allocating a share based on the plan that underlies the RTP SCS is important to meeting the goals of protecting environmental and agricultural resources and achieving the region’s greenhouse gas reduction targets. While this is not the only factor under consideration, future plans are an important consideration toward meeting this objective. Finally, your letter references the existing 2040 MTP/SCS which was adopted in June 2018. Over the past two years, AMBAG has been preparing its updated 2045 MTP/SCS in which we worked very closely with local jurisdictions in identifying changes in land uses out to 2045. Most current general plans only go to 2030. Many jurisdictions are currently updating their general plans or conducting other planning efforts which are being reflected in the Draft 2045 MTP/SCS which is scheduled to be released in November 2021.	Letter	10/15/2021

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24	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse Sonnenfeld	Aaron Rafa	<p>Use publicly available data from objective, external sources. Allocating RHNA based on COGs' internal data that incorporates local input raises equity concerns, because it allows small, wealthy jurisdictions that have a significant political incentive to minimize local housing development an opportunity to bias the RHNA allocation. Wherever possible, COGs should use publicly available data from external sources within their RHNA allocation methodology. We request that all sources of data be cited and made available to the public and to the AMBAG Directors prior to the draft methodology approval. We are particularly concerned that the data selected for the proposed draft methodology to date does not identify the cities of Del Rey Oaks or Scotts Valley to be jurisdictions of high opportunity, despite the fact that they both have much higher than average median incomes compared to the region as a whole. Without datasets that reflect our shared understanding of reality, it is hard to believe the intended outcomes of the selected methodology will accurately reflect the values AMBAG emphasizes in its allocation approach. More transparency for datasets is crucial for an informed decision-making process.</p>	<p>All data used in RHNA is publicly available. The 2022 RGF was approved by the AMBAG Board of Directors through public meetings and is available on the AMBAG website. <a href="https://www.ambag.org/sites/default/files/2020-12/Final%20Draft%202022%20Regional%20Growth%20Forecast_PDF_A.pdf">https://www.ambag.org/sites/default/files/2020-12/Final%20Draft%202022%20Regional%20Growth%20Forecast_PDF_A.pdf</a></p> <p>The majority of the RHND is proposed to be allocated based on:</p> <ul style="list-style-type: none"> <li>- Jobs (Employment), published as part of the RGF (see link above) and was based on data from the California Employment Development Department and InfoUSA.</li> <li>- Wildfire—CPUC and the Office of the State Fire Marshal</li> <li>- Sea Level Rise—NOAA</li> <li>- AFFH: TCAC/HCD Opportunity Area Maps or RCAs (U.S. Census Bureau, American Community Survey (2015-2019), and 2020 Census)</li> </ul> <p>AMBAG staff has submitted a request to EDD to allow us to share the confidential jurisdictional level EDD employment data. The county level data is already available. In addition, AMBAG has shared the InfoUSA data with any local jurisdiction who has requested it. Finally, the AMBAG Board could choose to direct staff to use a different data source for jobs data.</p>	Letter	10/15/2021
25	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse Sonnenfeld	Aaron Rafa	<p>Develop strategies that allow stakeholders to meaningfully participate in discussions about how to allocate RHNA. The RHNA process is very complex, but some COGs have developed tools that allow the public to understand more intuitively how different RHNA allocation strategies affect the spatial distribution of RHNA. More COGs should use these tools to ensure that stakeholders can meaningfully weigh in during the RHNA methodology development process. We are dismayed that AMBAG has not been able to produce a tool that allows the public to understand how various allocation strategies, as determined by any proposed methodology, will result in distribution of housing units to each of the jurisdictions. We have only been able to estimate distributions based on the calculations staff have produced for their recommended methodology, but both the public and AMBAG Directors have not been afforded the opportunity to review calculations for alternative methodological options to see how those options might change the distributions assigned to each city or unincorporated county in the Monterey Bay Area. While at this stage we recognize it's unreasonable to develop a tool such as ABAG's methodology visualization tool, we encourage the staff to at least provide calculations for distributions of multiple methodology alternatives, including those we are recommending in this letter. Understanding the extent to which a methodology promotes RHNA's statutory objectives requires not only understanding the broad theoretical approach employed by a COG, but also an analysis of the plan's actual output.</p>	<p>AMBAG has limited resources as compared to other large CA COGs such as ABAG. AMBAG has worked to provide very technical information in a way that staff, elected officials, stakeholders and members of the public can understand. AMBAG will continue to work on improving how we present this information the RHNA plan.</p>	Letter	10/15/2021
26	California YIMBY, Santa Cruz YIMBY, and YIMBY Law	Eckhouse Sonnenfeld	Aaron Rafa	<p>We hope that the leaders of the Monterey Bay Area region recognize the seriousness of the task at hand: planning for the region's state-mandated future growth for the next decade. While this process may be new to some of you, or familiar to others, what differentiates RHNA and the Housing Element now, in this current planning cycle, from previous cycles is the added legal weight that the state has placed on local jurisdictions to ensure that the planned housing goals are actually achieved. In years past, a city or county could get away with failing to zone for affordable housing at the required densities, or failing to facilitate the planned housing growth by falling short of its RHNA objectives; that is no longer the case. Now that state lawmakers have beefed up the enforcement mechanisms to ensure compliance with state law, with potential fines, reductions in funding, and loss of control of local land use decision making, it is imperative that the RHNA process be executed carefully and intentionally. Since housing growth based on RHNA allocations is now expected to actually be achieved, and since there are serious consequences for failing to meet the requirements of the law, it's important that the RHNA methodology be adopted with as much care and diligence as possible. We believe the best outcomes for the Monterey Bay Area region: more affordable housing where it's needed most, reduced greenhouse gas emissions, more opportunities for social mobility, economic growth, and improved quality of life, will be best achieved by learning from what worked and what didn't work in other regions, and applying those lessons to the task at hand. Please take heed of our recommendations and review the attached RHNA Methodologies Best Practices report from the UC Berkeley Terner Center on Housing Innovation. We also want to extend an offer to meet with any representative from any AMBAG jurisdiction who would like to discuss our recommendations in greater detail prior to the adoption of the draft methodology at your November board meeting.</p>	<p>Thank you for your comments.</p>	Letter	10/15/2021

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
27	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	I write on behalf of LandWatch Monterey County regarding the draft proposed RHNA methodology and to follow up on the concerns we raised at the Planning Director's Forum Monday. LandWatch suggests a substantial reduction in the initial allocation of 3,083 units that would be assigned to the unincorporated area of Monterey County on the basis of the draft proposed methodology. In particular, LandWatch recommends no units be allocated to the unincorporated area of Monterey County on the basis of its share of regional jobs because the draft proposed methodology over-allocates units on that basis: the unincorporated area of the County does not have a jobs/housing imbalance. LandWatch proposes that AMBAG staff recommend this reduction as an adjustment when applying the 13 statutory factors mandated by Government Code Section 65584.04(e) because a number of these statutory factors justify such a reduction.	<p>Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including:</p> <ol style="list-style-type: none"> <li>1. Jobs and housing relationship</li> <li>2. Opportunities and constraints to development of additional housing (see below)</li> <li>2a. Capacity for sewer and water service</li> <li>2b. Availability of land suitable for urban development</li> <li>2c. Lands preserved or protected from urban development</li> <li>2d. County policies to preserve prime agricultural land</li> <li>3. Opportunities to maximize transit and existing transportation infrastructure</li> <li>4. Policies directing growth toward incorporated areas</li> <li>5. Loss of units contained in assisted housing developments</li> <li>6. High housing cost burdens</li> <li>7. Rate of Overcrowding</li> <li>8. Housing needs of farmworkers</li> <li>9. Housing needs of UC and Cal State students</li> <li>10. Individuals and families experiencing homelessness</li> <li>11. Loss of units during an emergency</li> <li>12. SB 375 Greenhouse Gas Reduction Targets</li> <li>13. Other factors adopted by Council of Governments</li> </ol>	Letter	11/2/2021
28	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	Over-allocation of units to unincorporated Monterey County based on jobs. The primary factors used to make the initial allocation in the proposed draft methodology are the housing units for each jurisdiction projected in the Regional Growth Forecast from 2025-2035 (637 units for the County) and the percentage of regional jobs for each jurisdiction (resulting in an additional 2,357 units allocated to the County). LandWatch generally supports using jobs as a primary basis to allocate RHNA for cities. This is consistent with the statutory objective to promote an "improved intraregional relationship between jobs and housing." (Gov. Code, § 65584(d)(3).) For cities, the focus on employment is also consistent with the statutory objective to promote "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." (Gov. Code, § 65584(d)(2).) However, for the unincorporated area of Monterey County the allocation of housing units based on the percentage of regional jobs conflicts with the objective to promote infill development, protection of the environment and agricultural resources, efficient development patterns, and attainment of GHG reduction targets. Although locating housing units in a city that has jobs can minimize GHG emissions by limiting commutes to the dimensions of the city, there can be no assurance that the County can or will develop housing that is proximate to jobs. Average VMT is higher for both home-based and employment-based trips in the unincorporated County than it is in incorporated areas, so it makes sense to concentrate new units in cities. The zoning the County may create to respond to the County's RHNA allocation may be very distant from the available jobs, whereas workers in jobs dispersed in the County, e.g., the 13.3% of County workers who are in agricultural work, could likely be housed in the cities proximate to their jobs. We note almost five times as many agricultural workers in Monterey County live in cities than in unincorporated areas.	In assessing the results of the draft methodology, we have also noted that jurisdictions with higher per capita unit allocations have current housing shortages, as illustrated by high rates of overcrowding and high need for farmworker housing. The proposed methodology balances existing housing needs by locating housing where it is needed, and balances equity by shifting across income categories.	Letter	11/2/2021
29	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	Furthermore, allocating housing units to the unincorporated area of the County is the antithesis of supporting compact urban growth and efficient development patterns. And allocating housing units to the County is likely to consume farmland. LandWatch is also concerned that the draft methodology allocates so many units to the County based on jobs even though the unincorporated County does not have a jobs/housing imbalance. This is evident from your presentation to the Planning Directors, in which the unincorporated area is not identified as one of the seven areas in Monterey County in which the jobs/housing relationship "should be considered." The jobs/housing ratio for unincorporated Monterey County is 1.5, equal to the regional average and lower than the County average of 1.7.5 In short, there is no jobs/housing problem in the unincorporated area that needs to be fixed by allocating so many housing units. Despite this, the draft methodology assigns 2,357 additional units to the unincorporated area on the basis of a jobs/housing imbalance, almost four times as many as the 637 units that are allocated to meet the Regional Growth Forecast. No other jurisdiction except the cities of Monterey and Carmel are allocated more units for jobs than for their Regional Growth Forecast. However, unlike the unincorporated County, Monterey and Carmel are clearly communities suffering huge jobs/housing imbalances, as evidenced by substantial in-commuting. <sup>6</sup> Carmel has a net in-commute of 1,604 persons, i.e., persons living outside the city commuting into it minus persons living in the city commuting out of it. Monterey has a net in-commute of 11,506 persons. By contrast, the unincorporated County has a net out-commute of 421 persons.	Part of AMBAG's high Regional Housing Need Determination from HCD was to accommodate the existing housing demand that has not been met in the region. Monterey County has a large share of agriculture jobs and needs farmworker housing.	Letter	11/2/2021

