MEMORANDUM

TO:	**AMBAG Board of Directors**
FROM:	**Maura F. Twomey, Executive Director**
RECOMMENDED BY:	**Heather Adamson, Director of Planning**
SUBJECT:	**6th Cycle Regional Housing Needs Allocation Methodology**
MEETING DATE:	**November 10, 2021**

RECOMMENDATION:

A. Conduct a public hearing to receive public comment on the draft Regional Housing Needs Assessment (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 the 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 in order 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,

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 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) need to every local government in the AMBAG Region. The RHNA produces regional, subregional, and local targets for the amount and type of housing needed over the planning period. 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.

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.

Draft RHNA Methodology – October 2021

For the past six months, AMBAG has been discussing with the PDF and Board potential options for developing a RHNA methodology based on HCD's 6th Cycle RHND. In October 2021, AMBAG staff presented a draft RHNA methodology to the AMBAG Board and PDF, as shown in Table 1.

Table 1: AMBAG RHNA Allocation Methodology (as presented in October 2021)

	Draft RHNA Methodology	Units
2022 Regional Growth Forecast	High	15,655
Employment	High (85%)	17,619
Transit	Low (5%)	
Resiliency Factor (Wildfire and Sea Level Rise)	Low (10%)	
AFFH*	High	

*Affirmatively furthering fair housing (AFFH)

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

- Regional Growth Forecast (RGF): Housing growth from the 2025-2035 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)
- Affirmatively Furthering Fair Housing (AFFH): 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, based on HCD/California Tax Credit Allocation Committee (TCAC) Opportunity Map

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).

The Legislature declared that insufficient housing in job centers hinders the state's environmental quality and runs counter to the state's environmental goals. (Gov. Code, § 65584(a)(3).) A key allocation factor in the draft RHNA methodology is allocating a portion of RHNA by jobs. Allocating RHNA near existing job centers promotes both equity and environmental goals because workers are often forced to commute long distances when adequate housing is not available near jobs. Thus, when those seeking affordable housing are forced to drive longer distances to work, an increased amount of greenhouse gases and other pollutants are released and jeopardizes the achievement of the state's climate goals. This RHNA methodology puts emphasis on proximity to jobs that can simultaneously promote both the state's housing equity and environmental goals. AMBAG's draft methodology addresses job proximity by allocating a large portion of RHNA to jurisdictions that act as job centers. This meets the RHNA objectives of increasing the housing supply in an equitable manner and improving intraregional relationship between jobs and housing. (Gov. Code, § 65584(d)(1-2).) Because a large share of the region's total jobs are agricultural, allocating units based on jobs addresses farmworker housing needs, a statutory factor included to develop the RHNA methodology. (Gov. Code, § 65584.04(e)(8).)

The RHNA methodology takes into consideration the proportional share of jobs within each jurisdiction within the AMBAG region. Some public comments have suggested that the RHNA methodology should consider allocating housing based on job proximity, rather than based on the number of jobs within a jurisdiction. Allocating a significant amount of RHNA using proximity of both jobs within and outside of each jurisdiction would result in extremely small jurisdictions having RHNA allocations similar to some of the largest jurisdictions in the region and would drastically reduce RHNA in some of the largest jurisdictions with large low-income populations and existing housing equity concerns such as overcrowding. It would also give Counties some of the highest job-proximity allocations since Counties are within driving distance of all cities, hence they would get a share of the housing allocation far beyond their regional job proportions. This approach presents equity challenges because it directs affordable housing away from larger concentrated population centers and areas that currently experience high rates of overcrowding.

This RHNA methodology allocates housing units to jurisdictions based on their number of jobs and their access to high quality transit. The methodology allocates a large

number of units to jurisdictions that currently have symptoms of high housing need such as cost burden and overcrowding. Allocating a low number of units to these jurisdictions would pose an equity problem by ignoring existing housing need, including farmworker housing need.

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

This RHNA methodology allocates a portion of housing units (15,655) based on data for projected housing growth from 2025-2035, the Regional Growth Forecast (RGF). The 2022 RGF was used in the 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 Metropolitan Transportation Plan/SCS, which is scheduled to be released later this year.

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 has been 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 and Resiliency

The second step in the RHNA methodology is to allocate the remaining units (17,619 units) based on jobs, transit and resiliency factors. Existing (2020) jobs account for 85% of the housing remaining housing units, jurisdictions with existing (2020) transit routes with 15- and 30-minute headways account for 5% and the remaining 10% of units is allocated those jurisdictions who have the smallest percentages of high fire or high sea level risk.

