



Planning Directors Forum

Monday, September 20, 2021

10:00 – 11:30 a.m.

Go To Webinar

AGENDA

<https://attendee.gotowebinar.com/register/4349412227610119435>

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. **SBtCOG 6th Cycle Regional Housing Needs Allocation (RHNA) Process (Mary Gilbert and Veronica Lezama, SBtCO) (10 mins)**

SBtCOG staff will provide an update on its 6th Cycle RHNA process.
3. **AMBAG 6th Cycle 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. **Other Items (5 mins)**
5. **Next Steps/Adjourn**

Staff Contact

Heather Adamson, AMBAG

(831) 264-5086

hadamson@ambag.org



MEMORANDUM

TO: Planning Directors Forum

FROM: Heather Adamson and Paul Hierling, AMBAG

SUBJECT: 6th Cycle RHNA Methodology Options

MEETING DATE: September 20, 2021

RECOMMENDATION:

The Planning Directors are 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, June 30, 2023 to December 15, 2031. On August 31 2021, HCD provided AMBAG with its Regional Housing Needs Determination (RHND) for the AMBAG COG region of 33,274 units (Attachment 1). Per statute, AMBAG is required to distribute this RHND amongst the region's jurisdictions, adopt a methodology and adopt a RHNA Plan. Housing law 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 further five statutory objectives. The plan should consider, and must address, thirteen housing-related factors. 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 include 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 factor for allocation by income. 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.

AMBAG staff presented RHNA allocation methodology factors at the August 11, 2021 AMBAG Board of Directors meeting. The Board generally agreed to the factors of employment, transit, AFFH and asked AMBAG staff to look further into addressing sea level rise.

During the August 23, 2021 PDF meeting, AMBAG received feedback to return with two options. In the options, employment is maintained as a significant allocation factor and transit as a low factor. Feedback indicated that the wildfire factor was important to include and that sea level rise should be accommodated as well. Wildfire and sea level rise were combined into a single resiliency factor to reduce RHNA allocations in areas affected by these risks. AMBAG staff was also asked to explore a higher AFFH factor.

Building on this feedback and the RHND, AMBAG has prepared two potential options to the RHNA methodology to further facilitate the RHNA allocation methodology discussion (Table 1). These options are only for illustrative purposes and to generate discussion and do not represent final options. With the AMBAG's RHND issued, AMBAG staff has provided allocation estimates for each option and allocation factor in Attachment 2. This is only an initial estimate since other statutory adjustments based on the jurisdictional RHNA survey may affect the RHNA methodology allocation. These statutory adjustments will be made after a preferred RHNA methodology is selected.

The two RHNA methodology options vary primarily in the magnitude of the resiliency and transit factors ranging from 5-10% and AFFH included at a high or medium level. 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.

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

	RHNA Methodology Option A	RHNA Methodology Option B
Regional Growth Forecast	High	High
Employment	High (85%)	High (85%)
Transit	Low (10%)	Low (5%)
Resiliency Factor (wildfire and Sea Level Rise)	Low (5%)	Low (10%)
AFFH**	Medium	High

*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.

Allocation Methods and Data

The following presents the draft data sets for each allocation factor. The Planning Directors are asked to review the draft data sets and provide input.

Regional Growth Forecast

The regional growth forecast (RGF) is the initial 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. RGF housing growth is applied as a base RHNA allocation to each jurisdiction. On August 31, 2021, HCD provided the Regional Housing Needs Determination (RHND) of 33,274 units for the AMBAG COG region. This has allowed AMBAG to calculate the proportion of RHNA allocated by projected housing growth: 15,655 units. This initial allocation factor accounts for nearly half of the RHND.

The RHND is higher than the RGF projected housing growth due to statutory adjustments upwards by HCD to account for more ideal housing conditions. The remaining 17,619 RHNA housing units required by the RHND will be allocated among jurisdictions based on the AMBAG RHNA allocation methodology factors. The draft priority factors are employment, transit, resiliency, and AFFH.