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30	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	<p>Statutory factors warrant a substantial reduction in the allocation to unincorporated Monterey County. While the employment-based allocation may work for cities, it does not work for the unincorporated area of Monterey County. Fortunately, the over-allocation to the County can be corrected without disturbing the employment-based allocation to cities, simply by applying one or more of the 13 statutory factors enumerated in Government Code Section 65584.04(e)(1) through (13). The AMBAG staff's proposed methodology expressly contemplates that adjustments will be made to the initial allocation to account for the other factors set out in Government Code Section 65584.04(e). These factors mandate a substantial reduction in the allocation to unincorporated Monterey County. (Gov. Code, § 65584.04(e) [where data available, the COG "shall include the following factors to develop the methodology that allocates regional housing needs . . ."].) First, Government Code Section 65584.04(e)(4) mandates that the RHNA methodology shall include as one of its factors any "agreements between a county and cities in a county to direct growth toward incorporated areas of the county." The County has previously recognized the need to focus growth in cities by entering into just such MOAs and MOUs with cities to direct growth into incorporated areas. Second, Government Code Section 65584.04(e)(2)(D) mandates that the RHNA methodology shall include consideration of "County policies to preserve prime agricultural land." Monterey County General Plan Agricultural Element contains numerous policies that seek to preserve prime agricultural land, and in particular, seek to avoid conversion of that land to non-agricultural use. For example, Policy AG-1.4 provides that on lands classified as Prime, of Statewide Importance, Unique, or of Local Importance, agriculture uses shall be conserved and that "agriculture shall be established as the top land use priority for guiding further economic development on agricultural lands." Third, Government Code Section 65584.04(e)(12) mandates that the RHNA methodology shall include consideration of the region's greenhouse gas targets. As noted above, VMT associated with unincorporated Monterey County housing and employment is higher than the average VMT for the rest of the County, i.e., higher than the VMT for the cities within the County. Thus, GHG emissions are higher. Again, no fundamental change to the initial allocation methodology is required in order to reduce the County's allocation in recognition of these statutory factors and in recognition that jobs/housing imbalance rationale does not fit the unincorporated area the way it fits cities. Thus, in applying the Government Code Section 65584.04(e) factors, LandWatch proposes that the units initially allocated to the unincorporated area of Monterey County be reduced by the 2,357 units representing the over-allocation of units based on employment.</p>	<p>Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including:</p> <ul style="list-style-type: none"> <li>1. Jobs and housing relationship</li> <li>2. Opportunities and constraints to development of additional housing (see below)</li> <li>2a. Capacity for sewer and water service</li> <li>2b. Availability of land suitable for urban development</li> <li>2c. Lands preserved or protected from urban development</li> <li>2d. County policies to preserve prime agricultural land</li> <li>3. Opportunities to maximize transit and existing transportation infrastructure</li> <li>4. Policies directing growth toward incorporated areas</li> <li>5. Loss of units contained in assisted housing developments</li> <li>6. High housing cost burdens</li> <li>7. Rate of Overcrowding</li> <li>8. Housing needs of farmworkers</li> <li>9. Housing needs of UC and Cal State students</li> <li>10. Individuals and families experiencing homelessness</li> <li>11. Loss of units during an emergency</li> <li>12. SB 375 Greenhouse Gas Reduction Targets</li> <li>13. Other factors adopted by Council of Governments</li> </ul>	Letter	11/2/2021
31	City of Monterey	Ustar	Hans	<p>The City of Monterey requests that the AMBAG Board delay adoption of the Regional Housing Needs Allocation until AMBAG staff provides a detailed presentation on the two sources of data that were used to develop the employment numbers (InfoUSA and State of California Employment Development Department - EDD). Eighty-five percent of the proposed RHNA allocation is weighted on employment and regionally we need confidence in the employment numbers for the allocation to proceed. AMBAG signed a confidentiality agreement with EDD regarding the data, and AMBAG staff recently recommended that each City contact EDD for their own agreement to verify the information. In our opinion, this is an inefficient and not transparent approach. We are asking that the Board direct the AMBAG staff to have the agreement with EDD modified so they can share the data with qualified staff members from each jurisdiction so we can verify the numbers. It would also be helpful if AMBAG shared the InfoUSA data in a format that can be verified by the local jurisdictions (versus the raw GIS data). Alternatively, the City and other cities will need adequate time to enter into an agreement with EDD and prepare the GIS maps.</p> <p>In contrast, the confidential EDD data used in the AMBAG projections estimates 40,989 jobs in Monterey in 2020. AMBAG staff explained that the Census and publicly available EDD data is based on number of employees versus jobs. Our City, and we suspect other cities as well, needs to understand the employment data in more detail to gain confidence in the difference between 24,926 and 40,989 jobs. In summary, the City is urging the AMBAG Board to delay adoption of the Regional Housing Needs Allocation until clarification of the employment data can be provided at a detailed level to qualified staff members and the Board of Directors. We hope that this clarification could occur before the end of the calendar year.</p>	<p>The 2022 Regional Growth Forecast (RGF) was developed over a two-year period which included multiple meetings with the Planning Directors Forum and local jurisdictions. AMBAG met with each local jurisdiction multiple times to review all the jobs, population and housing data in 2019 and 2020. No concerns were identified with the jobs data at that time. In November 2020, the AMBAG Board unanimously approved the use of the 2022 RGF for planning purposes in the development of RHNA and the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy.</p> <p>It is important to note that there are multiple sources of jobs data, and multiple ways to define jobs. It was suggested that jobs data from other sources, such as the U.S. Census Bureau LODES data, would be better for use in the RHNA methodology. However, the U.S. Census Bureau LODES database excludes military, self-employed, and informal jobs as well as well-documented challenges associated with "headquartering" whereby all jobs are assigned to a headquarters location, such as a school district office, rather than to the place of work, such as the school.</p> <p>More importantly, if another jobs dataset were to be used, the distribution of jobs across jurisdictions or percent share for each jurisdiction would largely be the same. Because the RHNA methodology is based on the distribution of jobs or percent share, rather than total number of jobs, there would not be any substantial changes in the RHNA allocation regardless of what jobs data was used.</p> <p>Finally, reaching an agreement with EDD to share the jobs data took nearly several years to finalize and states "No confidential data will be disclosed to any AMBAG member cities or counties." AMBAG has submitted a request to EDD for disclosure of additional data, but notes that this limitation has been imposed to protect 3rd party privacy information pursuant to Gov. Code Section 6254(c).</p>	Letter	11/5/2021

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32	SC YIMBY	Sonnenfeld	Rafa	I wanted to direct your organization's attention to the proposed RHNA methodology that AMBAG staff are set to bring to the BOD for a vote next week (Wednesday, 11/10). There was a final meeting of the AMBAG planning director's forum yesterday where staff presented a new preferred methodology. We have been advocating for significant changes to the methodology being considered by AMBAG, but it appears our concerns are falling on deaf ears. Our most recent letter is included in the attached agenda packet for yesterday's meeting. Below are a few concerns about the AMBAG approach to AFFH and 65584.04(e)(4) which are particularly problematic in how they affect the unincorporated Monterey County, and the RHNA as a whole. According to AMBAG staff, upon conversations with HCD, they have been asked to increase the weighting of their equity adjustment, so they have. You'll notice that there is a new category called "RCAA," which stands for Racially Concentrated Areas of Affluence, that is basically the revised equity adjustment. The proposal is now to give a 50% adjustment for Affirmatively Furthering Fair Housing (AFFH) after the base allocation, to shift low and very low income units into high opportunity areas and out of low opportunity areas based on whether or not the jurisdiction has both higher than average white population and a higher than average affluent population. This is generally good a good concept, and makes sense for most cities, but it's executed poorly and it now highlights how inadequate the base allocation methodology is, because it results in assigning over 17% of the region's low income housing to unincorporated Monterey County, a jurisdiction that has a legal settlement that prevents them from AFFH. Pasted below is the staff-recommended methodology table Option B, which also changes the methodology of their AFFH income shifting within jurisdictions by swapping VLI units for above moderate units and LI units for moderate units instead of the previous method (Option A) which swapped VLI for moderate units and LI for above-moderate units. HCD strongly encourages the Option B approach to income shift as opposed to the previous Option A.	Unincorporated Monterey County is identified as a RCAA and similar to other RCAs under the revised draft methodology, additional low and very low units are shifted to RCAA jurisdictions.	Email	11/5/2021
33	SC YIMBY	Sonnenfeld	Rafa	The Carmel Valley area of unincorporated Monterey County has a hard development cap of 190 units due to a legal settlement agreement with the Carmel Valley Association. That area is the reason why the unincorporated county has received so many affordable units (to further AFFH, which the county is legally prevented from doing--see the settlement agreement [ec2-34-221-130-80.us-west-2.compute.amazonaws.com]; relevant section about the growth cap is pasted below). So it will be virtually impossible for the County to achieve its AFFH requirements through its housing element process because it is legally prevented from increasing development in its highest opportunity community. The practical effect of Monterey County's RHNA allocation will be to up-zone areas like unincorporated Castroville for the purposes of providing affordable housing, even though that will directly conflict with the goals of AFFH; 17% of the region's very low income housing will be directed to areas that result in exacerbation of economic segregation. My hope would be if AMBAG approves this flawed methodology and HCD does sign off on this plan, that Monterey County commit to try to achieve their VLI RHNA through on-farm farmworker housing programs or something else that will be a real commitment to production of affordable housing instead of a paper pushing exercise. The other thing AMBAG staff has done is made it so that a jurisdiction loses 50% of their allocation of low and very low income if it's not a "Racially Concentrated Area of Affluence." And their definition of RCAA is that a city has to be both above-average wealthy, and above-average white. There is no sliding scale; it's all or nothing. Under the previously proposed income shift methodology, the city of Santa Cruz would have had 817 VLI units and 534 LI units. But because the city is only 66% affluent and not 67% or 68% affluent, it's getting just 424 VLI units and 278 LI units. A simple solution to this would be to give partial credit to jurisdictions like the City of Santa Cruz, which meets 98% of AMBAG's definition of an RCAA.	The Board of Directors could direct staff to modify the definition of RCAA and include those jurisdictions that qualify as a partial RCAA.	Email	11/5/2021
34	SC YIMBY	Sonnenfeld	Rafa	There was also an attorney representing LandWatch Monterey County on the call as well, who brought up an important context that seems to be missing from AMBAG's analysis: that Monterey County has MOUs with several cities regarding development. He forwarded me a letter he sent to AMBAG. They are arguing for a reduction to unincorporated Monterey County's total allocation, and I agree with their reasoning. "The County has previously recognized the need to focus growth in cities by adopting policies to limit residential development in the unincorporated area and by entering into MOAs and MOUs with cities to direct growth into incorporated areas. (See, e.g., agreements with Greenfield, Gonzales, and Salinas at <a href="https://www.co.monterey.ca.us/government/departments-a-h/housing-community-development/planning-services/resources/mous">https://www.co.monterey.ca.us/government/departments-a-h/housing-community-development/planning-services/resources/mous</a> [co.monterey.ca.us]). Indeed, Government Code Section 65584.04(e)(4) mandates that the RHNA methodology "shall include" as one of its factors any policies that direct growth toward cities, including "agreements between a county and cities in a county to direct growth toward incorporated areas of the county."	These comments are included as Comments #27-30.	Email	11/5/2021

