AGENDA

https://attendee.gotowebinar.com/register/497450261068953099

You must register to attend the meeting. After registering, you will receive a confirmation email containing information about joining the webinar. You will need to download the Go To Webinar software to attend the meeting.

1. **Welcome/Roll Call** *(5 mins)*

2. **2045 Metropolitan Transportation Plan/Sustainable Communities Strategy Update (Heather Adamson, AMBAG)** *(10 mins)*

   AMBAG staff will provide an update on the development of the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). The Draft 2045 MTP/SCS is scheduled to be released in late 2021.

3. **6th Cycle Regional Housing Needs Assessment (RHNA) Methodology Options (Heather Adamson and Paul Hierling, AMBAG)** *(60 mins)*

   AMBAG staff will present an update of potential RHNA methodology options for the 6th Cycle RHNA. Planning Directors are asked to provide feedback and input on the methodology options.

4. **REAP 2.0 (Heather Adamson, AMBAG) (10 mins)**

   AMBAG staff will provide an update on the new REAP 2.0 Program.

5. **Other Items** *(5 mins)*

6. **Next Steps/Adjourn**

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ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

MEMORANDUM

TO: **Planning Directors Forum**

FROM: **Heather Adamson, Director of Planning**

SUBJECT: **2045 Metropolitan Transportation Plan/Sustainable Communities Strategy Update**

MEETING DATE: **August 23, 2021**

RECOMMENDATION:

Receive an update on the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS).

BACKGROUND/DISCUSSION:

AMBAG adopted the 2040 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) in June 2018. Federal and state law requires that AMBAG prepare a long-range transportation plan for the tri-county region. In accordance with state and federal guidelines, the 2045 MTP/SCS is scheduled for adoption by the Board of Directors in June 2022. The 2045 MTP/SCS activities underway are highlighted below.

Draft 2045 MTP/SCS

Over the summer, staff has been evaluating the various scenarios for the MTP/SCS and Environmental Impact Report (EIR) using the Regional Travel Demand Model (RTDM). Output from the RTDM will be used to update the Board approved performance measures for both the 2045 MTP/SCS and EIR. Additionally, staff is working to develop the draft Plan chapters as well as updating the required mapping per state and federal requirements.

Programmatic Environmental Impact Report

Work on the programmatic EIR is underway and will serve as the EIR for the 2045 MTP/SCS as well as the EIR for each of the RTPA's county-level Regional Transportation Plan (RTPs). AMBAG and the RTPAs coordinate on the EIR to reduce duplication of

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efforts for environmental documentation, for budgetary efficiency and to assure consistency in environmental review between plans. AMBAG is the lead for developing the programmatic EIR, working with the RTPAs, an environmental consulting firm and an environmental legal firm to develop the joint EIR. The draft EIR is scheduled to be released for public comment in late 2021.

2045 MTP/SCS Public Involvement Program

AMBAG staff continues to implement the outreach strategies included in the Public Involvement Plan. AMBAG held virtual workshops in May 2021 on the development of the draft 2045 MTP/SCS and to gather input on SCS priorities and strategies to include in the SCS. Additional workshops will be scheduled in early 2022 once the Draft 2045 MTP/SCS and Draft EIR have been released for public comment.

Next Steps

Over the next couple months, the draft MTP/SCS and EIR documents will be prepared. The draft Plan and draft EIR are scheduled to be released for a public review period in late 2021. Public workshops are expected to be held in January 2022 to receive public comment on the draft documents. Staff will continue to develop the various components of the 2045 MTP/SCS working with the Planning Directors Forum, Technical Advisory Committees, partner agencies and key stakeholders.

ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

MEMORANDUM

TO: **Planning Directors Forum**

FROM: **Heather Adamson and Paul Hierling, AMBAG**

SUBJECT: **6th Cycle RHNA Methodology Options**

MEETING DATE: **August 23, 2021**

RECOMMENDATION:

The Planning Directors Forum is asked to discuss Regional Housing Needs Allocation (RHNA) methodology options for the AMBAG region and provide input and feedback to AMBAG staff on the various allocation factors to be considered.