- Data Source: Housing growth from the 2025-2035 period from the 2022 RGF (accepted for planning purposes by AMBAG Board in November 2020).

- Implementation: Distribute a portion of RHNA by projected housing growth in the RGF 2025-2035.

Employment

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 PDF meeting discussions, existing employment was preferred over future employment.

- Data Source: 2020 total employment from 2022 RGF.
- Implementation: Allocate 85% of 17,619 units by existing (2020) employment

Transit

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.

- Data Source: Existing (2015-2020) transit stops with 15-30 minute headways from transit operators
- Implementation: Allocate 5-10% of 17,619 units by transit stops. Jurisdictions with routes with a transit stop with 30 minute headways have a share of this allocation. Jurisdictions with transit stops with both 15 minute and 30 minute headways have a higher allocation.

Resiliency Factor (Wildfire and Sea Level Rise)

With recent catastrophic fires threatening homes throughout the state, and sea level rise risks along the coast, resiliency risks are becoming more of a concern for many jurisdictions. Both the PDF and the AMBAG Board have expressed interest in considering a wildfire and sea level rise risk RHNA allocation factor to recognize that these areas are high risk locations for housing. Using the portion of the jurisdiction's acreage affected by one of these risks, fewer units would be allocated to jurisdictions with a larger share of high risk areas.

The most recent Fire Hazard Severity Zones Maps from the Department of Forestry and Fire Protection (CALFIRE) are more than a decade old (2007-2008) and may not account for recent changes to fire frequency and severity.

The California Public Utilities Commission (CPUC) also produces “fire threat” maps called the CPUC Fire-Threat maps. These maps identify 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 National Oceanic and Atmospheric Administration (NOAA) provide maps for various sea level rise scenarios from one foot to 10 feet.

- Data Sources: Both CALFIRE and California Public Utilities Commission (CPUC) data; National Oceanic and Atmospheric Administration (NOAA) Sea Level Rise Viewer v.3.0.0.
- Implementation: Allocate 5-10% of 17,619 units by resiliency factor. RHNA allocation lower for jurisdictions with a larger share of their area in a high fire risk zone and/or affected by 2 feet of sea level rise.

Affirmatively Furthering Fair Housing (AFFH)

The AFFH allocation factor shifts the proportion of low income category housing each jurisdiction receives according to each jurisdiction’s opportunity levels. 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 3) 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.

- Data source: HCD/TCAC Opportunity Areas
- Implementation: Redistribute a portion of very low and low income units out of jurisdictions with no high/highest resource areas, and shift those units to jurisdictions with high/highest resource areas based on the proportion of their jurisdiction’s households in a high/highest resource area.

Next Steps

Pending feedback received from the PDF and at the October 13, 2021 AMBAG Board of Directors, AMBAG staff will bring back a preferred draft RHNA methodology at the October 18, 2021 PDF meeting. AMBAG will continue to consult with the PDF and AMBAG Board on RHNA methodology development.

ATTACHMENTS:

1. AMBAG Regional Housing Need Determination
2. Draft RHNA Allocation Option A and Option B for Discussion
3. HCD/TCAC Opportunity Map Index Indicators
4. Regional Housing Needs Allocation Objectives and Factors

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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August 31, 2021

Maura F. Twomey, Executive Director
Association of Monterey Bay Area Governments
24580 Silver Cloud Court
Monterey, CA 93940

Dear Maura F. Twomey:

RE: Final Regional Housing Need Determination

This letter provides the Association of Monterey Bay Area Governments (AMBAG) with a Final Regional Housing Need Determination. Pursuant to state housing element law (Government Code section 65584, et seq.), the Department of Housing and Community Development (HCD) is required to provide the determination of AMBAG's existing and projected housing need. In assessing AMBAG's regional housing need, HCD and AMBAG staff completed a consultation process from March 2019 through August 2021 that included the methodology, data sources, and timeline for HCD's determination of the regional housing need. To inform this process, HCD also consulted with Walter Schwarm and Doug Kuczynski of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **33,274** total units across four income categories. AMBAG is to distribute amongst the region's local governments. Attachment 2 explains the methodology applied pursuant to Government Code section 65584.01. In determining AMBAG's housing need, HCD considered all the information specified in state housing law (Government Code section 65584.01(c)).

