



**Regional Housing Needs Allocation
(RHNA) Plan 2007-2014
for Monterey and Santa Cruz Counties**

prepared by
**The Association of Monterey Bay Area Governments
June 11, 2008**

Note to the Reader

The Regional Housing Needs Allocation (RHNA) Plan has been developed by the Association of Monterey Bay Area Governments (AMBAG) in accordance with the requirements of the State of California (Government Code Section 65584). The RHNA Plan provides a draft allocation of the regional housing needs for each jurisdiction in Monterey and Santa Cruz counties, including all of the incorporated cities as well as unincorporated county areas.

These housing allocations will be used by each individual jurisdiction in the update of their Housing Element (also in accordance with State law requirements).

The methodology for the RHNA was developed at the direction of the AMBAG Board of Directors and with the assistance of a regional housing Working Group representing the political jurisdictions in the region.

The AMBAG Board of Directors approved the release of an initial Draft RHNA Plan at their meeting of October 10, 2007. That initial Draft was reviewed by the jurisdictions in the region over a 60-day period, and three requests for revision were received. At the January 10, 2008 Board of Directors meeting, the Board approved the requested revisions.

On January 4, 2008, the California Housing and Community Development (HCD) department provided AMBAG with a revised Regional Housing Need Determination letter based on the enactment of Assembly Bill 1259. This legislation extended the regional planning period by one year. Accordingly, the new determination letter establishes 2007 to 2014 as the effective RHNA planning period. In addition, the new determination from HCD revised the regional housing unit need downward based on recent forecasts prepared by the Department of Finance.

The housing allocation table presented in this revised report represents a proportional allocation of the new need determination based on the previously distributed Draft RHNA Plan, including the revision requests as approved by the Board.

The public comment period on the revised draft ended on February 18th, 2008 and the AMBAG Board of Directors held a public hearing on March 12, 2008. The RHNA Plan was approved and adopted by the AMBAG Board of Directors at its June 11, 2008 meeting.

Mark Griffin, AICP; Director of Planning
Association of Monterey Bay Area Governments
P.O. Box 809 / 445 Reservation Road, Suite G
Marina, CA 93933-0809
Phone: 831-883-3750 Fax 831-883-3755

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The Regional Housing Needs Allocation Process

1

State Housing Element Law

The State of California requires the Department of Housing and Community Development (HCD) to identify housing needs for each region of the State in response to projected population and household growth. State law (Government Code 65584) further mandates that each Council of Governments (COG) distribute the regional housing needs allocation (as determined by the State) to each jurisdiction within the COG's region. The Association of Monterey Bay Area Governments (AMBAG) is the COG charged with overseeing the Regional Housing Needs Allocation (RHNA) process for jurisdictions in Monterey and Santa Cruz counties.

AMBAG is responsible for determining the “fair share” of regional housing need for each jurisdiction in Monterey and Santa Cruz counties for the period from January 1, 2007 through June 30, 2014. The law states that “the share of a city or county of the regional housing needs includes the share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county.”¹

State law also requires AMBAG to “determine the existing and projected housing need for its region” after considering several statutory requirements, as described in Chapter 2 of this report. State law further requires that the distribution of the regional housing needs allocations seeks to “[allocate] 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.”²

Each COG is responsible for the details of the methodology used in the RHNA process, working in cooperation with HCD. AMBAG is required to provide HCD and each jurisdiction within its region “with data describing the assumptions and methodology used in calculating its fair share of regional housing need” (which is the purpose of the initial Draft and this *Revised Draft Regional Housing Needs Allocation Plan*). After AMBAG approves the final allocation report, HCD has 30 days to ensure that the determination is consistent with statewide housing need, and may make necessary revisions.

State Housing Element Law sets forth a schedule and process for the RHNA distribution cycle. The process begins with the State's determination of the regional housing need, followed by the COG's determination of each jurisdiction's allocation. A review period follows, whereby each jurisdiction is given 60 days following AMBAG's release of a draft allocation report to propose any revisions to its share of regional housing need. Within 60 days after a city or county proposes a revision, AMBAG “shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.”³

¹ California Code § 65584(a)(1)

² California Code § 65584(d)(4)

³ California Code § 65584.05(c)