Third Step in RHNA Methodology: Income Allocation

The RHNA methodology considers other statutorily mandated factors such as overcrowding housing needs of farmworkers and directing growth towards incorporated jurisdictions (Gov. Code *§65584.04(e)(7), §65584.04(e)(8), and §65584.04(e)(4), respectively).* For those reasons, the RHNA methodology allocates an above average share of the total units to non-high income jurisdictions like Gonzales, Greenfield and Salinas. However, RHNA objective 1 must ensure that the plan allocates 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. To accomplish that objective, the methodology shifts units across income categories. This shift ensures that non-high income jurisdictions do not get a disproportionate share of lower income units.

In the income allocation step, the RHNA methodology redistributed a portion of very low and low income units out of jurisdictions with no high/highest resource areas, and shifted those units to jurisdictions with high/highest resource areas based on the proportion of their jurisdiction's households in a high/highest resource area, using HCD/ California Tax Credit Allocation Committee (TCAC) Opportunity Map.

Revised Draft RHNA Methodology – November 2021

AMBAG received comments on the initial draft RHNA methodology at both the October 13, 2021 Board meeting and October 18, 2021 PDF meeting. AMBAG staff was asked to explore applying a different equity analysis other than the HCD/TCAC Opportunity Maps data as well as looking into how the low and very low income units are shifted in the AFFH factor. This revised draft methodology was presented to the PDF on November 1, 2021.

Racially Concentrated Areas of Affluence

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.

AMBAG staff, the PDF, and the AMBAG Board considered the 2020 version of the TCAC Opportunity Map for Monterey and Santa Cruz counties as it was developing the draft RHNA methodology. Unfortunately, the TCAC Opportunity Map does not include some of the most advantaged communities within the AMBAG region, such as Del Rey Oaks, as high/highest resource and completely omits data for some tracts and block groups, such as areas near Gonzales and Elkhorn. In addition, urban/suburban and rural areas are not equally comparable within the TCAC Opportunity Map data because rural high/highest resource block groups are ranked independently from the urban/suburban census tracts.

As a result of concerns with the TCAC data, AMBAG developed a local measure of Racially Concentrated Areas of Affluence (RCAAs), 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 RCAAs 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).

In addition to incorporating the RCAA data, the percentage of units shifted from above moderate/moderate units to low/very low units was increased from 25% in the initial October 2021 draft methodology to 50% in the revised November 2021 draft methodology. This increase was based on discussions with HCD and the enhanced importance of equity in the 6th Cycle. The revised draft methodology shown here results in RCAAs getting a higher share of their RHNA in the lower income categories. In RCAA jurisdictions approximately 74% of the RHNA allocation is very low or low income. The comparable share for non-RCAA jurisdictions is 24%

Some external comments suggested that total units could have been allocated based on equity. However, AMBAG found that shifting units to higher-income jurisdictions would have resulted in lower unit total allocations to areas with high overcrowding and high need for farmworker housing. Shifting more of the lower-income units to RCAAs allows

the AMBAG region to improve equity in the distribution of affordable housing while also directing housing to the communities where it is needed.

Affirmatively Furthering Fair Housing

AMBAG received a comment to consider shifting the very low and low income units differently than was proposed in the initial draft methodology. Attachment 4 shows two options on how the very low and low income units can be shifted. The initial draft methodology presented in October 2021 included Option A, which shifted Moderate income units to Very Low and Above Moderate units to Low. Option B shifts Above Moderate units to Very Low and Moderate units to Low. Feedback from the PDF was mixed: most found Option B acceptable but a few preferred Option A. After further review and discussions with HCD, AMBAG staff recommends Option B because it furthers the RHNA objective of 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. (Gov. Code, § 65584.04(d)(4).)

The revised draft RHNA methodology unit allocation estimates by factor and both options for income allocation are provided in Attachment 4. The revised draft RHNA methodology allocates the total RHNA units in the same way that the initial draft methodology did, however, how income allocation is calculated has changed. The proportion of units allocated based on RCAAs have been increased from25% to 50%. In addition, there are two options for shifting very low and low income units.

Jobs Data

In reviewing the methodology, a handful of jurisdictions have requested an opportunity to review the jobs data that underlie the methodology. The jobs data used for the draft RHNA methodology is from the 2022 RGF, based on address-level data from the California Employment Development Department (confidential) and InfoUSA. Over several months AMBAG staff reconciled the two databases and engaged in extensive ground-truthing (the process of gathering the proper objective (provable) data), which included multiple rounds of review with each jurisdiction as part of the RGF process. The result of these extensive efforts is a comprehensive inventory of jobs by place of work that is consistent across jurisdictions in the AMBAG region. In preparing 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 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. 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. 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 RHNA is based on the distribution of jobs or percent share, rather than total number of jobs, AMBAG staff recommends that the 2020 jobs data be used for the RHNA methodology.