AMBAG is responsible for adopting a methodology for RHNA and RHNA Plan for the projection period beginning June 30, 2023 and ending December 15, 2031. Pursuant to Government Code section 65584(d), the methodology to prepare AMBAG's RHNA plan must further the following objectives:

- (1) Increasing the housing supply and mix of housing types, tenure, and affordability.
- (2) Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns
- (3) Promoting an improved intraregional relationship between jobs and housing
- (4) Balancing disproportionate household income distributions
- (5) Affirmatively furthering fair housing

Pursuant to Government Code section 65584.04(d), to the extent data is available, AMBAG shall include the factors listed in Government Code section 65584.04(d)(1-13) to develop its RHNA plan. Also, pursuant to Government Code section 65584.04(f), AMBAG must explain in writing how each of these factors was incorporated into the RHNA plan methodology and how the methodology furthers the statutory objectives described above.

HCD encourages all of AMBAG's jurisdictions to consider the many other affordable housing and community development resources available to local governments. HCD's programs can be found at <https://www.hcd.ca.gov/grants-funding/nofas.shtml>.

HCD commends AMBAG leadership in fulfilling their important role in advancing the state's housing, transportation, and environmental goals. HCD looks forward to continued partnership with AMBAG and member jurisdictions and assisting AMBAG in planning efforts to accommodate the region's share of housing need.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Tom Brinkhuis, Senior Housing Policy Specialist at (916) 263-6651 or tom.brinkhuis@hcd.ca.gov.

Sincerely,



Tyrone Buckley
Assistant Deputy Director of Fair Housing

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION AMBAG: June 30, 2023 through December 15, 2031

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	23.6%	7,868
Low	15.5%	5,146
Moderate	18.5%	6,167
Above-Moderate	42.4%	14,093
Total	100.0%	33,274

* Extremely-Low 13.1% Included in Very-Low Category

Income Distribution:

Income categories are prescribed by California Health and Safety Code (Section 50093, et. seq.). Percents are derived based on Census/ACS reported household income brackets and county median income.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION: June 30, 2023 through December 15, 2031

Methodology

AMBAG: PROJECTION PERIOD (8.5 years) HCD Determined Population, Households, & Housing Unit Need		
Reference No.	Step Taken to Calculate Regional Housing Need	Amount
1.	Population: December 31 (DOF June 30 2031 projection adjusted + 5.5 months to December 15, 2031)	753,540
2.	- Group Quarters Population: December 31 (DOF June 30 2031 projection adjusted + 5.5 months to December 15, 2031)	-42,975
3.	Household (HH) Population	710,570
4.	Projected Households	240,325
5.	+ Vacancy Adjustment (2.83%)	+6,792
6.	+ Overcrowding Adjustment (4.75%)	+11,410
7.	+ Replacement Adjustment (.5%)	+1,202
8.	- Occupied Units (HHs) estimated June 30, 2023	- 227,790
9.	+ Cost-burden Adjustment	+1,335
Total	6th Cycle Regional Housing Need Assessment (RHNA)	33,274

Detailed background data for this chart available upon request.

Explanation and Data Sources

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Gov. Code Section 65584.01, projections were extrapolated from DOF projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institute, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons within the Household Population to form households at different rates based on American Community Survey (ACS) trends.
5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and the region's current "for rent and sale" vacancy percentage to determine healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between the standard 5% vacancy rate and the region's current vacancy rate (**2.17%**), based on the 2015-2019 ACS data. For AMBAG, that difference is **2.83%**.
6. Overcrowding Adjustment: In regions where overcrowding is greater than the comparable region's overcrowding rate, provided by AMBAG, HCD applies an adjustment based on the amount the region's overcrowding rate exceeds the comparable region's overcrowding rate. Data is from the 2015-2019 ACS. For AMBAG, the region's overcrowding rate (**10.49%**) is higher than the comparable region's average rate (**5.74%**), resulting in a **4.75%** adjustment.
7. Replacement Adjustment: HCD applies a replacement adjustment from between .5% and 5% to the total housing stock based on the current 10-year average of

demolitions in the region's local government annual reports to Department of Finance (DOF). For AMBAG, the 10-year average is **.34%**, therefore a minimum **.5%** adjustment was applied.

8. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2023).
9. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group for the comparable region's provided by AMBAG. The cost burden rate for lower income households is **1.82%** higher than the cost burden rate for the comparable region's average, resulting in a **232** unit increase to the lower income RHNA. The cost burden rate for moderate and above moderate-income households is **5.76%** higher than the cost burden rate for the comparable region's average, resulting in a **1,103** unit increase to the moderate and above moderate RHNA.

DRAFT FOR DISCUSSION PURPOSES

Sept. 7, 2021

Option A: Unit Allocation

Region	RHNA Total 33,274	Housing	Jobs 85%			Transit 5%			Resiliency (Wildfire & Sea Level Rise) 10%				RHNA
	Forecast Unit Change 2025- 2035	Jobs 2020	% Region	Units	Transit Score	% Region	Units	% Area Not in High Risk Zone	Normalized (% Area x Unit Chg)	% Region	Units	Total	
Monterey County	15,655			14,976			881				1,762	33,274	
Carmel-By-The-Sea	13	3,566	1%	139	0	0%	0	64%	8	0%	1	153	
Del Rey Oaks	86	748	0%	29	1	8%	73	44%	38	0%	5	193	
Gonzales	1,783	6,326	2%	247	0	0%	0	100%	1,783	13%	231	2,261	
Greenfield	688	7,882	2%	308	0	0%	0	100%	688	5%	89	1,085	
King City	610	8,195	2%	320	0	0%	0	100%	610	4%	79	1,009	
Marina	988	6,548	2%	256	1	8%	73	89%	883	7%	115	1,432	
Monterey	504	40,989	11%	1,603	1	8%	73	63%	315	2%	41	2,221	
Pacific Grove	122	8,016	2%	313	0	0%	0	95%	116	1%	15	450	
Salinas	5,416	78,874	21%	3,086	2	17%	151	100%	5,416	40%	702	9,355	
Sand City	135	2,092	1%	82	1	8%	73	100%	135	1%	18	308	
Seaside	811	10,476	3%	410	1	8%	73	77%	628	5%	82	1,376	
Soledad	591	9,010	2%	352	0	0%	0	96%	568	4%	74	1,017	
Unincorporated Monterey	637	60,293	16%	2,357	1	8%	73	19%	120	1%	16	3,083	
Santa Cruz County													
Capitola	223	12,250	3%	479	0	0%	0	83%	184	1%	24	726	
Santa Cruz	986	43,865	11%	1,715	1	8%	73	75%	742	5%	96	2,870	
Scotts Valley	71	10,109	3%	395	1	8%	73	50%	35	0%	5	544	
Watsonville	1,279	28,514	7%	1,115	1	8%	73	95%	1,212	9%	157	2,624	
Unincorporated Santa Cruz	712	45,264	12%	1,770	1	8%	73	13%	95	1%	12	2,567	

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.

Adjustments may be made after a methodology has been selected.