This statutory 60-day review period ran from October 17, 2007 through December 17, 2007. Three requests for revision were received and approved by the AMBAG Board of Directors on January 11, 2008. In accordance with the RHNA Plan, each jurisdiction must then update the Housing Element of its General Plan to demonstrate that it is meeting State law requirements, including accommodation of its fair share housing goal. Jurisdictions within the AMBAG region are required to submit adopted Housing Elements to HCD for final review on or before June 30, 2009.⁴

Development of the Regional Housing Needs Allocation 2007-2014

Regional efforts to prepare the 2007-2014 RHNA commenced on December 21, 2006 with a written request from AMBAG to HCD for a one-year extension of the statutory RHNA due date for the region, from June 2007 to June 2008. HCD provided AMBAG with its original determination of regional housing needs on December 28, 2006, and on March 29, 2007 AMBAG was advised by HCD that the Department did not have the statutory authority to grant an extension. The AMBAG Board considered this sequence of events at its meeting on March 31, 2007, and directed staff to pursue a dual strategy: first, to prepare a regional housing allocation based on the approved 2004 regional forecast under the original HCD determination; and second, to seek a one-year extension through legislative action in Sacramento.

The collective process of developing the methodology for AMBAG's 2007-2014 RHNA began on April 3, 2007 with the initial meeting of the RHNA Working Group. Appendixes C, D, and E provide the letters of invitation to member jurisdictions and ex-officio representatives, and a public notice for the first Working Group meeting. All Working Group meeting Agendas are offered in Appendix F.

As directed by the Board, the RHNA Working Group determined an allocation methodology based on the AMBAG 2004 Population, Employment and Housing Unit Forecast. In determining this methodology, the Working Group took into consideration the State law requirements regarding required factors in determining the regional distribution of housing needs. Table 2.1 in the following section presents our enumeration of these mandatory factors, and identifies those factors that were explicitly considered and evaluated as part of the 2004 Forecast methodology. Of the fourteen factors as identified by the Working Group, it was determined that eleven of these factors had been evaluated and incorporated within the 2004 Forecast. This methodology allowed the Working Group to focus their efforts on the three remaining factors.

With the enactment of Assembly Bill 1259 (Caballero D-28) on January 1, 2008, the RHNA planning period for the region was extended by one year. Accordingly, HCD issued a revised housing need determination letter on January 4, 2008, with a planning period from 2007 to 2014. This revised determination also lowered the need determination on the basis of recent Department of Finance forecasts. The regional allocation of this revised regional housing need determination was presented in this Revised Draft RHNA Plan for review and comment for 30 days.

Review and Approval of the Draft RHNA Plan

The *Revised Draft RHNA Plan for 2007-2014* was provided for review to each of the AMBAG jurisdictions and members of the public for an additional 30 day period. The revised need determination received from HCD represented a substantial decrease in the regional housing need, and

⁴ A legislative extension for the Monterey Bay area was signed by the Governor on October 14, 2007. The law became effective from January 1, 2008, and provides for the Housing Element date shown here.

this new determination has been allocated to the jurisdictions proportionate to the previous Draft allocation as approved and revised by the Board.

During the statutory 60-day review period, member jurisdictions could request a revision to the allocation of their share of the regional housing needs in accordance with the considerations set forth in Government Code §65584. Any proposed revisions must be based upon available data and accepted planning methodology, and be supported by adequate documentation. Furthermore, revisions to one jurisdiction's housing need determination would require a compensating revision to the housing need determination of one or more other jurisdictions, such that the total regional housing needs as determined by HCD would be maintained.

AMBAG will maintain publicly available copies of the comment letters received during and after the 60-day review period as provided for in Appendix G1. During this review period, three requests for revision to the Draft allocation were received. These revision requests were approved by the Board of Directors on January 9, 2008 (see Appendix G2).

Comments were received on the *Revised Draft RHNA Plan* for an additional 30 days, and all comments were considered by the Board prior to the adoption of a Final RHNA Plan. Please see Appendix G3 for a summary of the comments received. In addition, a Public Hearing convened on the Final RHNA Plan prior to its adoption.

Following the additional 30-day review period, AMBAG staff prepared a summary of the comments received and presented these for review by the AMBAG Board. As provided for under State law, the AMBAG Board may either (a) accept a proposed revision(s); (b) modify its earlier allocation, or (c) indicate, based upon available data and accepted planning methodology, why the proposed revision would be inconsistent with the regional housing need.