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35	SC YIMBY	Sonnenfeld	Rafa	We still feel a more equitable approach to the overall methodology is to use the "bottom up" approach as outlined in our letter, that creates a separate allocation methodology for each bucket of affordability, rather than the income-shift methodology that is on the fast track to adoption. There will still need to be adjustments for statutory requirements, especially concerning the situation in unincorporated Monterey County. To account for farmworker housing, which was a concern several jurisdictions, such as Soledad, feel is being overlooked, the original idea we had was to create a farmworker housing threshold/adjustment so that we could be sure that each jurisdiction with a farmworker housing need would be sure to get at that minimum number of units for low/very low. One way that could be done is by re-allocating the huge number of VLI units in unincorporated Monterey County to the other farmworker jurisdictions. Monterey County will almost certainly need to be adjusted down to fulfil the statutory requirement of directing housing to infill and AFFH.	<p>Areas with the most agricultural jobs, and thus highest need for farmworker housing are Unincorporated Monterey and Salinas, followed by Greenfield, Watsonville, Unincorporated Santa Cruz, Gonzales, Soledad, and King City. Creating a separate farmworker housing factor would add units to those jurisdictions. Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). . Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including:</p> <ol style="list-style-type: none"> <li>1. Jobs and housing relationship</li> <li>2. Opportunities and constraints to development of additional housing (see below)</li> <li>2a. Capacity for sewer and water service</li> <li>2b. Availability of land suitable for urban development</li> <li>2c. Lands preserved or protected from urban development</li> <li>2d. County policies to preserve prime agricultural land</li> <li>3. Opportunities to maximize transit and existing transportation infrastructure</li> <li>4. Policies directing growth toward incorporated areas</li> <li>5. Loss of units contained in assisted housing developments</li> <li>6. High housing cost burdens</li> <li>7. Rate of Overcrowding</li> <li>8. Housing needs of farmworkers</li> <li>9. Housing needs of UC and Cal State students</li> <li>10. Individuals and families experiencing homelessness</li> <li>11. Loss of units during an emergency</li> <li>12. SB 375 Greenhouse Gas Reduction Targets</li> <li>13. Other factors adopted by Council of Governments</li> </ol>	Email	11/5/2021
36	SC YIMBY	Sonnenfeld	Rafa	I wanted to make sure you and your staff are aware of some of the problems with AMBAG's proposed RHNA methodology, which is being voted on next week. I'm forwarding you an email thread raising some of our concerns. In addition to those comments, I have some additional technical details about the problematic proposal as it relates to unincorporated Monterey County. It may be helpful to start from the beginning of this thread (at the bottom). Based on the allocation recommended by staff at the Monday meeting, Monterey County would have to have to find somewhere to zone for 1,370 very low and 896 low income units. Since Monterey County's 2010 General Plan bars sprawl development (GP Policy LU-1.19), the affordable units would have to be located in <ul style="list-style-type: none"> <li>• the "Community Areas" of Castroville, Chualar, Boronda, East Garrison, and Pajaro, of which Pajaro and Chualar are the highest priority (LU-2.23)</li> <li>• the "Rural Centers" of Bradley, Lockwood, Pine Canyon, Playto, River Road, San Ardo, and San Lucas, or</li> <li>• the 3 Affordable Housing Overlay districts (see Policy LU-2.11) <ul style="list-style-type: none"> <li>o AHO1 - 13-acre Mid-Carmel Valley - see map at <a href="https://www.co.monterey.ca.us/home/showpublisheddocument/45880/636389941503600000">https://www.co.monterey.ca.us/home/showpublisheddocument/45880/636389941503600000</a> [co.monterey.ca.us]</li> <li>o AHO2 - 85-acre Airport Area AHO - see map at <a href="https://www.co.monterey.ca.us/home/showpublisheddocument/45940/636389942172030000">https://www.co.monterey.ca.us/home/showpublisheddocument/45940/636389942172030000</a> [co.monterey.ca.us]</li> <li>o AHO3 - 31-acre Highway 68/Reservation Road AHO - see map at <a href="https://www.co.monterey.ca.us/home/showpublisheddocument/45942/636389942179370000">https://www.co.monterey.ca.us/home/showpublisheddocument/45942/636389942179370000</a> [co.monterey.ca.us]</li> </ul> </li> </ul>	Comment noted.	Email	11/5/2021

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37	SC YIMBY	Sonnenfeld	Rafa	<p>These are the only areas in which the General Plan permits Monterey County to focus future growth. (GP Policy LU-1.19.) And at this point, no additional development would be allowed in the Mid-Carmel Valley AHO in light of the 190-unit cap in the Carmel Valley Master Plan. (GP Policy CV-1.6.) Ironically, only the Mid-Carmel Valley site actually has the resources and opportunities that are supposed to be the rationale for allocating so many lower income units to the County.</p> <p>There are various prerequisites to non-affordable project development in the Community Areas and Rural Centers, including the adoption of a Community Plan for Community Areas (Policy LU-2.23) and adoption of a Capital Improvement and Financing Plan for Rural Centers (Policy LU-2.29). The purpose of a Community Plan is to create a livable community by implementing General Plan Policy LU-2.22, which requires the following elements:</p> <p>LU-2.22 Community Areas shall be designed to achieve a sustainable, balanced, and integrated community offering:</p> <ul style="list-style-type: none"> <li>a) A vision for that community</li> <li>b) Various types and nature of land use designations including: <ul style="list-style-type: none"> <li>o A diverse range of residential densities and housing types.</li> <li>o A mix of retail commercial businesses and offices.</li> <li>o Industrial development where appropriate.</li> <li>o A variety of recreational opportunities and public amenities integrating enhancement of existing natural resources into the community where possible.</li> </ul> </li> <li>c) Adequate public facilities and services including public water and sewer, an extensive road network, public transit, safety and emergency response services, adequate flood control, parks, and schools.</li> <li>d) Opportunities for workers to live near jobs.</li> </ul>	Comment noted.	Email	11/5/2021
38	SC YIMBY	Sonnenfeld	Rafa	<p>To our knowledge, Monterey County has not yet adopted any community plans for Community Areas or Capital Improvement and Financing Plans for Rural Centers. However, Community Plans and Capital Improvement and Financing Plans are not required for 100% affordable projects in Rural Centers and Community Areas. (GP Policy LU-2.11 b, f, g.) The only requirement for a 100% affordable development in these areas is that it take care of its own infrastructure needs. (Policy LU -2.11, f, g.)</p> <p>If the current allocation is adopted, Monterey County's revised Housing Element will have to upzone at least 113 acres of land in the Community Areas, Rural Centers, or AHOs to high density, i.e., at least the 20 units per acre required to meet HCD's density mandate for low income units (<math>1370+896=2266</math> units, divided by 20 units per acre=113 acres). In effect, this means that the only way that Monterey County could develop its Low and Very Low Income affordable housing at this point would be to locate it in</p> <ul style="list-style-type: none"> <li>• Community Areas, but without the Community Plans that are supposed to make the areas livable,</li> <li>• Rural Centers, but without Capital Improvement and Infrastructure Plans and far from jobs and other opportunities,</li> <li>• in the 116 acres of AHOs at Reservation Road and Highway 68 or around the Airport, where there would be no space to develop any other uses since essentially all of the space would be needed for the VL and L income units</li> </ul> <p>This would result in isolated low income affordable units without community plans or comprehensive infrastructure plans. This segregation without resources or opportunities is contrary to the intent to affirmatively further fair housing, and will likely make it impossible to obtain necessary subsidies.</p>	<p>Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). . Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including:</p> <ol style="list-style-type: none"> <li>1. Jobs and housing relationship</li> <li>2. Opportunities and constraints to development of additional housing (see below)</li> <li>2a. Capacity for sewer and water service</li> <li>2b. Availability of land suitable for urban development</li> <li>2c. Lands preserved or protected from urban development</li> <li>2d. County policies to preserve prime agricultural land</li> <li>3. Opportunities to maximize transit and existing transportation infrastructure</li> <li>4. Policies directing growth toward incorporated areas</li> <li>5. Loss of units contained in assisted housing developments</li> <li>6. High housing cost burdens</li> <li>7. Rate of Overcrowding</li> <li>8. Housing needs of farmworkers</li> <li>9. Housing needs of UC and Cal State students</li> <li>10. Individuals and families experiencing homelessness</li> <li>11. Loss of units during an emergency</li> <li>12. SB 375 Greenhouse Gas Reduction Targets</li> <li>13. Other factors adopted by Council of Governments</li> </ol>	Email	11/5/2021

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39	SC YIMBY	Sonnenfeld	Rafa	<p>Again, this problem is a result of the over-allocation of units to the unincorporated Monterey County on the basis of its percentage of regional employment despite the fact that there is no jobs/housing imbalance in the unincorporated County. This base allocation to the unincorporated area is contrary to the statutory objective to promote "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." (Gov. Code, § 65584(d)(2).)</p> <p>The over-allocation of units to the unincorporated area of Monterey County is also contrary to the Government Code Section 65584.04(e)(4) mandate that the RHNA methodology shall include as one of its factors any "agreements between a county and cities in a county to direct growth toward incorporated areas of the county. The County has in fact entered into agreements with cities to direct growth into incorporated areas. These agreements are consistent with the County policies calling for City Centered Growth. (See GP Policies LU-2.14 through LU-2.17.) For example, Policy LU-2.14 requires the County to "[w]ork with AMBAG and cities to direct the majority of urban growth including higher density housing development into cities and their spheres of influence with an emphasis on redevelopment and infill."</p> <p>Finally, it should be noted that in speaking with affordable housing developers whose job it is to try to build affordable housing in rural communities, it's just not feasible to develop the above-listed areas, no matter the zoning: they don't have the necessary infrastructure to be developable. If AMBAG and HCD allow the proposed methodology to proceed and give hundreds of units of our region's low income RHNA allocation to unincorporated Monterey county, it is a plan doomed to fail, and our RHNA process will have been a wasted exercise for the thousands of low income families who depend on this process to work to build the affordable housing we need.</p>	<p>Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). . Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including:</p> <ol style="list-style-type: none"> <li>1. Jobs and housing relationship</li> <li>2. Opportunities and constraints to development of additional housing (see below)</li> <li>2a. Capacity for sewer and water service</li> <li>2b. Availability of land suitable for urban development</li> <li>2c. Lands preserved or protected from urban development</li> <li>2d. County policies to preserve prime agricultural land</li> <li>3. Opportunities to maximize transit and existing transportation infrastructure</li> <li>4. Policies directing growth toward incorporated areas</li> <li>5. Loss of units contained in assisted housing developments</li> <li>6. High housing cost burdens</li> <li>7. Rate of Overcrowding</li> <li>8. Housing needs of farmworkers</li> <li>9. Housing needs of UC and Cal State students</li> <li>10. Individuals and families experiencing homelessness</li> <li>11. Loss of units during an emergency</li> <li>12. SB 375 Greenhouse Gas Reduction Targets</li> <li>13. Other factors adopted by Council of Governments</li> </ol>	Email	11/5/2021
40	SC YIMBY	Sonnenfeld	Rafa	1) We generally like the approach of using Racial Concentrated Areas of Affluence (RCAA) as the way of AFFH'ing jurisdiction's allocations, but the all-or-nothing approach that lets the city of Santa Cruz reduce its low and very low allocation by 50% because it is only 66% affluent instead of 68% affluent is not acceptable. AMBAG should change its methodology for determining RCAs-based allocations for jurisdictions that are more than 50% white by reducing the percentage of low and very low units by the relative amount of affluence compared to the region. So for Santa Cruz, instead of a full 50% reduction to low income units, it should be a reduction of ~1%.	The Board of Directors could direct staff to modify the definition of RCAA and include those jurisdictions that qualify as a partial RCAA.	Email	11/5/2021
41	SC YIMBY	Sonnenfeld	Rafa	2) Ensure that the statutory adjustments mentioned to reduce sprawl and directing units to infill are given enormous weight for unincorporated Monterey County, due to their legal barriers to AFFH.	<p>Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). . Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including:</p> <ol style="list-style-type: none"> <li>1. Jobs and housing relationship</li> <li>2. Opportunities and constraints to development of additional housing (see below)</li> <li>2a. Capacity for sewer and water service</li> <li>2b. Availability of land suitable for urban development</li> <li>2c. Lands preserved or protected from urban development</li> <li>2d. County policies to preserve prime agricultural land</li> <li>3. Opportunities to maximize transit and existing transportation infrastructure</li> <li>4. Policies directing growth toward incorporated areas</li> <li>5. Loss of units contained in assisted housing developments</li> <li>6. High housing cost burdens</li> <li>7. Rate of Overcrowding</li> <li>8. Housing needs of farmworkers</li> <li>9. Housing needs of UC and Cal State students</li> <li>10. Individuals and families experiencing homelessness</li> <li>11. Loss of units during an emergency</li> <li>12. SB 375 Greenhouse Gas Reduction Targets</li> <li>13. Other factors adopted by Council of Governments</li> </ol>	Email	11/5/2021
42	SC YIMBY	Sonnenfeld	Rafa	3) Recommend that AMBAG implement a bottom-up approach for the allocation like ABAG did that integrates equity into the total allocation (or at the very least, include it as an option with draft allocation numbers for the Directors to consider) rather than the income shift approach, which is the only methodology which the directors have seen draft numbers for, and which has never been presented to them as a real possibility.	AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.	Email	11/5/2021