Statutory Adjustments

AMBAG has received several comments and questions regarding statutory adjustments to the RHNA methodology allocations. 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 completed surveys from all jurisdictions. The completed surveys will be included in the draft RHNA plan. Similar to what was done in the 5th 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 the revised draft methodology, AMBAG will submit the revised 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 staff to issue the draft RHNA Plan with RHNA allocations by jurisdiction in early 2022.

ALTERNATIVES:

The Board of Directors may modify the revised 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 November 10, 2021 Board meeting, it will 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 REAP and SB 1 planning funds and are programmed in the FY 2021-22 Overall Work Program and Budget.
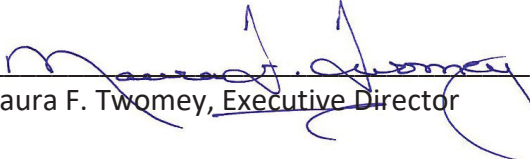
COORDINATION:

All RHNA planning activities are coordinated with the HCD, SBtCOG, and the Planning Directors Forum which includes all the local jurisdictions.

ATTACHMENTS:

1. Regional Housing Needs Allocation Objectives and Factors
2. Summary of Factors for Consideration in 6th Cycle RHNA
3. Racially Concentrated Areas of Affluence for the AMBGA Region
4. Revised Draft Methodology RHNA Unit Allocation & Income Allocation Estimates
5. Letter Received from California YIMBY, Santa Cruz YIMBY, and YIMBY Law with attachment: https://ternercenter.berkeley.edu/wp-content/uploads/pdfs/A.Osterberg_APA_Best_Practices_for_Allocating_and_Evaluating_RHNA_.pdf
6. Letter Received from M.R. Wolfe & Associates, P.C. on behalf of LandWatch Monterey County
7. Letter Received from City of Monterey
8. AMBAG Letter to EDD Requesting to Disclose Employment Data
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)

Attachment 2
Factors for Consideration in 6th Cycle RHNA
Highlight Reflects Jurisdictions Where Factor Should be Considered

	2020 Census Population	Jobs & Housing Relationship J/H Ratio	Opportunities & Constraints to Development			Max. Transit & Transportation Infrastructure High Qual. Transit	Directing Growth to Incorprated Areas Agreement	High Housing Cost Burdens % Burdened
			Sq.Mi.	% Resilient	Resil. Sq. Mi.			
Region	709,896	1.5						41%
Monterey County	439,035							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%
Santa Cruz County	270,861							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

	Rate of Over-Crowding % Crowded	Farmworker Housing Needs % Reg. Ag. Jobs	Housing Needs of College Students	Pov. Rate	Improving Equity % Above 200% Pov.	% White
Region	11%			13%	67%	37%
Monterey County	14%			13%	64%	27%
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

Attachment 3
Defining Racially Concentrated Areas of Affluence (RCAAs) for the AMBAG Region

	Affluent		**Racially-Concentrated**		**RCAA**
	% Population Above 200% of Poverty Level	Higher Than Regional Avgerage	% White	Higher Than Regional Avgerage	Both Higher Income and Less Diverse
Region	**67%**		**37%**		
Monterey County					
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	
Seaside	65%		29%		
Soledad	52%		8%		
Unincorp. Monterey	72%	yes	45%	yes	yes
Santa Cruz County					
Capitola	72%	yes	65%	yes	yes
Santa Cruz	66%		58%	yes	
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

Attachment 4
DRAFT FOR DISCUSSION PURPOSES

Oct. 27, 2021

Option A with RCAA: Unit Allocation

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
Region	15,655			14,976			881				1,762	**33,274**
Monterey County												
Carmel-By-The-Sea	13	3,566	1%	140	0	0%	0	64%	8	0%	1	**154**
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%	314	0	0%	0	95%	116	1%	15	**451**
Salinas	5,416	78,874	21%	3,084	2	17%	151	100%	5,416	40%	702	**9,353**
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.

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

Option A: Income Allocation (Shifting M. to V.L. and A.M. to L.)