List of RHNA Working Group Members

The methodology for preparing the 2007-2014 RHNA was developed with the assistance of a Working Group formed by a subgroup of the Forecast Technical Advisory Committee (FTAC). The Working Group, comprising representatives of jurisdictions in Santa Cruz and Monterey counties, reviewed and commented on methodology related to the development of the RHNA Plan. It also included ex-officio members representing various interest groups concerned with housing and development issues in the two-county area. Copies of the Working Group meeting agendas are provided in Appendix F. Following is a list of the jurisdictions and organizations that participated in meetings of the Working Group:

Organization

- City of Capitola
- City of Carmel-by-the-Sea
- City of Del Rey Oaks
- City of Gonzales
- City of Greenfield
- City of King City
- City of Marina
- City of Monterey
- City of Pacific Grove

- City of Salinas
- City of Sand City
- City of Santa Cruz
- City of Scotts Valley
- City of Seaside
- City of Soledad
- City of Watsonville
- County of Monterey
- County of Santa Cruz
- State of California Department of Transportation, District 5
- University of California at Santa Cruz

Schedule of Working Group Meetings

For the allocation process, the Working Group met periodically over the summer to prepare an allocation for the regional housing need determination provided by HCD.

Between April and September, the Working Group considered factors required by state law and reviewed methodologies and draft allocations. Meetings of the full Working Group were held on:

- April 3, 2007
- April 19, 2007
- April 26, 2007
- May 16, 2007
- June 14, 2007
- July 11, 2007
- July 19, 2007
- August 23, 2007
- August 30, 2007
- September 27, 2007
- October 25, 2007

In addition to meetings of the full Working Group, county-level subgroups met to discuss potential allocations, coming to agreements that formed the draft allocation. County subgroup meetings were held on:

- July 7, 2007- Santa Cruz County
- July 11, 2007- Monterey County
- July 19, 2007- Santa Cruz County
- August 30, 2007 - Monterey County
- November 7, 2007 – Monterey County

Local Housing Elements Updates

In accordance with a legislative extension (AB 1259) recently signed by the Governor, adopted housing elements are due to HCD by June 30, 2009. Prior to adoption of their elements, each jurisdiction must also submit their Draft Housing Element to HCD for review and comment. HCD requires a 60-day review period for the draft elements. Final adopted Housing Elements must be submitted to HCD for

a second review following adoption. HCD requires 90 days for the second review period, after which time an official determination of compliance with State Housing Element law will be issued to the local jurisdiction.

Overview of the RHNA Methodology

2

Methodology for the RHNA Allocation

California Government Code §65584 requires AMBAG to distribute the regional housing needs (as determined by HCD) to each jurisdiction in Monterey and Santa Cruz counties. This section of the code contains a set of guidelines that AMBAG must follow when developing its distribution methodology. These guidelines include two principle components, which are (1) to prepare a region-wide allocation of the State's "housing unit goals," as determined by HCD; and (2) to consider the planning factors identified by HCD when determining the allocation of need in the region by jurisdiction.

The AMBAG 2004 Population, Employment and Housing Unit Forecast represents the most recent regionally approved distribution of population and employment forecasts to the jurisdiction level in the Monterey Bay region. The preparation of this forecast involved the participation of jurisdictions in the region and considered an extensive set of factors for evaluation. The Forecast incorporated a substantial number of the planning factors required by the RHNA statutes, and therefore provided a convenient and regionally approved basis for the allocation methodology. Table 2.1 on the following page details the factors that were included in the AMBAG 2004 forecast and those that were evaluated by the Working Group.

Table 2.1: State Mandated Factors

Government Code 65584.04	
GC 65584.01- 14 Factors	2004 AMBAG Population Housing Unit & Employment
1. Each member jurisdiction existing and projected jobs and housing relationship.	Existing and forecast land use and economic fields provide trends in population, housing units and employment for each jurisdiction.
2. The opportunities / constraints to develop additional housing in each jurisdiction.	3-county region surveyed for growth constraints. General Plan (GP) land-use data showing vacancy rate, redevelopment and additional housing.
3. Lack of capacity: sewage or water service.	Allocated forecasts constrained by reported limitations such as lack of water, sewer capacity. These are included as post calculation adjustments.
4. Availability of land for urban development or conversion to residential.	Land use coverage data provided through GPs, redevelopment, vacancy fields.
5. Lands preserved from development.	Land use coverage in GPs. Accommodated in pre-calculation adjustments.
6. County policies to preserve Ag Land.	Land use coverage in GPs. Accommodated in pre-calculation adjustments.
7. Distribution of household growth to max public transportation & infrastructure.	Population forecast data supplied in TAZ. Additional data provided by GPs Accessibility Index.
8. Market demand for housing.	Population forecast data is unconstrained source and housing demand derived from population and economic fields.
9. Agreements between a county and cities to direct growth to incorporated areas.	Factor surveyed by Working Group.
10. Loss of assisted housing units.	Factor surveyed by Working Group.
11. High-housing cost burdens.	Median cost of housing factor.
12. Housing needs of farm workers.	Factored for farm workers
13. Housing needs generated by universities.	Non-institutional population forecasts for 2007.
14. Other technical adjustments adopted by COG.	Technical adjustments by Working Group.