DISCUSSION:

California State Housing Element Law requires AMBAG, acting in the capacity of Council of Governments (COG), to develop a methodology for distributing existing and projected housing need to local jurisdictions in Monterey and Santa Cruz Counties for the 6th Cycle RHNA period, December 15, 2023 to December 15, 2031. Housing law also sets forth a process, schedule, objectives and factors to use in the RHNA methodology. The methodology must address allocation of housing units by jurisdiction, housing units by income group, and must address thirteen housing-related factors and five statutory objectives. The Council of San Benito County Governments performs this same function for San Benito County.

On May 24, 2021, AMBAG provided an overview of the 6th Cycle Regional Housing Needs Allocation (RHNA) process, schedule, and a review of allocation methodologies employed by other Councils of Governments (COGs). In the May meeting and subsequent June 1 survey, AMBAG received feedback from the Planning Directors Forum (PDF) on RHNA methodology approaches for the region. During the meeting, the group accepted setting baseline housing growth based on the regional growth forecast, expressed interest in employment as a significant allocation factor, and agreed to including Affirmatively Furthering Fair Housing (AFFH) and transit allocation factors in the RHNA allocation methodology.

During the June 30, 2021 PDF meeting AMBAG staff used previous feedback received to prepare potential RHNA methodology options for discussion. Again the PDF indicated a preference for key RHNA allocation methods using employment as a significant allocation factor, transit as a minor allocation factor, and AFFH as a medium allocation factor. Cost burden was not included as an allocation factor since it is already included in the AFFH factor and the Regional Housing Needs Determination (RHND). The PDF also expressed interest in AMBAG staff considering a minor wildfire risk factor.

Building on this feedback, AMBAG has prepared three potential options to the RHNA methodology to further facilitate the RHNA allocation methodology discussion (Table 1). These options are only for discussion and do not represent final options.

Table 1: Potential AMBAG RHNA Allocation Methodology Options for Discussion*

	RHNA Methodology Option A	RHNA Methodology Option B	RHNA Methodology Option C
Employment	High (85%)	High (75%)	High (70%)
Transit	Low (10%)	Low (15%)	Low (15%)
Wildfire Risk	Low (5%)	Low (10%)	Low (15%)
AFFH**	Medium	Medium	Medium

*Options are for discussion purposes only and do not represent a final RHNA scenario.
**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.

These RHNA methodology options vary primarily in the magnitude of employment and wildfire risk, with transit staying between 10-15%. Option A has a higher weight for employment allocation and a lower weight to wildfire risk, Option C has a reduced weight to employment and higher weight for wildfire risk, and Option B falls in the middle.

Planning Directors are asked to provide feedback on the potential RHNA methodology options and factor weightings as well as any additional input on the group's preferred option.

Additionally, AMBAG staff presented RHNA allocation methodology factors at the August 11th AMBAG Board of Directors meeting. Staff will provide an update on the

input received on methodology factors at the AMBAG Board meeting to the Planning Directors.

Allocation Methods and Data Approaches

In addition to providing feedback on the above options, the Planning Directors are asked to provide input on preferred approaches to addressing each allocation factor in the RHNA methodology. The following presents data options for the Planning Directors to provide input on each allocation factor.

Regional Growth Forecast

The regional growth forecast (RGF) is the initial allocation step in the RHNA allocation. This helps assure the RHNA is distributed according to regionally recognized housing growth rates and helps fulfill the statutory requirement that RHNA be consistent with the MTP/SCS, which is also based on the RGF. The RGF housing growth over the RHNA period, December 15, 2023 to December 15, 2031, is normally applied as a base RHNA allocation to each jurisdiction. Since the RHND is higher than the RGF due to statutory adjustments upwards by HCD to account for more ideal housing conditions, the remainder of RHNA units are allocated to each jurisdiction based on the preferred allocation methodology factors chosen in the region. It is not known how much of the RHNA will be fulfilled by the RGF forecast until AMBAG receives our RHND from HCD, expected from HCD by the end of August 2021.