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43	Monterey Bay Economic Partnership (MBEP)	Roberts	Kate	<p>Monterey Bay Economic Partnership's Housing Initiative is aimed at promoting the increase of housing at all income levels in the Monterey Bay region via data driven policies, funding solutions, and advocacy. In coordination with other housing advocates in Santa Cruz and Monterey counties, we have been closely tracking the AMBAG RHNA methodology process, and have some recommendations for a more equitable distribution of housing units throughout our region:</p> <p>1. Adopt a bottom-up methodology approach to result in more housing units allocated to jurisdictions with the most access to opportunity instead of incorporating Affirmatively Furthering Fair Housing (AFFH) via an income-shifting mechanism that does not affect the absolute number of units a jurisdiction receives. As it currently stands, jurisdictions in the Salinas Valley are seeing the largest growth rates, although none of these communities are designated as Racially Concentrated Areas of Affluence (RCAA). While we understand that it is difficult to balance the range of housing needs in a region as diverse as ours, we do not believe that low growth rates in Racially Concentrated Areas of Affluence fulfill the statutory objective of AFFH that AMBAG is required to meet per Government Code Section 65584(d). The bottom-up approach results in a more equitable outcome since it not only allocates more RHNA to jurisdictions with higher access to resources on a per capita basis, but also higher-resourced jurisdictions receive a larger amount of lower income RHNA on a per capita basis. We recommend the bottom-up approach so that access to Racially Concentrated Areas of Affluence is directly factored into the methodology, followed by the existing priority factors that the Board of Directors choose to incorporate for each income category, which includes employment, transit, and resiliency factors.</p>	<p>AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.</p> <p>The AMBAG Board of Directors can direct staff to modify the draft methodology to consider an AFFH factor as an allocation factor and bring back to the Planning Directors for discussion.</p>	Letter	11/9/2021
44	Monterey Bay Economic Partnership (MBEP)	Roberts	Kate	<p>2. Establish a jobs-proximity factor in order to counter the jobs-housing imbalance that the proposed methodology exacerbates. The purpose of the jobs-proximity factor is to consider the relationship between jobs and transportation with the intent of encouraging more housing in jurisdictions either within, or with easier access to a relevant job center. One example of the methodology exacerbating the jobs-housing imbalance are draft allocations for Watsonville and Santa Cruz. As demonstrated in the change to the existing housing stock chart that Santa Cruz YIMBY prepared in its letter dated October 15th, the City of Watsonville is projected to have a growth rate of 18%, and the City of Santa Cruz a growth rate of 12%. While this is not problematic at face value, when we take into account 28,514 existing jobs in 2020 for the City of Watsonville versus 43,865 for the City of Santa Cruz, that's a 54% difference in existing jobs. More housing units must be directed towards jurisdictions in which existing job centers are located until more job centers and much needed infrastructure are developed in jurisdictions where it is deficient. Allocating more housing units towards existing job centers will also promote RHNA's environmental goals by way of reducing Vehicle Miles Traveled and Greenhouse Gas Emissions.</p>	<p>Looking at any factor—including jobs—without considering jurisdiction size could lead to unreasonable results (such as thousands of units allocated to a city that is just a few square miles in area). Objective 2 of RHNA states "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."</p> <p>Statute, and thus the methodology, centers on jobs "in each jurisdiction." As a legacy of Prop 13, job-heavy jurisdictions have fiscal incentives to avoid planning for housing within their jurisdiction. Diluting their imbalance by looking at neighboring areas could undermine this RHNA objective.</p>	Letter	11/9/2021
45	Monterey Bay Economic Partnership (MBEP)	Roberts	Kate	<p>3. Explicitly account for farmworker housing units. This can be achieved by ensuring that jurisdictions with a high number of farmworker jobs have a floor number of lower income units that are available to low income farmworkers, even if other factors, such as RCAA, reduce that total. The Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley found that an additional 45,560 units of farmworker housing are needed to alleviate critical overcrowding in farmworker households that are occupied at 7.00 PPD to the average PPD of 3.23 in Monterey County and the average PPD 2.60 in Santa Cruz County.<sup>2</sup> The Plan includes the goal of producing 5,300 permanent affordable farmworker housing units over the next five years across the Salinas and Pajaro Valleys. We know that this data matters greatly to the Board of Directors given that AMBAG, along with MBEP, the Counties, and others, were funding partners of the Study and committed to the implementation of the Action Plan. The past 20 months have reminded us that farmworkers are essential workers in our regional economy and a safe and secure food supply requires a healthy stable trained workforce living in safe and secure affordable housing. It is important to note that H2A farmworkers are not a part of this unit count, given that they do not live in the region year round and are provided housing by their employer.</p>	<p>Ag jobs are included in our jobs data. We are not using "Census" jobs data—we're using address-level data from the California Employment Development Department, InfoUSA, and nearly a year of extensive ground-truthing the data by AMBAG staff. These data sources do include agricultural jobs as well as agricultural support jobs. If the number of ag jobs in the 2022 RGF appears low, it is not because we missed ag jobs, it's because of industry classifications. Within NAICS classifications, support activities for agricultural or animal production (e.g., harvesting contractors, farm labor contractors, crop packaging, warehousing) appear in manufacturing, transportation and warehousing, or wholesale. In addition, a comprehensive review of AMBAG region firms listed in the agriculture NAICS sector showed many support activities. AMBAG staff re-classified these to manufacturing, wholesale, or retail. For these reasons, allocating by total jobs does help to ensure that housing will be planned where farmworkers live. Perhaps more importantly: The listed jurisdictions (Gonzales, Greenfield, King City, Salinas, Soledad, Unincorporated Monterey, Watsonville, and Unincorporated Santa Cruz) account for nearly 2/3rds of the Very Low and Low income allocation (more than 8,000 units) under the proposed framework. Allocating an additional 1,000 units to those jurisdictions (many of which are already lower-income) would necessitate taking lower-income units away from high-resource jurisdictions, and thus perpetuating existing inequalities—a principle RHNA is designed to protect against. Areas with the most agricultural jobs, and thus highest need for farmworker housing are Unincorporated Monterey and Salinas, followed by Greenfield, Watsonville, Unincorporated Santa Cruz, Gonzales, Soledad, and King City. Creating a separate farmworker housing factor would add units to those jurisdictions. In addition, AMBAG had extensive conversations with HCD about H2A, and H2A units are included in the base data that HCD used to determine the region's existing need. An additional 11,410 was added to our RHNA number due to overcrowding, of which is due in large part to lack of farmworker housing.</p>	Letter	11/9/2021

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
46	Monterey Bay Economic Partnership (MBEP)	Roberts	Kate	<p>4. Push out approval of the draft methodology until equity concerns are wholly addressed, and a presentation on the sources of employment data is presented to jurisdictions that request them. At the Planning Directors Forum held on November 1st, several jurisdictions expressed concerns around the lack of transparency regarding the data sources used for employment figures. All data sources utilized for purposes of the methodology should be fully transparent and easily accessible in order for all involved decision makers to be as informed as possible going forward.</p> <p>We commend the Association of Monterey Bay Area Governments for their work on the 6th Cycle Housing Element and look forward to having a methodology in place that we can fully stand behind as our region seeks approval from the State. Thank you for your leadership. For questions, please contact Elizabeth Madrigal at emadrigal@mbep.biz.</p>	<p>Given the feedback we've heard from local jurisdictions and stakeholders and the preliminary review of a draft methodology by HCD, AMBAG staff is not recommending approval from the Board tonight.</p> <p>All data used in RHNA is publicly available.</p> <p>The 2022 RGF was approved by the AMBAG Board of Directors through public meetings and is available on the AMBAG website. <a href="https://www.ambag.org/sites/default/files/2020-12/Final%20Draft%202022%20Regional%20Growth%20Forecast_PDF_A.pdf">https://www.ambag.org/sites/default/files/2020-12/Final%20Draft%202022%20Regional%20Growth%20Forecast_PDF_A.pdf</a></p> <p>The majority of the RHND is proposed to be allocated based on:</p> <ul style="list-style-type: none"> <li>- Jobs (Employment), published as part of the RGF (see link above) and was based on data from the California Employment Development Department and InfoUSA.</li> <li>- Wildfire—CPUC and the Office of the State Fire Marshal</li> <li>- Sea Level Rise—NOAA</li> <li>- AFFH: TCAC/HCD Opportunity Area Maps or RCAs (U.S. Census Bureau, American Community Survey (2015-2019), and 2020 Census)</li> </ul> <p>AMBAG staff has submitted a request to EDD to allow us to share the confidential jurisdictional level EDD employment data. The county level data is already available. In addition, AMBAG has shared the InfoUSA data with any local jurisdiction who has requested it. Finally, the AMBAG Board could choose to direct staff to use a different data source for jobs data.</p>	Letter	11/9/2021
47	City of Salinas	Carrigan	Steve	The City of Salinas (City) requests that the AMBAG Board delay adoption of the Regional Housing Needs Allocation (RHNA) Methodology until it directly considers equity in its total unit allocation. The City of Salinas always has recognized that it would receive the largest share of units. With the planned Future Growth Area and recent developments such as Moon Gate Plaza and Project Homekey conversion of the Good Nite Inn, Salinas is demonstrating its commitment to increasing housing opportunities across all income levels. Throughout the process, we have asked that the allocation be equitable and that jurisdictions with high resources have a larger role in providing future housing. AMBAG staff have done a commendable job of meeting deadlines while breaking down a very complicated process in the creation of a fair base methodology. We thank them and the Board of Directors for their hard work and diligence in this project. Unfortunately, because something is fair, does not necessarily mean that it is equitable. The City feels the results of this methodology places an unequitable emphasis on Salinas and Salinas Valley jurisdictions to shoulder future housing production, failing to further RHNA Plan Objectives (Government Code 65584(d)) of affirmatively furthering fair housing (AFFH) and promoting an intraregional jobs-housing balance. The City of Salinas has the following specific concerns:	Given the feedback we've heard from local jurisdictions and stakeholders and the preliminary review of a draft methodology by HCD, AMBAG staff is not recommending approval from the Board tonight.	Letter	11/10/2021
48	City of Salinas	Carrigan	Steve	<p>a) While Salinas is the largest community in the region, according to AMBAG's 2022 Subregional Growth Forecast, as of 2020 it has 22.7% of the region's (Monterey and Santa Cruz counties) population but is being given 28% (9,353 units) of the region's housing allocation. For comparison, the next highest allocation goes to unincorporated Monterey County, which receives just over nine percent (3,083 units), but has almost 15% of the region's population.</p> <p>b) According to 2020 US Census data compiled by California YIMBY (see letter in AMBAG Memorandum to Planning Directors Forum November 1, 2021, pages 18-25), this allocation would represent a 21 % growth in housing stock. Salinas Valley communities are being asked to accommodate growth of 22% (Soledad), 26% (Greenfield), 29% (King City), and 108% (Gonzales). The only Monterey Peninsula communities being allocated growth over 20% are Del Rey Oaks and Sand City, which amounts to just over 500 units. Carmel and Pacific Grove would each only have to accommodate about a five percent change to existing housing stock.</p> <p>c) The City appreciates the inclusion of Racially-Concentrated Areas of Affluence (RCAs) as a step toward a more equitable allocation. However, by just shifting allocation among income groups within a jurisdiction, rather than re-allocating any total units based on affluence, there is a missed opportunity to require jurisdictions with significant resources, including those in unincorporated areas, to contribute more to solving the housing crisis and address regional patterns in inequity.</p>	RHNA must consider a variety of factors, including current housing need. Of the region's 33,274 unit allocation, 11,410 were allocated based on overcrowding. The highest rates of overcrowding in the region are in the Salinas Valley jurisdictions. Based on the 2015-2019 American Community Survey data, Salina's overcrowding rate is just over 19% compared with just under 10% in unincorporated Monterey County.	Letter	11/10/2021
49	City of Salinas	Carrigan	Steve	<p>d) AMBAG states that it did not shift total units based on equity because it "would have resulted in lower unit total allocations to areas with high overcrowding and high need for farmworker housing" (AMBAG Memorandum to Planning Directors Forum November 1, 2021, page 6). There is room to consider equity directly in total allocation numbers while holding such communities accountable for addressing these needs. For example, even a methodology shift that simply brings the City's RHNA share in line with its population share would still allocate over 7,500 units to Salinas, which is still more than double the next highest allocation.</p> <p>e) By allocating so much growth inland, this methodology also risks exacerbating regional traffic and commute struggles. Morning commutes to the Monterey Peninsula on US 101 and Route 68 are already grueling because people cannot afford housing where they work.</p> <p>f) Under SB 35 (Wiener, 2017) in communities that fail to meet RHNA production targets, developers may elect to use a ministerial process to get project approval for certain residential projects. Building 9,353 units over the course of eight years means building over 1,000 per year. From 2015-2020 there were 708 total units developed in Salinas. The City is not a housing developer, and while it can plan to accommodate many units, it has much less control over the actual pace of development. Such a high unit allocation could result in loss of local control and poor-quality housing development as the City currently allows housing in certain areas via conditional use to mitigate adverse environmental factors. The current allocation risks punishing one of the region's most pro-housing communities.</p>	<p>The Board of Directors could direct AMBAG staff to consider a population-based factor as part of the allocation methodology.</p> <p>Many of the region's jurisdictions already fall, or may in the future fall, under the purview of SB 35 and may have to rezone.</p>	Letter	11/10/2021

