

December 3, 2021

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AMBAG Board of Directors  
24580 Silver Cloud Ct  
Monterey, CA 93940

City Manager:  
HANS USLAR

**RE: RHNA Methodology**

Dear AMBAG Board of Directors,

This letter addresses the proposed RHNA methodology and shares with you some of my thoughts.

I am suggesting to the Board the following:

- Consider the expectations you create when you approve the RHNA numbers – make it clear to your constituents that you approve a set of numbers, which have little chance to be implemented without a solution for water in place.
- Do not destroy existing neighborhoods by forcing multi-story buildings. Or: let your constituents know that this will be expected from future elected officials.
- Do not move forward until you have clarity about the job numbers. The numbers for Monterey are simply false until we hear otherwise.
- Consider approving a set of numbers which are HCD compliant such as the TCAC data. Do not go beyond HCD's requirements by adding RCAA factors.
- Continue to look through the noise and decide what is best for our existing and future communities.

We all know and understand that the actual construction of affordable housing units on the Monterey Peninsula depends on new allocations of water. In Monterey, we have projects for around 600 housing units in the pipeline; however, developers are prevented from building housing units due to a lack of water. As such, it is my sincere wish that the Board explicitly points out that water allocations for the Monterey Peninsula will drive what will actually be built. The proposed RHNA numbers should be characterized as aspirational with zero chance of implementation unless the questions around water will be addressed and solved.

For the most part, our City has been built out – the chances for infill are slim. Our City Council and staff need to be commended for identifying various opportunities for housing developments within our existing commercial areas. Available land exists in the former Fort Ord area and potentially by rezoning along the HWY 68 corridor. And, we all know that it is likely that an organization like LandWatch may consider suing the City over any proposed development, including 100% affordable housing, on the former Fort Ord and loss of the Highway 68 scenic corridor.

Looking at the overall numbers and considering the future challenges we face with sea level rise, the conclusion is that AMBAG numbers will drive our City into building 6 – 8 story-high buildings across various areas while destroying our traditional neighborhood and networks. Is that what the majority of your constituents want?

LandWatch's latest letter and the job-housing relationship simply fails the common-sense test of reality. People will pick their jobs where they will receive the highest income and they will pick their homes in areas they can afford to live in. It does not make sense to assume that human behavior will manifest itself outside of this casualty.

It is my hope that the board understands that the current progressive push for housing to be located next to their places of work does not work in a built-out community limited by infill opportunities, threats of CEQA based lawsuits, and zero water. Just to remind everyone: today, thanks to restrictions imposed on us by the State Water Resources Control Board (SWRCB), we cannot even set a new water meter or are allowed to intensify the use for existing sites in Monterey.

In sum: what you will implement as our next RHNA will certainly create false hopes with our housing advocates, who work so tirelessly on behalf of thousands of residents trying to find adequate housing. I believe the Board owes our residents to make this clear when they pass the RHNA number.

With respect to the proposed numbers:

The presented 2020 job numbers are hypothetical at best. All relevant openly available data sources contradict the 40,989 jobs allocated to the City of Monterey. Despite Monterey's best efforts to get transparency with respect to the data sources and AMBAG's inquiries with the EDD, we still have not seen the rationale for the job number that drives a great deal of the follow-on calculations and recommendations.

As a matter of fact, it is my hope that the Board understands that the numbers are (apparently) based on a statistical model, which has not been shared with any of the cities. To this date, the sources for these job numbers have not been shared with the public. While AMBAG has been forthcoming in their attempts to explain the methodology behind those numbers, it is clear that an outside agency, using a not published algorithm based on structured surveys, interviews and incomprehensible forecasting received by EDD, has laid the foundation for the proposed job numbers.

EDD's response to AMBAG that cities can contract separately through them to gain further clarity and insights into their numbers represents an approach which I feel is arrogant and disrespectful to our communities.

Unless we have clarity on how those numbers were created, the Board should not decide on future RHNA numbers. Otherwise, your vote, will be a vote based on numbers generated by a black box no one completely understands and has access to.

The numbers for MoCo are inflated by at least 40,000 jobs. AMBAG's numbers assume 243,015 jobs in Monterey County (383,017 in Mo and SC) of which 40,989 are located in the City of Monterey.



Using the data publicly available by the US Census and an accepted benchmark for economists to use when trying to quantify the labor market is the ACS. The **2019 ACS numbers** show a total of **24,926 of all jobs**. By definition includes all jobs available, thus including employees, who hold multiple jobs; i.e. a teacher might work during daytime at a school and work evenings/weekends in a retail store.

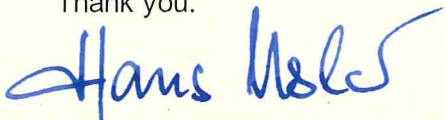
In other words: according to the ACS data, the numbers used by AMBAG and LandWatch for Monterey are false by a factor of 16,063. Do you really think that the City of Monterey had 40,989 jobs in 2020?

To sum this up: Board, I suggest you discuss more in-depth the source of the numbers. If EDD does not want to show you the secret sauce (which clearly, they have indicated to your staff), then you should wait with your vote.

Additionally, I am suggesting that the Board considers AMBAG's staff proposal without the Racially-Concentrated Areas of Affluence (RCAAs). Instead, the City recommends the previously agreed to TCAC data be utilized. This request is based on the statements made by HCD indicating that the RCAA factor is not required by them. If it is not required AND you are using unrealistic RHNA numbers, why add to the false assumptions the not required factors, which inflate hopes? In conclusion:

- Consider the expectations you create when you approve the RHNA numbers – make it clear to your constituents that you approve a set of numbers, which have little chance to be implemented without a solution for water in place.
- Do not destroy existing neighborhoods by forcing multi-story buildings.
- Do not move forward until you have clarity about the job numbers. The numbers for Monterey are simply false until we hear otherwise.
- Consider approving a set of numbers which are HCD compliant such as the TCAC data. Do not go beyond HCD's requirements by adding RCAA factors.
- Continue to look through the noise and decide what is best for our existing and future communities.

Thank you.



Hans Uslar  
City Manager

CC: Monterey City Council  
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