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Sept. 7, 2021

Option A: Income Allocation

	Baseline Income Allocation				AFFH			Raw AFFH Adjustments				Rebalance				RHNA
	V.L.	Low	Mod.	A.M.	% in High/Highest	10% Shift V.L.	10% Shift Low	Very Low	Low	Mod.	Above Mod.	Very Low	Low	Mod.	Above Mod.	
Region	7,868	5,146	6,167	14,093				7,477	4,889	6,558	14,350	7,868	5,146	6,167	14,093	33,274
Monterey County																
Carmel-By-The-Sea	36	24	28	65	100%	4	2	40	26	24	63	42	27	23	61	153
Del Rey Oaks	46	30	36	82	0%	-5	-3	41	27	41	84	43	28	39	83	193
Gonzales	535	350	419	958	0%	-54	-35	481	315	473	992	506	332	445	978	2,261
Greenfield	257	168	201	460	0%	-26	-17	231	151	227	476	243	159	213	470	1,085
King City	239	156	187	427	0%	-24	-16	215	140	211	443	226	147	198	438	1,009
Marina	339	221	265	607	0%	-34	-22	305	199	299	629	321	209	281	621	1,432
Monterey	525	343	412	941	73%	39	25	564	368	373	916	593	387	351	890	2,221
Pacific Grove	106	70	83	191	100%	11	7	117	77	72	184	123	81	68	178	450
Salinas	2,211	1,446	1,735	3,961	0%	-221	-145	1,990	1,301	1,956	4,108	2,097	1,372	1,840	4,046	9,355
Sand City	73	48	57	130	0%	-7	-5	66	43	64	135	69	45	60	134	308
Seaside	325	213	255	583	0%	-33	-21	292	192	288	604	307	202	271	596	1,376
Soledad	240	157	188	431	0%	-24	-16	216	141	212	448	227	148	199	443	1,017
Unincorp. Monterey	729	477	571	1,306	10%	7	5	736	482	564	1,301	774	507	530	1,272	3,083
Santa Cruz County																
Capitola	172	112	135	307	97%	16	11	188	123	119	296	198	129	112	287	726
Santa Cruz	679	444	532	1,216	22%	15	9	694	453	517	1,206	730	477	486	1,177	2,870
Scotts Valley	129	84	101	230	0%	-13	-8	116	76	114	238	122	80	107	235	544
Watsonville	620	406	486	1,111	0%	-62	-41	558	365	548	1,153	587	384	515	1,138	2,624
Unincorp. Santa Cruz	607	397	476	1,087	34%	20	13	627	410	456	1,074	660	432	429	1,046	2,567

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

For example 10% in the table above may be 9.50-10.49%

% in High/Highest = % of households in census tracts designated "High Resource" or "Highest Resource" in 2021 TCAC/HCD Opportunity Area Maps

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

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Sept. 7, 2021

Option B: Unit Allocation

Region	RHNA Total 33,274	Housing	Jobs 85%			Transit 10%			Resiliency (Wildfire & Sea Level Rise) 5%				RHNA
		Forecast Unit Change 2025- 2035	Jobs 2020	% Region	Units	Transit Score	% Region	Units	% Area Not in High Risk Zone	Normalized (% Area x Unit Chg)	% Region	Units	Total
Monterey County		15,655			14,976			1,762				881	33,274
Carmel-By-The-Sea		13	3,566	1%	139	0	0%	0	64%	8	0%	1	153
Del Rey Oaks		86	748	0%	29	1	8%	147	44%	38	0%	2	264
Gonzales		1,783	6,326	2%	247	0	0%	0	100%	1,783	13%	116	2,146
Greenfield		688	7,882	2%	308	0	0%	0	100%	688	5%	45	1,041
King City		610	8,195	2%	320	0	0%	0	100%	610	4%	40	970
Marina		988	6,548	2%	256	1	8%	147	89%	883	7%	57	1,448
Monterey		504	40,989	11%	1,603	1	8%	147	63%	315	2%	20	2,274
Pacific Grove		122	8,016	2%	313	0	0%	0	95%	116	1%	7	442
Salinas		5,416	78,874	21%	3,086	2	17%	292	100%	5,416	40%	351	9,145
Sand City		135	2,092	1%	82	1	8%	147	100%	135	1%	9	373
Seaside		811	10,476	3%	410	1	8%	147	77%	628	5%	41	1,409
Soledad		591	9,010	2%	352	0	0%	0	96%	568	4%	37	980
Unincorporated Monterey		637	60,293	16%	2,357	1	8%	147	19%	120	1%	8	3,149
Santa Cruz County													
Capitola		223	12,250	3%	479	0	0%	0	83%	184	1%	12	714
Santa Cruz		986	43,865	11%	1,715	1	8%	147	75%	742	5%	48	2,896
Scotts Valley		71	10,109	3%	395	1	8%	147	50%	35	0%	2	615
Watsonville		1,279	28,514	7%	1,115	1	8%	147	95%	1,212	9%	79	2,620
Unincorporated Santa Cruz		712	45,264	12%	1,770	1	8%	147	13%	95	1%	6	2,635

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.