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50	City of Salinas	Carrigan	Steve	<p>Salinas is pursuing every opportunity possible to develop new housing. In addition to the aforementioned projects, it is in the process of upzoning parking lots and underutilized commercial properties through SB 2, updating its general plan to facilitate more kinds of housing throughout the city, and is constantly pursuing funding to close financing gaps. To make a true difference in the housing crisis, and to affirmatively further fair housing, however, requires efforts from every community in the region, including those with significant resources. The City of Salinas asks that the Board delay approval of the draft methodology until written concerns have been addressed and has the following recommendations:</p> <p>1. Directly consider equity when determining total RHNA units a jurisdiction receives and use RCAs and AFFH as a significant factor in allocating housing totals as well as shifting income level determinations.</p>	<p>AMBAG staff presented an option to the Planning Directors Forum to do something similar to this at our June 30, 2021 meeting. Consensus was that by allocating RHNA by two AFFH-based factors was redundant. Instead, they chose to allocate by AFFH income category only, but increased it to a high weight.</p> <p>The AMBAG Board of Directors can direct staff to modify the draft methodology to consider an AFFH factor as an allocation factor and bring back to the Planning Directors for discussion.</p>	Letter	11/10/2021
51	City of Salinas	Carrigan	Steve	2. Consider a jurisdiction's connectedness to the regional job market and commute times to jobs, in addition to job locations.	Objective 2 of RHNA states "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." Statute, and thus the methodology, centers on jobs "in each jurisdiction." As a legacy of Prop 13, job-heavy jurisdictions have fiscal incentives to avoid planning for housing within their jurisdiction. Diluting their imbalance by looking at neighboring areas could undermine this RHNA objective.	Letter	11/10/2021
52	City of Salinas	Carrigan	Steve	3. If the Board feels strongly about making a final decision on 11/10/21, the City of Salinas urges the selection of Option B as the more equitable of the two.	Thank you for your comments.	Letter	11/10/2021
<b>Public Comments Received at the November 10, 2021 Public Hearing</b>							
53	City of Salinas	Hunter	Megan	<p>Thank you, my name is Megan Hunter. I'm the Community Development Director for the City of Salinas. And I just wanted to thank the Board, and especially the staff, and listening to something that I know is not easy to do. We strongly support the allocation based on a AFFH, if you look at the percentage of growth that is being assigned to the Salinas Valley communities, in relation to those higher resourced areas. I'm just as comparison Carmel is receiving a 5% growth increase, and all of the jurisdictions in the Salinas Valley, communities are over 20%, the highest being Gonzales. So, um, we think that that's a much fairer way of allocating resources and then I just wanted to mention, in terms of overcrowding, why is housing overcrowded in our jurisdictions? And it really has to do with the fact that there isn't affordable housing located in areas in tourist areas that people work in. There should be more allocations to those, and you can see it on route 68. Know, if you're driving from Salinas to Monterey, that is a horrible commute, and that really speaks to the lack of affordable housing for working people that work on the peninsula. So we strongly commend the allocation. And I do think it probably doesn't make sense to have a partial AFFH. First hand City in Santa Cruz, given that they're so close to being on the edge and then Sand City, although it doesn't affect our allocation, per se. I think that's probably fairer for the region. And that concludes my comments. Thank you.</p>	<p>The AMBAG Board of Directors provided direction at the November 8, 2021 Board meeting to explore a methodology that considered an AFFH factor as an allocation factor and partial RCAA definitions. These modifications will be brought back to the November 29, 2021 Planning Directors Forum for discussion.</p>	Public Hearing	11/10/2021
54	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	<p>Land Watch has two basic concerns. First we think that the units have been substantially over allocated to the unincorporated county based on using percentage of regional jobs. Is the primary factor, 2400 units were allocated to county even though the county is doesn't have a jobs housing imbalances. And the purpose of the jobs allocation methodology is to make sure there is an imbalance that the county has a better jobs housing balanced the average. So it just doesn't make sense to allocate tons units to the county unincorporated area on bases. That it's also conflicts with the statutory objectives to promote in sale, protect ag, protect the environment, and to minimize transit and greenhouse gas, transportation, greenhouse gas emissions.</p> <p>We think that there should be a substantial downward adjustment to the county if they're going to continue to use the jobs allocation, and there are a couple of statutory factors that would warrant that, including me, presence of agreements with cities, to direct growth toward them, County has those agreements. County policies to preserve Prime Ag land, county has those clauses, and also consideration of VMT. With regard to the RCAA versus TCC Opportunity areas, if you're going to re-allocate based on affirmatively further fair housing, I really recommend you go back to TCC. There may be some little glitches and it can be fixed, but Monterey County only has 10% of its area in high resource areas. And to treat it as if it is RCAA, based on income and race factors will result in allocating a tremendous number of units, too. It basically isn't, it doesn't present the opportunity areas. It's an unincorporated territory. It doesn't have the amenities that would justify moving a large allocation. So, we'd like you to revisit the county allocation.</p>	<p>Statutory adjustments will be considered after a methodology is selected as included in Government Code Section 65584.04(e). . Statutory adjustment(s) will be made and documented as part of the draft RHNA Plan. Statutory adjustments can be made according to the 13 RHNA plan factors including:</p> <ul style="list-style-type: none"> <li>1. Jobs and housing relationship</li> <li>2. Opportunities and constraints to development of additional housing (see below)</li> <li>2a. Capacity for sewer and water service</li> <li>2b. Availability of land suitable for urban development</li> <li>2c. Lands preserved or protected from urban development</li> <li>2d. County policies to preserve prime agricultural land</li> <li>3. Opportunities to maximize transit and existing transportation infrastructure</li> <li>4. Policies directing growth toward incorporated areas</li> <li>5. Loss of units contained in assisted housing developments</li> <li>6. High housing cost burdens</li> <li>7. Rate of Overcrowding</li> <li>8. Housing needs of farmworkers</li> <li>9. Housing needs of UC and Cal State students</li> <li>10. Individuals and families experiencing homelessness</li> <li>11. Loss of units during an emergency</li> <li>12. SB 375 Greenhouse Gas Reduction Targets</li> <li>13. Other factors adopted by Council of Governments</li> </ul>	Public Hearing	11/10/2021