Initial Sample Allocation

Based on Housing Unit component of the 2004 Forecast, the increment of regional growth for each jurisdiction over the original RHNA planning period served as the basis for an initial sample allocation. As Table 2.2 on the following page shows the two-county total housing unit growth of 20,850 was used as the proportional basis for the initial sample allocation by multiplying each jurisdiction's share of that anticipated growth by the HCD original housing determination of 25,315 units.

The Working Group then evaluated the remaining three RHNA factors for making adjustments to the allocation. These additional factors are described in the following pages. The Working Group's consideration of these factors with the Sample Allocation yielded the Draft Allocation or the recommended number of units for each jurisdiction under the original HCD determination.

Table 2.2: Obtaining Initial Sample Distribution

Jurisdiction	Anticipated HU Growth 2006- 2013	Proportion share of growth	Sample Allocation
Carmel-by-the-Sea	0	0.000	0
Del Rey Oaks	0	0.000	0
Gonzales	949	0.046	1,152
Greenfield	1,282	0.061	1,556
King City	787	0.038	955
Marina	3,077	0.148	3,736
Monterey	23	0.001	28
Pacific Grove	8	0.000	9
Salinas	6,749	0.324	8,194
Sand City	0	0.000	0
Seaside	430	0.021	523
Soledad	1,552	0.074	1,884
Unincorporated Monterey	1,561	0.075	1,896
Monterey County Total	16,418	0.788	19,934
Capitola	147	0.007	178
Santa Cruz	753	0.036	914
Scotts Valley	206	0.010	250
Watsonville	1,665	0.080	2,021
Unincorporated Santa Cruz	1,661	0.080	2,017
Santa Cruz County Total	4,432	.0213	5,381
Two-County Total	20,850	1.001*	25,315

* Rounding to three decimal places accounts for why the Two-County Total's Proportion Share of Growth does not equal 1.000.

Discussion of Evaluated Factors

➤ Factor 9: Agreements between a county and cities to direct growth to incorporated areas

The Working Group met in a series of sub-regional groups by county to consider adjustments for this factor. Through this process the jurisdictions made adjustments to the sample distribution.

The government code requires that the distribution of regional housing needs “seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of low income households.” As such, the Working Group allocated a higher proportion of housing units to coastal cities in

the region relative to their anticipated growth, compared to inland cities, exemplified in Table 2.4. Because coastal cities are assuming a higher relative share of the total housing allocation, their allocation of very low- and low-income housing is also proportionately higher.

Since the inland cities have historically provided a larger share of affordable housing to the region’s workforce, the draft allocation is consistent with HCD direction to better balance the overall distribution of low income households.

Table 2.3: Share of Growth v. Allocated Units - All Jurisdictions

	Proportion Share of Growth	Proportion of Allocated Units 2006-2013
Monterey County		
Carmel-by-the-Sea	0.000	0.002
Del Rey Oaks	0.000	0.017
Gonzales	0.046	0.035
Greenfield	0.061	0.062
King City	0.038	0.038
Marina	0.148	0.128
Monterey	0.001	0.044
Pacific Grove	0.000	0.008
Salinas	0.324	0.248
Sand City	0.000	0.008
Seaside	0.021	0.040
Soledad	0.074	0.060
Unicorp Monterey	0.075	0.096
Monterey Co Total	0.788	0.786
Santa Cruz County		
Capitola	0.007	0.010
Santa Cruz	0.036	0.045
Scotts Valley	0.010	0.013
Watsonville	0.080	0.062
Unicorp SC	0.080	0.086
Santa Cruz Co Total	0.213	0.216
Two-County Total	1.001	1.002

Table 2.4: Share of Growth v. Allocated Units - Comparison of Monterey County Coastal and Inland Jurisdictions