Adjustments may be made after a methodology has been selected.

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Sept. 7, 2021

Option B: Income Allocation

	Baseline Income Allocation				AFFH			Raw AFFH Adjustments				Rebalance				RHNA
	V.L.	Low	Mod.	A.M.	% in High/Highest	15% Shift V.L.	15% Shift Low	Very Low	Low	Mod.	Above Mod.	Very Low	Low	Mod.	Above Mod.	
Region	7,868	5,146	6,167	14,093				7,292	4,767	6,743	14,472	7,868	5,146	6,167	14,093	33,274
Monterey County																
Carmel-By-The-Sea	36	24	28	65	100%	5	4	41	28	23	61	44	30	21	58	153
Del Rey Oaks	62	41	49	112	0%	-9	-6	53	35	58	118	57	38	53	116	264
Gonzales	507	332	398	909	0%	-76	-50	431	282	474	959	465	304	434	943	2,146
Greenfield	246	161	193	441	0%	-37	-24	209	137	230	465	226	148	210	457	1,041
King City	229	150	180	411	0%	-34	-23	195	127	214	434	210	137	196	427	970
Marina	342	224	268	613	0%	-51	-34	291	190	319	648	314	205	292	637	1,448
Monterey	538	352	421	963	73%	59	39	597	391	362	924	644	422	331	877	2,274
Pacific Grove	105	68	82	187	100%	16	10	121	78	66	177	131	84	60	167	442
Salinas	2,163	1,413	1,695	3,873	0%	-324	-212	1,839	1,201	2,019	4,086	1,983	1,298	1,847	4,017	9,145
Sand City	88	58	69	158	0%	-13	-9	75	49	82	167	81	53	75	164	373
Seaside	333	218	261	597	0%	-50	-33	283	185	311	630	305	200	284	620	1,409
Soledad	232	152	182	415	0%	-35	-23	197	129	217	437	213	139	198	430	980
Unincorp. Monterey	745	487	584	1,334	10%	11	7	756	494	573	1,326	816	533	524	1,276	3,149
Santa Cruz County																
Capitola	169	110	132	302	97%	24	16	193	126	108	287	208	136	99	271	714
Santa Cruz	685	448	537	1,227	22%	22	14	707	462	515	1,212	763	499	471	1,163	2,896
Scotts Valley	145	95	114	260	0%	-22	-14	123	81	136	275	133	87	124	271	615
Watsonville	620	405	486	1,110	0%	-93	-61	527	344	579	1,170	569	371	530	1,150	2,620
Unincorp. Santa Cruz	623	408	488	1,116	34%	31	20	654	428	457	1,096	706	462	418	1,049	2,635

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

For example 10% in the table above may be 9.50-10.49%

% in High/Highest = % of households in census tracts designated "High Resource" or "Highest Resource" in 2021 TCAC/HCD Opportunity Area Maps

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

Attachment 3
HCD/TCAC 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	CalEnviroScreen3.0	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 4 th graders who meet or exceed math proficiency standards	2018-2019 California Department of Education (DOE)	
	Reading proficiency	Percentage of 4 th 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	<p>Poverty: Tracts with at least 30% of the population falling under the federal poverty line</p> <p>Racial Segregation: Tracts with a racial Location Quotient of higher than 1.25 for Black, Hispanic, Asian, or all people of color in comparison to the county</p>	<p>2014-2018 ACS Estimate</p> <p>2010 Decennial Census</p>	<p>ACS Table B17020</p> <p>Census Table SF1DP1</p>

ATTACHMENT 4
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 area 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)