Employment

In all potential options, employment is weighted high per PDF feedback. Allocating RHNA by employment encourages jurisdictions to build additional housing near employment centers, helping to resolve jobs/housing imbalances. Locating more planned housing near employment centers results in a number of benefits including reducing congestion, reducing vehicle miles traveled (VMT), encouraging more active transportation, and reducing greenhouse gas emissions

During the May and June 2021 PDF meeting discussions, existing employment was preferred over future employment. Existing employment can be an important indicator of how housing should be distributed to improve existing jobs-housing imbalances. Future job growth may not conform to existing patterns. For example, if a jurisdiction is "built out" with the majority of its commercially zoned areas occupied by employers, employment may not grow significantly in the future. Future job growth can be considered in RHNA employment allocations to account for the difference between current and future job growth. For reference, the previous AMBAG RHNA (5th Cycle)

allocated only 10% of RHNA by future employment, but 60% by existing employment. The Planning Directors are asked to provide input on whether to use existing employment, future employment, or some combination of both in this RHNA allocation step.

- *Employment Data Selection 1: (a) Existing jobs; (b) 2035 jobs; or (c) Combination of Existing and 2035 Jobs*

Additional feedback is requested from the PDF on whether the employment allocation factor should encompass total jobs or higher-wage jobs. PDF discussions have included some requests to focus on certain job types, perhaps focusing on higher-wage jobs. The challenge with a high-wage focus as a primary allocation factor is that it may preclude the housing needs of lower income workers, such as farmworkers and leisure and hospitality workers. It should be noted that most other COGs use total jobs or a combination of jobs and housing information in their allocation as this is traditionally the most equitable approach.

- *Employment Data Selection 2: (a) Total jobs or (b) higher-wage jobs*

Transit

In all RHNA allocation options, transit is weighted low per PDF input. Transit is normally incorporated into RHNA by identifying the proportion of major transit stops in a jurisdiction with 15 minute headways or 30 minute headways. For this analysis, major transit stops are locations containing an existing rail transit station or the intersection of two or more major bus routes with a frequency of service interval of 15 to 30 minutes or less during the morning and afternoon peak commute periods. Incorporating transit using 15 minute headways focuses more housing in more urbanized areas with higher transit service, while using the 30 minute headways spreads this adjustment more between jurisdictions. The Planning Directors are asked to provide input on whether to use 15 or 30 minute transit headways to incorporate this factor.

- *Transit Data Selection 1: (a) 15 minute headways, or (b) 30 minute headways*

Feedback is also requested from the PDF on whether to allocate by the transit factor using existing major transit stops or future 2035 transit stops. Using the existing transit system will result in fewer major transit stops while using 2035 transit will have slightly more major transit stops throughout the region. New major transit stops tend to be located in more urban areas.

- *Transit Data Selection 2: (a) Existing transit or (b) 2035 transit*

Wildfire Risk

With recent catastrophic fires threatening homes throughout the state, wildfire risk is becoming more of a concern for many jurisdictions. During the June PDF meeting, the group expressed interest in considering a wildfire risk RHNA allocation factor to recognize that these areas are high risk locations for housing. This allocation factor would reduce a jurisdiction's unit allocation based on the percent of the jurisdiction's acreage in a risk area.

The most recent Fire Hazard Severity Zones Maps from the Office of the State Fire Marshal are more than a decade old (2007-2008) and may not account for recent changes to fire frequency and severity. However, it may be wise to plan for these risks using outdated data rather than ignoring the risk entirely. Despite outdated data, all cities and counties have adopted the very high fire severity zone designations in their general plans or zoning codes as required by state law (*G.C. § 51179)*. There are important differences between 2007 and 2008 fire risk data.

2007 fire risk data is nearly identical to 2008 data, and includes "high" and "very high" fire risk maps which would provide a RHNA wildfire risk adjustment for the majority of cities and counties in the region. 2008 data provides less comprehensive data than the 2007 data, and indicates fire risk for only five jurisdictions in the AMBAG COG region.

The California Public Utilities Commission (CPUC) also produces "fire threat" maps called the CPUC Fire-Threat maps. These maps identity fire threats as Elevated (Tier 2) or Extreme (Tier 3) and were originally created in 2017. The maps can be viewed at: https://ia.cpuc.ca.gov/firemap/.

The Planning Directors are asked to provide input on what fire risk data to incorporate fire risk into the RHNA methodology.