	Proportion share of Growth	Proportion of Allocated Units 2006-2013
Monterey County		
Carmel-by-the-Sea	0.000	0.002
Del Rey Oaks	0.000	0.017
Marina	0.148	0.128
Monterey	0.001	0.044
Pacific Grove	0.000	0.008
Sand City	0.000	0.008
Seaside	0.021	0.040
Coastal cities	0.170	0.248
Inland Jurisdictions		
Salinas	0.324	0.248
Gonzales	0.046	0.035
Greenfield	0.061	0.062
King City	0.038	0.038
Soledad	0.074	0.060
Inland Cities	0.543	0.443

* Rounding to three decimal places accounts for why the Two-County Total’s Proportion Share of Growth and Proportion of Allocated Units do not equal 1.000.

➤ **Factor 10: Loss of assisted housing units –**

None of the jurisdictions identified a loss or gain of assisted housing units for the 2006-2013 RHNA period.

➤ **Factor 14: Other technical adjustments –**

Specific adjustments were made for circumstances particular to certain jurisdictions. For example, the City of Watsonville had previously requested that the 2004 Forecast not be used as the basis for the RHNA process. Due to the circumstances of this allocation cycle, however, this request could not be satisfied by the region. Recognizing that certain developments included in the underlying forecast represented unfair burdens in the RHNA draft allocation, downward adjustments were made to the initial working group allocation based on the 2004 Forecast.

Revised Draft Allocation 2007-2014

The passage of Assembly Bill 1259 granted jurisdictions in the Monterey Bay region a legislative extension to allow for a June 30, 2009 deadline for Housing Element updates. As a result, the RHNA planning period shifted from 2006-2013 to 2007-2014 and required a new HCD determination of the regional housing unit need based on updated forecasts from the Department of Finance. (Please see Appendix A2).

The new regional housing need determination of 15,130 represents an approximate 40 percent decrease from the original determination of 25,315 units. A proportional change was applied to the original draft allocation for each jurisdiction, as amended by the Board in January 2008, and this revised allocation was presented in further detail in Section 3: Regional Housing Needs Allocation by Jurisdiction. The Revised Draft was presented to the Board and was adopted as the Final RHNA Plan on April 12, 2008,

Technical Adjustments to Adopted RHNA Plan

In the process of certifying the AMBAG region's adopted RHNA Plan, HCD discovered a rounding methodology that they requested be amended to be consistent with state-wide practices. The rounding issue stems from the presentation of income category percentages which were rounded up to whole numbers in the Determination letter provided by HCD (Appendix A2). In making the request for a Technical Adjustment, HCD indicated that these percentages should actually be calculated hundredths decimal place, rather than as whole percentages. With these Technical Adjustments, all jurisdictions retain the same total allocation of housing units, although for some jurisdictions these calculations shift a small number of allocated units from the moderate- and low-income categories to very low-income. Table 3.1: 2007-2014 RHNA Allocation, by Jurisdiction and Income Category shows the allocation with the Technical Adjustments based on HCD's request.

Upon receipt of HCD's request for a Technical Adjustment, AMBAG staff distributed the preceding tables to the jurisdictions for review and comment. On May 30th, 2008 AMBAG convened a teleconference to address any questions or concerns raised by the jurisdictions in regards to the HCD adjustments. HCD participated in the conference call, and none of the jurisdictions in the region had any questions or concerns at that time. HCD did indicate that with these Technical Adjustments there were not further issues involved with their certification of the 2007-2014 RHNA for the AMBAG region. Please see Appendix H for the AMBAG staff memorandum to the Board of Director's regarding the Technical Adjustment request.

Regional Housing Needs Allocation by Jurisdiction

3

Region-wide Share of State Housing Unit Goals

HCD is the State agency responsible for determining AMBAG's region-wide share of the estimated statewide housing need for the period of January 1, 2007 through June 30, 2014. The regional numbers supplied by HCD are "goal numbers" that often exceed the anticipated growth expected by cities and counties in the region. The methodology used to determine the statewide housing need, and each region's share of that need, incorporates factors such as vacancy rates, potential growth rates (population, jobs, and household formation rates) and demolition of existing housing stock. All of these factors are included in the State's projection of housing need. (See Appendixes A1 and A2 for a copy of the housing needs determination for the region provided by HCD.)