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
55	SC YIMBY	Sonnenfeld	Rafa	<p>First, I wanted to appreciate that staff seems to be moving in the right direction on tweaking the equity allocation. I'm encouraged by the direction with RCAA+, but I think there are still some tweaks that need to be made. What I wanted to point out is that the City of Santa Cruz has the highest poverty rate of any jurisdiction in the region, but at the same time it is or should be a regional, racially concentrated area of affluence. The methodology should not be taking away needed, affordable units from Santa Cruz, because it's only 1% less affluent than the region as a whole, according to poverty rates. On the, Santa Cruz is the average rent, according to the 2019 American Community survey for two bedroom apartment minutes, \$2,112 a month. Carmel Valley, which is also a recent, racially concentrated area of affluence, is \$1,763. So, you know, how does it affirmatively further fair housing to take away affordable units from a jurisdiction that has a 20% higher market rent than the jurisdiction that's supposedly more affluent? Santa Cruz rates are higher than six of the eight cities in our region, except for Carmel and Del Rey Oaks. The other thing I wanted to mention is, you know, to look at this bottom-up approach, again, staff's argument has been that we shouldn't use the bottom-up approach, because it might take away units from jurisdictions with overcrowding problems. Well, think about this for a minute. Under the current approach, a city like Greenfield does, which is the most overcrowded city in our region at 29% of households, is being assigned 1,085 units using the allocation methodology based on the SCS, jobs, transit, resiliency. And there are 425 lower, very low units using that methodology. But then, with the, the income shift, those units are being reduced to a total of 265 low-income units. So, if is using a bottom-up approach?</p>	<p>The AMBAG Board of Directors provided direction at the November 8, 2021 Board meeting to explore a methodology that considered an AFFH factor as an allocation factor and partial RCAA definitions. These modifications will be brought back to the November 29, 2021 Planning Directors Forum for discussion.</p>	Public Hearing	11/10/2021
56	Monterey Bay Economic Partnership (MBEP)	Madrigal	Elizabeth	<p>Now, along with other public commenters, we just really wanted to commend and thanks, for the work that they've put into this methodology, especially extending the Board out until December 8th. We think it's a good amount of time to be able to incorporate recommendations that would make the methodology as well as it can be for our region. And they really want to recommend and that staff and the board of directors to incorporate AFFH into the methodology, as it will result in a fair allocation of units on the lines of permanently affirmatively furthering fair housing in all communities within our region. And I also want to make the case for another one of our recommendations, which is for the methodology to explicitly account for farmworker housing units. This can be achieved as a set aside. I know you all are aware of that farm workers in our region, are one of the populations that face the most acute housing needs and travels, so we want to ensure that. But then this methodology, this thing that can be solved for. And that's a part of our farm worker housing study, actually makes it, we make the case for the goal of producing 5,300 permanent affordable farmworker housing units over the next five years, across the Salinas and Pajaro Valleys. And I think if this were to be incorporated within the methodology, we'd be able to tackle that goal directly. And serve one of our neediness populations in the region. Thank you very much.</p>	<p>The AMBAG Board of Directors provided direction at the November 8, 2021 Board meeting to explore a methodology that considered an AFFH factor as an allocation factor and partial RCAA definitions. These modifications will be brought back to the November 29, 2021 Planning Directors Forum for discussion.</p> <p>Areas with the most agricultural jobs, and thus highest need for farmworker housing are Unincorporated Monterey and Salinas, followed by Greenfield, Watsonville, Unincorporated Santa Cruz, Gonzales, Soledad, and King City. Creating a separate farmworker housing factor would add units to those jurisdictions. In addition, AMBAG had extensive conversations with HCD about H2A, and H2A units are included in the base data that HCD used to determine the region's existing need. An additional 11,410 was added to our RNA number due to overcrowding, of which is due in large part to lack of farmworker housing.</p>	Public Hearing	11/10/2021
<b>Public Comments Received after the November 10, 2021 Public Hearing</b>							
57	City of Pacific Grove	Hunter	Alyson	<p>The affordable housing crisis affects all jurisdictions in Monterey County. The City of Pacific Grove (PG) is committed to increasing the supply and choice of affordable housing within its city limits and throughout the region. The RNA process and the Housing Element are two fundamental tools for affordable housing planning if and when they are properly implemented. The AMBAG region is in critical need of affordable housing. However the draft distribution neglects to place units in locations where they have the greatest chance of being built. If units are not assigned in a more practical and equitable way, the region risks not having units built altogether and possible state penalties for not building the units as some jurisdictions have very real and persistent limitations.</p> <p>Unique local conditions must be considered when developing the RNA methodology. Considerations for the City of Pacific Grove: compared to other jurisdictions in Monterey County, PG is very limited in its land availability as reflected in the attached Vacant and Underutilized maps from the City's 2015-2023 Housing Element. Based on this limitation, the City would need to realistically determine where and how it could accommodate the proposed units within the next eight year period. The City anticipates continuing building ADU's and expects this would be feasible and rezoning/upzoning parcels that could accommodate density bonus and other incentives to accommodate more density and affordable units. Planning for high numbers of units in a city that is built-out with few vacant parcels must be considered. The City is approximately 3.5 square miles and built out with about 6,835 households and infill is the only form of development that could occur as confirmed in the analyses of the current Housing Element 2015-2023.</p> <ul style="list-style-type: none"> <li>• The City is implementing tools to support near-term affordable housing production such as ADUs, a local density bonus ordinance, objective design and development standards, and identifying key opportunity sites that can be leveraged through partnerships with affordable housing developers.</li> <li>• PG and other peninsula cities are subject to the State Water Resources Control Board 2009 Cease-and-Desist Order (CDO) on water extraction from the Carmel River. As a result, jurisdictions within the Monterey Peninsula Water Management District are prohibited from establishing or setting new meters and from changing use at existing sites. This policy is critically limiting our ability to move forward with shovel-ready projects and planning for future housing on the Peninsula.</li> <li>• The cost of construction has skyrocketed since the onset of the COVID-19 pandemic and now requires even higher levels of subsidy. PG and other small jurisdictions have severely limited access to housing subsidies, land, and related resources needed to produce lower income housing units at the numbers indicated in the draft distribution of RNA numbers.</li> </ul>	<p>Comments noted.</p>	Letter	11/19/2021

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58	City of Pacific Grove	Hunter	Alyson	<p>RHNA Methodology - The two methodologies proposed by AM BAG include the Racially Concentrated Areas of Affluence (RCAAs) and HCD/TCAC Opportunity Map methodology. Implementing one or the other would result in very different outcomes for PG. The table below shows the results of the RCAA methodology that increases very low income units by 33%, a 32% increase in low income units, a decrease of 50% in moderate income units and a 38% decrease in above moderate income units.</p> <p>Racially Concentrated Areas of Affluence (RCAAs) - The proposed RHNA methodology utilizing the Racially Concentrated Areas of Affluence (RCAAs), which reflects areas of advantage in the region and directs a higher share of lower-income housing to RCAA's, results in approximately 74% of the very low or low income RHNA allocation to those jurisdictions including the City of Pacific Grove. This methodology puts undue burden on cities like Pacific Grove who are small, do not have federal or state direct subsidies to develop very low, low, or moderate income housing, and do not have the land to build sufficient above moderate units that could yield lower income units through other incentives.</p> <p>Examining Tools to Build Affordable Housing and Meet RHNA Goals - Over the last year, PG examined how it would accommodate new RHNA numbers on existing sites through a robust community engagement process for its Welcome Home initiative. The City looked at underutilized and vacant parcels as well as examined zoning. Carefully determining eligible sites and the right tools that will yield units is part of the creativity that needs to occur in order to squeeze higher density development on any available parcels.</p> <p>City of Pacific Grove Local Water Project and ADU Development - Through great ingenuity, PG created a new water supply through the Local Water Project, a new satellite recycled water treatment plant (SRWTP) that recycles a portion of Pacific Grove's wastewater. If unused water meters exist on a property, the City can sell that allocation of water and use the revenue for ADU and JADU development. In the past two years, 104 permits have been pulled for ADU's/JADU's and of those, 29 have received their final inspection, and 21 are in the process of building plan review. The remaining 54 are somewhere in between. The City expects it could continue to accommodate more ADU development even with the CDO in place.</p>	RHNA methodologies must address affirmatively furthering fair housing (AFFH). Feedback from HCD indicates that including AFFH as a factor to allocate units as well as shifting income units based on AFFH is a priority. The final draft methodology proposes to reduce the income shift percentage from 50% to 30%.	Letter	11/19/2021
59	City of Pacific Grove			<p>Density Bonus - The table below details minimum scenarios to meet proposed RHNA allocations with density bonus incentives. If a density bonus project was hypothetically proposed to meet just the very low income requirements, the development would need to be over 400 units to yield the very low income requirement with 50% very low income affordability. Additional developments of approximately an additional 284 units would be needed to meet the affordable units proposed. There are no developments of that size in PG. The City would need to have many density bonus developments and upzone many parcels and include density bonus incentives to meet the needs of the lower income units to accommodate the number of lower income units required by the proposed RHNA allocation. It is highly unlikely that a density bonus development would occur with 100% affordability, so realistically, these are minimum numbers and far greater numbers would be needed to accommodate the lower income units.</p> <p>Inclusionary Zoning - The City has examined implementing an Inclusionary Zoning Ordinance. The table below details the RHNA numbers needed to meet affordability requirements. If an inclusionary requirement comparable to the County of Monterey were applied, after the threshold of about six or more housing units is met and a hypothetical 20% inclusionary requirement is applied at the distribution of 6% very low income, 6% low income, and 8% moderate income units; in order to reach 202 very low income units, the City would need to develop 3,367 units, 2,200 additional units to meet the low income requirement of 132 units, and 300 units to meet the 24 unit moderate requirement. The total number of units through an inclusionary requirement to meet those affordability requirements alone in the RCCA model would be 5,867 units, or an 86% increase in the total housing stock of Pacific Grove.</p>	<p>It is expected that many jurisdictions in the AMBAG region and across the California will need to modify its zoning to meet the new requirements of the 6th Cycle RHNA.</p>	Letter	11/19/2021
60	City of Pacific Grove	Hunter	Alyson	<p>Cost to Build Lower Income Units - The latest development estimates from non-profit housing developers to build a lower income unit is approximately \$550,000/unit and this estimate is for a studio or 1-bedroom unit. The cost to build 358 subsidized units would be approximately \$196,900,000.</p> <p>Very Low Income Units and Additional Subsidies - Very-low income units often require additional subsidies for supportive housing services. The cost of these services have been estimated by the State's No Place Like Home (NPLH) funding program to be about an additional \$6,500/year/unit in operating subsidies to support clients in retaining housing. Some estimates locally can be as high as approximately \$16,000/year/unit. In order to meet the subsidy for one year after averaging the supportive service cost estimates, an additional \$2,272,500 might be needed annually to maintain the services for very low income households.</p> <p>Limited Access to regional funds for affordable housing - Project based Section 8/Housing Choice Vouchers are significant in developing affordable housing but the city of Pacific Grove is at a disadvantage in accessing them. The City of Salinas receives the largest investment from the County's Housing Authority that develops affordable housing. The Housing Authority has the majority of their low-income housing development in the City of Salinas and owns many properties in Salinas. Additionally, other housing developers, such as Eden, Mid Pen, EAH Housing, and CHISPA focus most of their development efforts in Salinas and South County. A lot of this has to do with the availability of land, water, and subsidies. Additionally, Salinas can invest an initial subsidy from HOME funds that makes TCAC applications more competitive.</p> <p>Conclusion/Request: When it comes to the allocation of RHNA numbers, one unit of lower income housing, especially very low and low, is not equal to one unit of above moderate housing. If AM BAG selected this methodology, the City would require serious subsidies to ensure its share of lower income units are built. More importantly, it would require development of additional above moderate units to yield lower income units. The RCAA methodology is technically giving the City more above moderate units. The City proposes moving toward a methodology that more equitably and reasonably distributes lower income units. The RCAA methodology is unrealistic for the City and needs to be adjusted based on the City's unique limitations to succeed in the next RHNA cycle.</p>	<p>RHNA methodologies must address affirmatively furthering fair housing (AFFH). Feedback from HCD indicates that including AFFH as a factor to allocate units as well as shifting income units based on AFFH is a priority. The final draft methodology proposes to reduce the income shift percentage from 50% to 30%.</p> <p>AMBAG agrees that it will be important for the state to identify and provide more affordable housing funding in order to implement and build the housing units proposed in the 6th Cycle RHNA.</p>	Letter	11/19/2021

