

AMBAG Board of Directors

December 8, 2021



Item #1: Call To Order



Item #2: Roll Call



Item #3: Oral Communications from the Public on Item Not on the Agenda

**(A maximum of three minutes on any
subject not on the agenda)**



Item #4: Oral Communications from the Board on Item Not on the Agenda

**(A maximum of three minutes on any
subject not on the agenda)**



Item #5: Consent Agenda (Items #5A – 5C)

Recommended Action: Approve



Item #6: Items Removed from Consent Calendar for Discussion and Possible Action



Item #7.A: 6th Cycle Regional Housing Needs Allocation Methodology

**Recommended Action: Public
Hearing/Approve**





6th Cycle RHNA Methodology

Heather Adamson, AICP
December 8, 2021

Overview

- ▶ Background
- ▶ Methodology development
- ▶ RHNA methodology modifications
- ▶ Final draft RHNA methodology options
- ▶ Next steps



RHNA Schedule

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

RHNA Methodology Development

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



Methodology Modifications

- ▶ Based on feedback from Board members, public input and recommendations from HCD
 - Reduced the 10-year housing growth allocation factor to an 8-year period to match the 8-year RHNA
 - Reduce job allocation factor to 50%
 - Include AFFH as an allocation factor using RCAA data
 - Revise definition of RCAA, to incorporate adjustments for jurisdictions that meet one of the two RCAA criteria
 - Reduce income allocation shift from 50% to 30%
 - An option that add jobs/housing ratio as a new factor



Methodology – Option A

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



Methodology – Option B

		Units
Regional Growth Forecast	High	12,524
Employment	40%	20,750
Jobs/Housing	20%	
Transit	5%	
Resiliency	10%	
AFFH	25%	
AFFH (income shift)	30%	



Methodology Steps – Option A

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



Methodology Steps – Option B

- ▶ 1st Step - *2022 RGF (Base Unit Allocation)*
 - Distributes portion of RHNA based on eight-year housing growth from the 2022 RGF
- ▶ 2nd Step - *Jobs, Transit, Resiliency, and AFFH (Unit Allocation)*
 - Jurisdiction's share of 2020 jobs (40%)
 - Jobs/housing ratio (20%)
 - Jurisdictions with existing (2020) transit routes with 15- and 30-minute headways (5%)
 - Jurisdictions who have the smallest percentages of high fire or high sea level risk (10%)
 - Jurisdictions full or partial RCAAs (25%)
- ▶ 3rd Step – Income Allocation
 - Redistributes a portion of V.L and L income units to RCAA jurisdictions



What Are Racially Concentrated Areas of Affluence (RCAA)?

Region	Affluent		Racially Concentrated		RCAA
	% Population Above 200% of Poverty Level	Higher Than Regional Avg.	% White	Higher Than Regional Avg.	Both Higher Income & Less Diverse
Monterey County	67%		37%		
Carmel	88%	yes	87%	yes	yes
Del Rey Oaks	87%	yes	68%	yes	yes
Gonzales	59%		5%		
Greenfield	56%		3%		
King City	45%		7%		
Marina	64%		33%		
Monterey	80%	yes	63%	yes	yes
Pacific Grove	85%	yes	71%	yes	yes
Salinas	58%		11%		
Sand City	66%		50%	yes	partial
Seaside	65%		29%		
Soledad	52%		8%		
Uninc. Monterey	72%	yes	45%	yes	yes
Santa Cruz County					
Capitola	72%	yes	65%	yes	yes
Santa Cruz	66%		58%	yes	partial
Scotts Valley	87%	yes	72%	yes	yes
Watsonville	53%		12%		
Uninc. Santa Cruz	79%	yes	66%	yes	yes

Source: U.S. Census Bureau, American Community Survey (2015-2019)

Comparing RCAAs and High/Highest Resource (TCAC)

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

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

Balancing RHNA Objectives and Factors

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

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

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

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

Income Categories Shift

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



Jobs/Housing Ratio – Option B

- ▶ Number of jobs divided by numbers of housing (2020)
- ▶ Additional unit allocation factor of a jobs/housing ratio for 20%
- ▶ Reduce the jobs and AFFH/RCCA weightings to 40% and 25% respectively



RHNA Methodology Options A & B

- ▶ Both options support and further the 5 objectives and are likely to be approved by HCD
- ▶ Staff prefers Option A since Option B reduces RHNA allocations in higher opportunity areas and increases allocations in lower opportunity areas
- ▶ Ultimately, it is up to the AMBAG Board to select and approve a methodology to submit to HCD
- ▶ Attachment 5 includes a summary of the unit allocation estimates by RHNA methodology



RHNA Allocation Estimates

RHNA Total Unit Allocation*

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

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

HCD Proposed RHNA Metrics

1. Higher percentage of RHNA as lower income units for jurisdictions with the highest housing costs
2. Higher percentage of RHNA total unit allocations to jurisdictions with highest jobs/housing ratios
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
4. Lower percentage of RHNA as lower income units for jurisdictions with a higher share of lower income households
5. Higher percentage of RHNA as lower income units for jurisdictions with a higher share of higher income households
6. Higher percentage of RHNA as lower income units for jurisdictions with the most households in RCAAs



Next Steps

- ▶ Continue public hearing
- ▶ Approve a draft methodology and direct staff to submit draft methodology for formal HCD review
- ▶ Following HCD review, AMBAG Board will be asked to approval the final methodology and direct staff to issue draft RHNA Plan with jurisdiction allocations in March 2022



Recommendation

- A. Continue a public hearing to receive public comment on the draft 6th Cycle 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 AMBAG staff to submit the draft RHNA methodology to HCD for review and approval



Questions



Item #8: Adjournment