The AMBAG region's share of the statewide housing need is provided in the form of a regional determination that is divided by income category (very low, low, moderate and above-moderate). AMBAG is required to distribute this number to jurisdictions based on a methodology that is developed independent of the one used by HCD to determine statewide housing goals. Consistent with past practice in the region, income category allocations are passed through to jurisdictions at the percentages provided by HCD.

Regional Housing Need Determination: Allocation with Technical Adjustments

Table 3.1 presents the final allocation as prepared by the RHNA Working Group and approved by the AMBAG Board of Directors for distribution with revisions (see Appendix G for staff memorandum regarding revisions) and a technical adjustment per the request of HCD (see Appendix H for staff memorandum on the technical adjustment). As the table shows, the regional housing need determination of 15,130 units is organized by jurisdiction for Monterey County and Santa Cruz County.

Accounting for Income

In addition to a total number of units distributed among the 17 jurisdictions and two unincorporated areas in the two-county area, HCD assigned specific proportions of the units based on income. As shown in Table 3.1, jurisdictions within the two-county region must plan for 22 percent of units for very low-, 17 percent for low-, 19 percent for moderate- and 42 percent for above moderate-income. It is important to note that the county's share of very low- and low-income units can only be reduced proportionately to the reduction in share of moderate- and above moderate-income units.

Table 3.1: 2007-2014 RHNA Plan, by Jurisdiction and Income Category

RHNA Allocation with Technical Adjustment		Income Category 2007-2014			
Monterey County	Allocation 2007-2014	Very Low 22%	Low 17%	Moderate 19%	Above- Moderate 42%
Carmel-by-the-Sea	32	7	5	6	14
Del Rey Oaks	150	34	25	28	63
Gonzales	689	154	116	131	288
Greenfield	538	120	90	102	226
King City	571	128	96	108	239
Marina	1,913	427	322	363	801
Monterey	657	146	111	125	275
Pacific Grove	120	27	20	23	50
Salinas	4,076	911	686	773	1,706
Sand City	120	27	20	23	50
Seaside	598	134	101	113	250
Soledad	897	200	151	170	376
Unicorp. Monterey County	1,554	347	261	295	651
Monterey Co Total	11,915	2,662	2,004	2,260	4,989
Santa Cruz County					
Capitola	143	32	24	27	60
Santa Cruz	672	150	113	127	282
Scotts Valley	188	42	32	36	78
Watsonville	923	206	155	175	387
Unicorp. Santa Cruz County	1,289	288	217	245	539
Santa Cruz Co Total	3,215	718	541	610	1,346
TOTAL RHND	15,130	3,380	2,545	2,870	6,335

Comments on the Revised Draft Allocation

Comments on the revisions to the Draft RHNA were received through February 18, 2008. A summary is provided in Appendix G3.

Public Hearing

The AMBAG Board convened a Public Hearing prior to its adoption of a Final RHNA Plan at their March 12, 2008 meeting. No members of the public came forward at this time to provide comments.

Approval of the Revised Draft Allocation Plan

The AMBAG Board of Director's approved the Revised Draft Allocation Plan on April 12th, 2008. The plan was sent to HCD for review and approval. Upon their review, HCD discovered a rounding issue resulting from the presentation of income category percentages in whole numbers and not delineated to the hundredths place. HCD requested a technical adjustment, which is included in the allocation table on the previous page. Staff provided jurisdictions the opportunity to comment on the adjustment at a May 30, 2008 teleconference. No comments were received. On June 11, 2008 the AMBAG Board of Directors approved the Regional Housing Needs Allocation with Technical Adjustments (see Appendix H for staff memorandum).

Appendix A1: Housing and Community Development (HCD) Letter of Determination – December 28, 2006

~~STATE OF CALIFORNIA BUSINESS, TRANSPORTATION AND HOUSING AGENCY~~

~~ARNOLD SCHWARZENEGGER, Governor~~

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

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177
FAX (916) 327-2643



December 28, 2006

Mr. Nicolas Papadakis, Executive Director
Association of Monterey Bay Area Governments
P.O. Box 809
Marina, CA 93933-0809

Dear Mr. Papadakis:

RE: Regional Housing Needs Determination

This letter transmits the Association of Monterey Bay Area Governments' (AMBAG's) Regional Housing Needs Determination (RHND) for Monterey and Santa Cruz counties pursuant to State housing element law (Government Code Section 65584, et. seq.). As you know, the Department of Housing and Community Development (Department) is required to provide AMBAG its determination of the existing and projected housing needs for Monterey and Santa Cruz counties for the next planning period. The RHND included a consultation process with your organization as part of AMBAG's important role in advancing the State's housing policies.