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
61	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	I write on behalf of LandWatch Monterey County regarding the draft proposed RHNA methodology to follow up on the concerns LandWatch raised at the Planning Director's Forum on November 1, 2021 and the AMBAG Directors' meeting on November 10, 2021. LandWatch asks that AMBAG base its jobs-related allocation on the relationship of jobs to housing in each jurisdiction rather than just that jurisdiction's percent share of regional jobs. The proposed jobs-related allocation method is not in conformance with the Housing Element Law, which mandates consideration of this relationship. LandWatch provides an alternative allocation that properly considers the jobs to housing relationship and that is consistent with all statutory objectives in Attachment 1.	Comments noted.	Letter	11/24/2021
62	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	A. The allocation of units based only on a jurisdiction's jobs conflicts with the statutory objective to promote "an improved intraregional relationship between jobs and housing" because it fails to consider the housing part of that relationship. The methodology now proposed by AMBAG staff in its staff report for the November 29 Planning Directors' meeting would allocate 10,374 units of HCD's Regional Housing Needs Determination (RHND) based on each jurisdiction's share of regional jobs. The allocation of the 10,374 jobs-related portion of the RHND should not be based merely on each jurisdiction's share of regional jobs. This approach fails to meet the statutory objective to promote "an improved intraregional relationship between jobs and housing." (Gov. Code, § 65584(d)(3).) There is simply no statutory basis for an allocation based on a jurisdiction's jobs that ignores the "relationship" and "balance" between jobs and housing. Promoting an improved intraregional relationship between jobs and housing requires that the allocation take existing housing units into account, not simply the existing jobs. Furthermore, the method used to promote an "improved" jobs/housing relationship must allocate proportionately more units to jurisdictions that have higher than average jobs/housing balances, because the purpose of this statutory objective is to remedy those high jobs/housing balances. The method used to improve the intraregional jobs/housing balance should not allocate units to those jurisdictions that have acceptable jobs/housing balances because that will divert units from jurisdictions that need the remedy. Jurisdictions with acceptable jobs/housing balances can and will be allocated units based on other statutory objectives. However, the allocation method now proposed in the November 29, 2021 staff report, simply fails to take the jobs/housing balance into account because it allocates units based only on the percentage of regional jobs and pays no attention to existing housing units. Thus, the currently proposed method allocates thousands of units to jurisdictions like Marina, Seaside, Pacific Grove, Carmel, Del Rey Oaks, unincorporated Monterey County, and unincorporated Santa Cruz County, even though these jurisdictions do not have a jobs/housing imbalance. The method also allocates disproportionately large numbers of units to jurisdictions like Salinas and Santa Cruz that have only slightly higher than average jobs/housing balance. And because the method diverts units to jurisdictions with lower than average jobs/housing balances, it does not allocate enough units to jurisdictions with high jobs/housing balances to materially improve those balances. An analysis of RHNA best practices prepared for HCD endorses methodologies that "specifically targeted areas where the existing jobs housing imbalance was the largest. "The method proposed in the current staff report fails to do this. In sum, the proposed method does not meet the statutory objective to promote an improved relationship between jobs and housing.	AMBAG staff has prepared an RHNA methodology option that includes a job-housing ratio factor for Board consideration at their December 8, 2021 special Board meeting.	Letter	11/24/2021
63	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	B. The proposed allocation also conflicts with the statutory objective to promote infill, protect environmental and agricultural resources, and reduce GHG. The disproportionate allocation of units to unincorporated areas that have below average jobs/housing balances is also inconsistent with the mandatory objective of "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." (Gov. Code, § 65584(d)(2).) For example, average VMT and thus GHG are higher for both home-based and employment-based trips in the unincorporated Monterey County than in incorporated areas, so it makes sense to concentrate new units in cities. <sup>4</sup> The analysis of RHNA best practices prepared for HCD cites research explaining that assigning rural areas 3 to 4 times more housing units than their expected growth is inconsistent with the objective of lowering GHG emissions. <sup>5</sup> Exactly the same misallocation is proposed here: the 1,633 units assigned to unincorporated Monterey County based on jobs would be more than 3 times its expected growth of 510 units. And the total proposed assignment to unincorporated Monterey County of 3,827 units is more than 7 times its expected growth. No other jurisdiction with expected growth over 200 units has a higher total allocation in proportion to its expected growth. In preparing the Sustainable Communities Strategy, AMBAG staff may find it difficult or impossible to meet CARB's GHG reduction targets if AMBAG allocates thousands of units to rural areas instead of the areas with severe jobs/housing imbalances. And rural development clearly presents few opportunities for infill and efficient development patterns. Rural development does not protect environmental and agricultural resources. The November 29, 2021 staff report contends that the objectives to promote infill, environmental protection, preservation of agricultural land, and GHG reduction is met by allocating some units on the basis of the Regional Growth Forecast (RGF). However, the proposed methodology allocates only 12,524 units based on the RGF and then misallocates another 10,374 units based only on regional jobs shares rather than based on the statutory objective to improve intraregional jobs/housing imbalances. Since that misallocation does not further the Government Code Section 65584(d)(3) objective, and since thousands of the misallocated units would be going to rural areas, the misallocation conflicts with the Government Code Section 65584(d)(2) objective to promote infill, environmental protection, preservation of agricultural land, and GHG reduction. Obviously, some statutory objectives can be in tension with each other. But when units are misallocated without statutory justification, the conflict with other statutory objectives cannot be justified. The analysis of RHNA best practices prepared for HCD highlights the importance of a common sense review of the results against the statutory objectives. "To truly understand the extent to which an allocation plan furthers the statutory objectives of RHNA –especially within the context of each region, it is necessary to analyze the actual output of the methodology." The proposed allocation of 3,827 units to unincorporated Monterey County, the second largest allocation to any jurisdiction, does not support the statutory objectives.	AMBAG staff has prepared an RHNA methodology option that includes a job-housing ratio factor for Board consideration at their December 8, 2021 special Board meeting.		

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
64	M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County	Farrow	John	C. The draft allocation can and should be revised to allocate units to improve poor jobs/housing balances. AMBAG should not allocate units based on the jurisdictions' shares of 2020 regional jobs (hereinafter, the "Percent of Regional Jobs Method") because it does not comply with the statutory mandate. Instead AMBAG should revise its draft methodology to allocate units based on the statutory objective to improve the jobs/housing balance for jurisdictions with poor balances. Such a method would comply with the statutory mandate. LandWatch has prepared a spreadsheet that provides an alternative method to allocate the 10,374 units proposed for a jobs-related allocation. This proposed "Jobs-Housing Balance Method" allocates units to promote better jobs/housing balances by focusing on the relationship between each jurisdiction's 2020 jobs and its 2020 housing units. The allocation appears in Attachment 1, which sets out and compares the Jobs-Housing Balance Method and the Percent of Regional Jobs Method. The Jobs-Housing Balance Method we propose starts by determining each jurisdiction's jobs/housing balance, using the same Regional Growth Forecast data that AMBAG staff used in its November 29 staff report. The method also determines the regional average jobs/housing balance, which is 1.55 jobs per housing unit, again consistent with the November 29 AMBAG staff report. The method then determines how many additional units each jurisdiction would have to build to attain the regional average of 1.55 jobs per housing unit. Because many jurisdictions have much higher jobs/housing balances than the regional average, 41,266 units would have to be built for all of these jurisdictions to attain the regional average balance. However, the previously proposed methodology starts with the assumption that only a certain fixed number of units will be allocated based on any jobs-related data, i.e., the 10,374 units representing 50% of the total RHND that is not to be allocated based on the Regional Growth Forecast. Thus, in order to conform to the 10,374-unit limit for a jobs related housing allocation, the Jobs-Housing Balance Method makes a pro-rata reduction to the units needed by each jurisdiction so that the total allocated by this method is not 41,266 units but only 10,374 units. Although each jurisdiction would not attain the regional average jobs/housing balance, the Jobs-Housing Balance Method does allocate units just to the jurisdictions that actually need to improve their jobs/housing balances, and it allocates units in proportion to the severity of their jobs/housing imbalance. And the Jobs-Housing Balance Method does not allocate additional units to jurisdictions that already have better than average jobs/housing balance. In conclusion, LandWatch asks that the Planning Directors endorse the use of the Jobs-Housing Balance Method. Unlike the Percent of Jobs Method, the Jobs-Housing Balance Method meets the statutory objective to improve the jobs/housing relationship and furthers the objectives to promote infill, protect environmental and agricultural resources, encourage efficient development patterns, and achieve GHG reductions targets.	AMBAG staff has prepared an RHNA methodology option that includes a job-housing ratio factor for Board consideration at their December 8, 2021 special Board meeting.		
65	Public	Roberts	Douglas	I am an architect in Monterey, living in unincorporated Monterey Co. south of Salinas. I chair the Governmental Affairs Committee for the Monterey Peninsula Chamber of Commerce, although I am writing this email as an individual Monterey County citizen concerned with this process.  Regarding the upcoming votes on regional affordable housing allocations:  As I understand it, the state has placed a new parameter on AMBAG in the RCAA methodology. Anyone aware of the statistics being used recognizes that RCAA is just the state counting how many white people live in concentrated areas of wealth, and the state has decided it should try to reduce that effect. This is a grossly oversimplified way to look at how people select where they want to live, and has little relationship to reality, at least in California. People in a free society tend to congregate with people of like mind and similar values, and in housing, they will congregate with others of similar economic class and aspiration, based on local housing costs and availability. These factors have little to no correlation with skin color or national background. "Successful outcomes" for an individual are far more closely correlated with family structure and education. Did the person grow up with both biological parents in the household, and did they graduate from high school/possibly college? But unfortunately, those issues are not within AMBAG's tool kit, and the state has saddled you with assigning jurisdictions an impossible task.  Race is a very different consideration than economic diversity, and the two have little causal correlation. At this point in our history, economic standing is a much more accurate description of how we separate ourselves into groups and classes than is race. Further, if we're going to allocate housing based on skin color or national origin, then the purposeful implementation of that allocation is impossible without discriminating against people based on their skin color or national origin, which is a Constitutional non-starter. The RCAA methodology must be ignored, or at the very least, reduced to the lowest percentage that the state will tolerate, and prioritize economic diversity. Even that is not the ideal solution, but it's better than race.  Bottom line, the economics of developers providing affordable housing must work. They must be able to fill a need for a price that pencils out or you get nothing. A methodology should prioritize affordable and available land. And even if the price is right, for areas within the MPMWD, the water must be available, or again, you get nothing. You must help move the water board toward a sustainable, abundant water supply if you want to make any headway in the peninsula jurisdictions.  On a related note, the local redistricting committee has found that some non-white groups are unwilling to have other areas brought into their voting district as it "reduces their voice". Promoting racial diversity has the potential of setting groups against each other as they vie for political power. The state needs to get out of the social engineering experiment and work out ways to promote economic flourishing and successful outcomes of all its citizens. But, for AMBAG, having housing that people in the workforce can afford is the priority.	As stated in Housing Element Law, one of the five RHNA objectives that AMBAG must consider is affirmatively furthering fair housing. The California Department of Housing and Community Development will evaluate AMBAG's RHNA methodology to ensure that it is supporting or furthering all RHNA objectives.	Email	11/30/2021
66	LandWatch Monterey County	DeLapa	Michael	I write to follow up on the concerns LandWatch has raised regarding the draft proposed RHNA methodology. For context, LandWatch's advocates for housing that is both climate-friendly and affordable to local working families. To be climate-friendly by reducing reliance on automobiles, housing must be located in urban areas that are near to public and private services and opportunities, e.g., jobs, schools, and shopping. To be affordable for local working families, housing must be higher density, smaller, and available for rent. <sup>1</sup> Achieving both goals means avoiding sprawling into areas where long commutes by car are mandatory (and expensive) and where public services and opportunities are unavailable or expensive (and escalating). To these ends, LandWatch asks that AMBAG base its jobs-related allocation on each jurisdiction's jobs/housing balance rather than just its share of regional jobs. The statutory objective calls for improving the "intraregional relationship between jobs and housing," which requires consideration of both jobs and available housing units. LandWatch proposes an alternative allocation in Attachment 1 based on the jobs/housing relationship. This method better fits the statutory objective related to jobs and housing, better meets other statutory objectives, and is well within your discretion as a Board.	Comments noted.	Letter	11/30/2021