	Baseline Income Allocation				RCAA			Raw RCAA Adjustments				Rebalance to Income Group Totals				RHNA
	V.L.	Low	Mod.	A.M.		50%	50%									
					In RCAA	Shift V.L.	Shift Low	Very Low	Low	Mod.	Above Mod.	Very Low	Low	Mod.	Above Mod.	Total
Region	7,868	5,146	6,167	14,093				6,284	4,110	7,751	15,129	7,868	5,146	6,167	14,093	**33,274**
Monterey County																
Carmel-By-The-Sea	36	24	29	65	yes	18	12	54	36	11	53	68	45	9	32	**154**
Del Rey Oaks	46	30	36	82	yes	23	15	69	45	13	66	86	56	10	41	**193**
Gonzales	535	350	419	958		-268	-175	267	175	687	1,132	334	219	547	1,161	**2,261**
Greenfield	257	168	201	460		-129	-84	128	84	330	543	160	105	263	557	**1,085**
King City	239	156	187	427		-120	-78	119	78	307	505	149	98	244	518	**1,009**
Marina	339	221	265	607		-170	-111	169	110	435	718	212	138	346	736	**1,432**
Monterey	525	343	412	941	yes	263	172	788	515	149	769	987	645	119	470	**2,221**
Pacific Grove	107	70	84	191	yes	54	35	161	105	30	155	202	132	24	93	**451**
Salinas	2,210	1,446	1,733	3,961		-1,105	-723	1,105	723	2,838	4,687	1,383	905	2,256	4,809	**9,353**
Sand City	73	48	57	130		-37	-24	36	24	94	154	45	30	75	158	**308**
Seaside	325	213	255	583		-163	-107	162	106	418	690	203	133	333	707	**1,376**
Soledad	240	157	188	431		-120	-79	120	78	308	511	150	98	245	524	**1,017**
Unincorp. Monterey	729	477	571	1,306	yes	365	239	1,094	716	206	1,067	1,370	896	164	653	**3,083**
Santa Cruz County																
Capitola	172	112	135	307	yes	86	56	258	168	49	251	323	210	39	154	**726**
Santa Cruz	679	444	532	1,216		-340	-222	339	222	872	1,437	424	278	694	1,474	**2,870**
Scotts Valley	129	84	101	230	yes	65	42	194	126	36	188	243	158	29	114	**544**
Watsonville	620	406	486	1,111		-310	-203	310	203	796	1,315	388	254	633	1,349	**2,624**
Unincorp. Santa Cruz	607	397	476	1,087	yes	304	199	911	596	172	888	1,141	746	137	543	**2,567**

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 Moderate and Very Low (V.L.) categories, and between Above Moderate (A.M.) and Low.

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Option B: Income Allocation (Shifting A.M. to V.L. and M. to L.)

| | Baseline Income Allocation | | | | RCAA | | | Raw RCAA Adjustments | | | | Rebalance to Income Group Totals | | | | RHNA |
| | V.L. | Low | Mod. | A.M. | | 50% | 50% | | | | | | | | | |
					In RCAA	Shift V.L.	Shift Low	Very Low	Low	Mod.	Above Mod.	Very Low	Low	Mod.	Above Mod.	Total
Region	7,868	5,146	6,167	14,093				6,284	4,110	7,203	15,677	7,868	5,146	6,167	14,093	**33,274**
Monterey County																
Carmel-By-The-Sea	36	24	29	65	yes	18	12	54	36	17	47	68	45	15	26	**154**
Del Rey Oaks	46	30	36	82	yes	23	15	69	45	21	58	86	56	18	33	**193**
Gonzales	535	350	419	958		-268	-175	267	175	594	1,225	334	219	509	1,199	**2,261**
Greenfield	257	168	201	460		-129	-84	128	84	285	588	160	105	244	576	**1,085**
King City	239	156	187	427		-120	-78	119	78	265	547	149	98	227	535	**1,009**
Marina	339	221	265	607		-170	-111	169	110	376	777	212	138	322	760	**1,432**
Monterey	525	343	412	941	yes	263	172	788	515	240	678	987	645	205	384	**2,221**
Pacific Grove	107	70	84	191	yes	54	35	161	105	49	136	202	132	42	75	**451**
Salinas	2,210	1,446	1,733	3,961		-1,105	-723	1,105	723	2,456	5,069	1,383	905	2,101	4,964	**9,353**
Sand City	73	48	57	130		-37	-24	36	24	81	167	45	30	69	164	**308**
Seaside	325	213	255	583		-163	-107	162	106	362	746	203	133	310	730	**1,376**
Soledad	240	157	188	431		-120	-79	120	78	267	552	150	98	229	540	**1,017**
Unincorp. Monterey	729	477	571	1,306	yes	365	239	1,094	716	332	941	1,370	896	284	533	**3,083**
Santa Cruz County																
Capitola	172	112	135	307	yes	86	56	258	168	79	221	323	210	68	125	**726**
Santa Cruz	679	444	532	1,216		-340	-222	339	222	754	1,555	424	278	646	1,522	**2,870**
Scotts Valley	129	84	101	230	yes	65	42	194	126	59	165	243	158	51	92	**544**
Watsonville	620	406	486	1,111		-310	-203	310	203	689	1,422	388	254	590	1,392	**2,624**
Unincorp. Santa Cruz	607	397	476	1,087	yes	304	199	911	596	277	783	1,141	746	237	443	**2,567**

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 Moderate and Very Low (V.L.) categories, and between Above Moderate (A.M.) and Low.