The enclosed determination reflects AMBAG's minimum housing need to enable your organization to prepare its new Regional Housing Needs Plan in accordance with State law (see Attachment I). This plan must be prepared to update the housing elements of each general plan within the counties of Monterey and Santa Cruz. These housing elements are required to be updated by June 30, 2008 to accommodate each local government's share of the regional housing need pursuant to Government Code Section 65588(e)(3).

At a December 18th meeting, Department staff reviewed the statutory requirements, as recently amended effective 2005. Discussion of statutory changes included new requirements relating to development of the allocation methodology and factors to be considered by AMBAG pursuant to Government Code Section 65584.04. This meeting also included review of the Department's draft RHND and a discussion of the methodology and assumptions described. The prospective timeline for completion of specified tasks and adoption of AMBAG's final plan before June 30, 2007 in accordance with the existing statutory due date was also discussed.

The RHND for Monterey and Santa Cruz counties was calculated using January 1, 2006 as the baseline date and June 30, 2013 as the end date of the housing element planning period (see Attachment 2). This determination projects the minimum housing need to be accommodated in the region over this period; however, planning for housing need above the minimum determination would be appropriate. When updating housing elements, credit may be taken for housing units permitted since the January 2006 baseline.

Attachment 1
Regional Housing Need Determination
Association of Monterey Bay Area Governments (AMBAG)
(Monterey and Santa Cruz Counties)
For the period January 1, 2006 through June 30, 2013

<u>Income Category</u>	<u>Housing Unit Need</u>	<u>Percent</u>
Very-Low	5,653	22%
Low	4,259	17%
Moderate	4,796	19%
<u>Above-Moderate</u>	<u>10,592</u>	<u>42%</u>
Total	25,300	100%

Attachment 2

Explanation of AMBAG Regional Housing Need Determination For the period January 1, 2006 through June 30, 2013

Methodology, assumptions, and data sources used to project housing unit need:

1. Household (HH) growth (24,335) (baseline: 224,178 "occupied housing units" 1/1/2006): estimate by California Department of Finance (DOF) in its E-5 report ("Population and Housing Estimates for Cities, Counties and the State, 2001-2006, with 2000 Benchmark" May 2006). Population projections for 7/1/2013 are based on DOF's P-3 report ("Population Projections by Race/Ethnicity, Gender and Age for California and Its Counties 2000-2050" May 2004). Projected HHs in 2013 are derived by DOF using the cohort-component method by applying age- and ethnicity-specific household formation ratios from Census 2000 to the projected population. Projected change in population (57,759) reflects the change between January 1, 2006 (687,193) through June 30, 2013 (744,952). Projected change in HHs (24,335) also reflects the change between January 1, 2006 (224,178) through June 30, 2013 (248,513). This HH growth assumes lower HH formation ratios compared to those of the 1990 Census which would yield projected HH growth of 33,062 and total housing unit need of 34,519.
2. Homeowner and Renter households (HHs): allocation based on Census 2000 proportion of owner-occupied HHs (56.9%) held constant through projection period. Renter HHs reflect the difference in subtracting homeowner HHs from projected HH growth.
3. Vacancy allowance: rates of 1.8% (owner) and 5.0% (renter) reflect adjustments from standard targets of 2.0% and 6.0%, respectively, for current conditions. Standard targets identified by Office of Planning and Research, Economic Practices Manual (1984:37).
4. Replacement allowance: percentage is based on demolition permits reported to and by DOF (January 2000 through 2006). For Monterey and Santa Cruz counties, demolitions averaged 127 per year to comprise a rate of .00057 or .057% based on 224,178 combined "occupied" housing units per DOF (January 2006). The derived demolition rate was adjusted by a multiple of 2 to account for missing permits and use conversions not involving demolition. The adjusted rate (.001 or .1%) is, in turn, multiplied by 7.5 to derive the estimated replacement percentage over 7.5 years of the planning period resulting in a .008 or .8% replacement rate adjustment.
5. Income category distribution (Attachment 2): calculated by multiplying each county's projected total housing need by the proportion of households in each income category calculated using county median income per Census 2000. The four income categories reflect California's definitions (Health and Safety Code Sections 50079.5 and 50105, et.seq.).