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
67	LandWatch Monterey County	DeLapa	Michael	A. The allocation of units based only on a jurisdiction's jobs does not adequately fulfill the statutory objective to promote "an improved intraregional relationship between jobs and housing" because it fails to consider the housing part of that relationship. The methodology now proposed by AMBAG staff would allocate 10,374 units of HCD's Regional Housing Needs Determination (RHND) based on each jurisdiction's share of regional jobs. However, the allocation of the jobs/housing-related portion of the RHND should also take into account each jurisdiction's available housing units. The statutory objective is phrased in terms of promoting "an improved intraregional relationship between jobs and housing." (Gov. Code, § 65584(d)(3).) Promoting that improved intraregional relationship between jobs and housing requires that the allocation take into account existing housing units, not simply existing jobs. Furthermore, the method used to promote an improved jobs/housing relationship should allocate proportionately more units to jurisdictions that have the worst jobs/housing balances, because the purpose of this statutory objective is to remedy those high jobs/housing balances. Conversely, the method should not allocate units to those jurisdictions that have acceptable jobs/housing balances because that will divert units from jurisdictions that need the remedy. The proposed jobs/housing balance allocation method does not target the jobs/housing balance because it simply ignores the denominator. Thus, the proposed method allocates thousands of units to jurisdictions like Marina, Seaside, Pacific Grove, Carmel, Del Rey Oaks, unincorporated Monterey County, and unincorporated Santa Cruz County, even though these jurisdictions do not have a jobs/housing imbalance. The method also allocates disproportionately large numbers of units to jurisdictions like the cities of Salinas and Santa Cruz that have only slightly higher than average jobs/housing balances. And because the method diverts units to jurisdictions with the best jobs/housing balances, it does not allocate enough units to jurisdictions with the worst jobs/housing balances to materially improve those balances. An analysis of RHNA best practices prepared for HCD endorses methodologies that "specifically targeted areas where the existing jobs housing imbalance was the largest." The proposed method fails to do this.	AMBAG staff has prepared an RHNA methodology option that includes a job-housing ratio factor for Board consideration at their December 8, 2021 special Board meeting.	Letter	11/30/2021
68	LandWatch Monterey County	DeLapa	Michael	B. The proposed allocation does not support the statutory objectives to promote infill, protect environmental and agricultural resources, and reduce GHG. The disproportionate allocation of units to unincorporated areas that have below average jobs/housing balances does not support the statutory objectives of "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." (Gov. Code, § 65584(d)(2).) For example, average VMT, and resulting GHG emissions, are higher for both home-based and employment-based trips in the unincorporated Monterey County than in incorporated areas, so it makes sense to concentrate new units in cities. The analysis of RHNA best practices prepared for HCD cites research explaining that assigning rural areas 3 to 4 times more housing units than their expected growth is inconsistent with the objective of lowering GHG emissions. <sup>6</sup> Exactly the same misallocation is proposed here: the 1,633 units assigned to unincorporated Monterey County based on jobs is more than 3 times its expected growth of 510 units, and the total proposed assignment of 3,827 units is more than 7 times its expected growth. In preparing the Sustainable Communities Strategy, ABMBAG staff may find it difficult or impossible to meet CARB's GHG reduction targets if AMBAG allocates thousands of units to rural areas instead of the areas with severe jobs/housing imbalances. Locating housing near jobs is a critical method to meet GHG reduction targets. And rural development clearly presents few opportunities for infill and efficient development patterns. Rural development does not protect environmental and agricultural resources. In sum, the proposed misallocation of jobs-related units to rural jurisdictions conflicts with the objectives to promote infill, protect environmental and agricultural resources, and reduce GHG. The analysis of RHNA best practices prepared for HCD highlights the importance of a common sense review of the methodology's results against the statutory objectives. "To truly understand the extent to which an allocation plan furthers the statutory objectives of RHNA – especially within the context of each region, it is necessary to analyze the actual output of the methodology." The proposed allocation of 3,827 units to unincorporated Monterey County, the second largest allocation to any jurisdiction, does not support the statutory objectives. While some tension in objectives may be inevitable, the tension created by the proposed jobs-related allocation cannot be justified because it does not actually further the jobs/housing objective. Finally, we note that the other statutory objectives are implemented through other factors in the proposed methodology, and the jurisdictions with acceptable jobs/housing balances will be allocated units based on those other factors. So, for instance, staff's proposed jobs-based allocation should not be rationalized based on the claim of incidental and untargeted effects on the statutory objective to affirmatively further fair housing (AFFH). This critical equity issue is directly addressed through the separate proposed allocation of 35% of the RHND based on a formula identifying Racially Concentrated Areas of Affluence and based on the separate targeted income shift process. LandWatch supports these separate targeted equity allocation processes. If there is a need for further revisions in order to target equity, revisions should be made through those separate processes.	AMBAG staff has prepared an RHNA methodology option that includes a job-housing ratio factor for Board consideration at their December 8, 2021 special Board meeting.	Letter	11/30/2021

Number	Agency/ Organization	Last Name	First Name	Comment	Response	Comment Format	Date
69	LandWatch Monterey County	DeLapa	Michael	C. The draft allocation can and should be revised to allocate units to improve poor jobs/housing balances. AMBAG should revise its draft methodology to allocate the jobs-related units based on the objective to improve the jobs/housing balance in jurisdictions with poor balances. Such a method would directly and proportionately further the statutory objective without the dilution caused by misallocation of these units to jurisdictions with acceptable jobs/housing balances. LandWatch has prepared a spreadsheet that provides an alternative method to allocate the 10,374 units proposed for a jobs-related allocation. This proposed "Jobs-Housing Balance Method" allocates units to promote better jobs/housing balances by focusing on the relationship between each jurisdiction's 2020 jobs and its 2020 housing units. The allocation appears in Attachment 1, which sets out and compares the Jobs-Housing Balance Method and the Percent of Regional Jobs Method. The Jobs-Housing Balance Method we propose starts by determining each jurisdiction's jobs/housing balance, using the same Regional Growth Forecast data that AMBAG staff used in its November 29 staff report. <sup>8</sup> The method also determines the regional average jobs/housing balance, which is 1.55 jobs per housing unit, again consistent with the November 29 AMBAG staff report. The method then determines how many additional units each jurisdiction would have to build to attain the regional average of 1.55 jobs per housing unit. <sup>9</sup> Because many jurisdictions have much higher jobs/housing balances than the regional average, a total of 41,266 units would have to be built for all of these jurisdictions to attain the regional average balance. However, the proposed methodology starts with the assumption that only a certain fixed number of units will be allocated based on any jobs-related data, i.e., the 10,374 units representing 50% of the total RHND that is not to be allocated based on the Regional Growth Forecast. Thus, in order to conform to the 10,374-unit limit for a jobs-related housing allocation, the Jobs-Housing Balance Method makes a pro-rata reduction to the units needed by each jurisdiction so that the total allocated by this method is not 41,266 units but only 10,374 units. Although each jurisdiction would not attain the regional average jobs/housing balance, the Jobs-Housing Balance Method does allocate units just to the jurisdictions that actually need to improve their jobs/housing balances, and it allocates units in proportion to the severity of their jobs/housing imbalance. And the Jobs-Housing Balance Method does not allocate additional units to jurisdictions that already have better than average jobs/housing balance. This is clearly a better fit to the statutory objective to improve intraregional jobs/housing balances. In conclusion, LandWatch asks that the members of the Board of Directors approve a methodology that uses the attached Jobs-Housing Balance Method. The Jobs-Housing Balance Method better meets the statutory objective to improve the jobs/housing relationship and furthers the objectives to promote infill, protect environmental and agricultural resources, encourage efficient development patterns, and achieve GHG reductions targets.	AMBAG staff has prepared an RHNA methodology option that includes a job-housing ratio factor for Board consideration at their December 8, 2021 special Board meeting.	Letter	11/30/2021

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The 2022 AMBAG Board of Directors meeting locations are subject to change and may be held remotely in light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with AB 361.

## 2022 AMBAG Calendar of Meetings

<b>January 12, 2022</b>	<b>GoToWebinar</b> Meeting Time: 6 pm
<b>February 9, 2022</b>	<b>TBD</b> Meeting Time: 6 pm
<b>March 9, 2022</b>	<b>TBD</b> Meeting Time: 6 pm
<b>April 13, 2022</b>	<b>TBD</b> Meeting Time: 6 pm
<b>May 11, 2022</b>	<b>TBD</b> Meeting Time: 6 pm
<b>June 8, 2022</b>	<b>TBD</b> Meeting Time: 6 pm
<b>July 2022</b>	<b>No Meeting Scheduled</b>
<b>August 10, 2022</b>	<b>TBD</b> Meeting Time: 6 pm
<b>September 14, 2022</b>	<b>TBD</b> Meeting Time: 6 pm

## **2022 AMBAG Calendar of Meetings (continued)**

<b>October 12, 2022</b>	<b>TBD</b>
	Meeting Time: 6 pm
<b>November 9, 2022</b>	<b>TBD</b>
	Meeting Time: 6 pm
<b>December 2022</b>	<b>No Meeting Scheduled</b>

**AMBAG Acronym Guide**

<b>AMBAG Acronym Guide</b>	
ABM	Activity Based Model
ADA	Americans Disabilities Act
ALUC	Airport Land Use Commission
AMBAG	Association of Monterey Bay Area Governments
ARRA	American Reinvestment and Recovery Act
3CE	Central Coast Community Energy
CAA	Clean Air Act Amendments of 1990 (Federal Legislation)
Caltrans	California Department of Transportation
CAFR	Comprehensive Annual Financial Report
CalVans	California Vanpool Authority
CARB	California Air Resources Board
CCJDC	Central Coast Joint Data Committee
CEQA	California Environmental Quality Act
CHTS	California Households Travel Survey
CMAQ	Congestion Mitigation and Air Quality Improvement
CPUC	California Public Utilities Commission
CTC	California Transportation Commission
DEIR	Draft Environmental Impact Report
DEM	Digital Elevation Model
DOF	Department of Finance (State of California)
EAC	Energy Advisory Committee
EIR	Environmental Impact Report
FAST Act	Fixing America's Surface Transportation Act
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GHG	Greenhouse Gas Emissions
GIS	Geographic Information System
ICAP	Indirect Cost Allocation Plan
ITS	Intelligent Transportation Systems
JPA	Joint Powers Agreement

LTA	San Benito County Local Transportation Authority
LTC	Local Transportation Commission
MAP-21	Moving Ahead for Progress in the 21 <sup>st</sup> Century Act
MBARD	Monterey Bay Air Resources District
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPAD	Monterey Peninsula Airport District
MPO	Metropolitan Planning Organization
MST	Monterey-Salinas Transit
MTP	Metropolitan Transportation Plan
MTIP	Metropolitan Transportation Improvement Program
OWP	Overall Work Program
PG&E	Pacific Gas & Electric Company
PPP	Public Participation Plan
RAPS, Inc.	Regional Analysis & Planning Services, Inc.
RFP	Request for Proposal
RHNA	Regional Housing Needs Allocation
RTDM	Regional Travel Demand Model
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agency
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
SB 375	Senate Bill 375
SBtCOG	Council of San Benito County Governments
SCCRTC	Santa Cruz County Regional Transportation Commission
SCMTD	Santa Cruz Metropolitan Transit District
SCS	Sustainable Communities Strategy
SRTP	Short-Range Transit Plan
STIP	State Transportation Improvement Program
TAMC	Transportation Agency for Monterey County
TAZ	Traffic Analysis Zone
USGS	United States Geological Survey
VMT	Vehicle Miles Traveled
VT	Vehicle Trips