- *Wildfire Risk Data Selection: (a) 2007 fire risk data which applies to more jurisdictions and larger areas in each jurisdiction, (b) 2008 fire risk data which applies to fewer jurisdictions and less area in each jurisdiction, (c) CPUC Fire Threat Maps, (d) a combination of both the CPUC and CALFIRE maps or (e) no wildfire risk factor*

Affirmatively Furthering Fair Housing (AFFH)

The AFFH allocation factor shifts the proportion of low income category housing each jurisdiction receives according to the preponderance of high opportunity zones. The purpose of the AFFH factor is to allocate lower income households to jurisdictions to

avoid further concentrating racial and ethnic segregation and concentrations of poverty, providing these households with improved access to opportunities such as better employment, better schools, and access to areas of lower crime. The AFFH allocation approach does not increase or decrease the number of housing units a jurisdiction is assigned. The HCD/California Tax Credit Allocation Committee (TCAC) Opportunity Map Index (Attachment 1) is the key data set used to meet the AFFH requirement since it is the data set HCD uses to judge compliance with statutory AFFH RHNA methodology requirements. While one data challenge with the HCD/TCAC data is that it identifies some opportunity areas in remote low-population rural sub-zones, AMBAG staff can generate averages for these scores to normalize the data within jurisdictions.

Sea Level Rise

The Planning Directors indicated that sea level rise may be an allocation factor of interest. Conceptually, this factor would reduce housing allocation by sea level rise impact. AMBAG staff could not identify any precedent or guidance for using sea level rise in the RHNA allocation methodologies of other COGs. A review of available data found that some AMBAG jurisdictions produced detailed projections of future sea level rise, while some have no officially accepted data available. AMBAG staff will continue to explore potential data sources available.

Next Steps

Based on feedback received from the PDF and AMBAG Board of Directors, staff will bring back additional information related to potential RHNA methodologies at the September 20, 2021 PDF meeting. AMBAG will continue to consult with the PDF and AMBAG Board on RHNA methodology development.

ATTACHMENTS:

1. TCAC/HCD Opportunity Map Index Indicators
2. Regional Housing Needs Allocation Objectives and Factors

TCAC/HCD OPPORTUNITY MAP INDEX INDICATORS

Domain	Indicator	Measure	Data Source	Table
Economic	Poverty	Percent of population with income above 200% of federal poverty line	2014-2018 ACS	Table C17002
	Adult Education	Percent of adults with a bachelor's degree or above	2014-2018 ACS	Table B15003
	Employment	Percent of adults aged 20-64 who are employed in the civilian labor force or in the armed forces	2014-2018 ACS	Table B23004
	Job Proximity	Number of jobs filled by workers with less than a BA that fall within a given radius (determined by the typical commute distance of low-wage workers in each region) of each census tract population-weighted centroid	2017 LEHD LODES	Origin-Destination and Workplace Area Characteristics Tables

	Median Home Value	Value of owner-occupied units	2014-2018 ACS	Table B25077
Environmental[5]	CalEnviroScreen 3.0 indicators	CalEnviroScreen 3.0 Pollution indicators (Exposures and Environmental Effect indicators) and processed values	CalEnviroScreen 3.0	Variables: Ozone, PM2.5, Diesel PM, Drinking Water, Pesticides, Tox. Release, Traffic, Cleanup Sites, Groundwater Threats, Hazardous Waste, Impaired Water Bodies, Solid Waste Sites
Education	Math proficiency	Percentage of 4th graders who meet or exceed math proficiency standards	2018-2019 California Department of Education (DOE)	
	Reading proficiency	Percentage of 4th graders who meet or exceed literacy standards	2018-2019 CA DOE	
	High school graduation rates	Percentage of high school cohort that graduated on time	2018-2019 CA DOE	
	Student poverty rate	Percent of students not receiving free or reduced-price lunch	2019-2020 CA DOE	
		Measure	**Data Source**	
Filter[6]	Poverty and Racial Segregation	Poverty: Tracts with at least 30% of the population falling under the federal poverty line

Racial Segregation: Tracts with a racial Location Quotient of higher than 1.25 for | 2014-2018 ACS Estimate

2010 Decennial Census | ACS Table B17020

Census Table SF1DP1 |
| | | Black, Hispanic, Asian, or all people of color in comparison to the county | | |

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 by taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

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. Housing needs of 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)