Housing Unit Need Projection:

Household growth, Census 2000 headship rates (1)		24,335
Homeowner HHs (2)	56.9%	13,857
Homeowner HH vacancy allowance (3)	1.8%	249
Renter HHs	43.1%	10,478
Renter HHs vacancy allowance (3)	5.0%	524
Replacement allowance (4)	0.8%	206
Total		25,315

Appendix A2: Housing and Community Development (HCD) Letter of Determination – January 4, 2008

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY

ARNOLD SCHWARZENEGGER, Governor

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

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177
FAX (916) 327-2643

JAN 06 2007



January 4, 2008

Mr. Nicolas Papadakis, Executive Director
Association of Monterey Bay Area Governments
P.O. Box 809
Marina, CA 93933-0809

Dear Mr. Papadakis:

RE: Regional Housing Needs Determination for the 2007-2014 Planning Period

This letter provides the Association of Monterey Bay Area Governments (AMBAG) its 2007-2014 Regional Housing Needs Determination (RHND) for Monterey and Santa Cruz counties. This RHND reflects amendment of State Housing Element law (Government Code Section 65584, et. seq.) by Assembly Bill 1259 (Chapter 696, Statutes of 2007, effective January 1, 2008). Housing Element Law requires the Department to provide its determination of AMBAG's existing and projected housing needs for Monterey and Santa Cruz counties for the above planning period.

AB 1259 changed the fourth revision date for AMBAG jurisdictions to update their housing elements, to June 30, 2009, thereby extending by one year the previous June 30, 2008 deadline for the update of housing elements of local jurisdictions within Monterey and Santa Cruz counties. This change effectively revises AMBAG's planning period to encompass the period from January 2007 through June 2014 and supersedes the Department's December 28, 2006 RHND for the period January 2006 through June 2013. Primarily as a result of the Department of Finance updating its population projections in July 2007, the RHND for the revised 2007-2014 planning period represents a lower housing need than previously projected.

The determination at Attachment I reflects the minimum housing need for AMBAG to allocate in preparing its 2007-2014 RHNP in accordance with State law. Alternatively, AMBAG can choose to allocate (for its 2007-2014 planning period) the higher housing need previously projected for 2006-2013. AMBAG may continue to proceed with efforts and processes underway since the beginning of 2007 in implementing its allocation methodology. The RHNP must be prepared to enable jurisdictions within the counties of Monterey and Santa Cruz to update the housing elements of their general plans by the revised deadline. Pursuant to Government Code Section 65588(e)(3), housing element updates must accommodate the share of regional housing need that AMBAG allocates to each local government.

As you know, at the meeting hosted by AMBAG on December 18, 2006, Department staff reviewed the statutory requirements and amendments effective in 2005. Discussion of statutory changes included new requirements relating to development of the RHNP

Mr. Nicolas Papadakis, Executive Director
Page 2

methodology and factors to be considered by AMBAG pursuant to Government Code Section 65584.04. This meeting also included review of the Department's draft determination and a discussion of the methodology and assumptions described. The prospective timeline for completion of specified tasks and adoption of AMBAG's final plan in accordance with statutory due dates was also discussed.

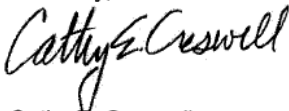
The 2007-2014 RHND for Monterey and Santa Cruz counties was calculated using January 1, 2007 as the baseline date and June 30, 2014 as the end date of the housing element planning period (see Attachment 2). This determination projects the minimum housing need to be accommodated in the region over this period; however, planning for housing need above the minimum determination is appropriate and encouraged. When updating housing elements, local jurisdictions may take credit for housing units permitted since the January 2007 baseline.

The Regional Housing Needs Plan (RHNP) to be developed by AMBAG is required to be consistent with the following objectives, as set forth in more detail in statute (Section 65584(d)):

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability;
- (2) promoting infill development and socioeconomic equity, protection of environmental and agricultural resources, and encouragement of efficient development patterns;
- (3) promoting an improved intraregional relationship between jobs and housing; and
- (4) balancing the distribution of households by income category.

The Department is available to further discuss development and implementation of AMBAG's RHNP and assist local governments in addressing their housing needs. If you have any questions or would like to discuss additional technical assistance needs, please contact Glen Campora, Senior Policy Advisor, at (916) 327-2640.

Sincerely,



Cathy E. Creswell
Deputy Director

Enclosures

Attachment 1
Regional Housing Need Determination
Association of Monterey Bay Area Governments (AMBAG)
(Monterey and Santa Cruz)
For the period January 1, 2007 through June 30, 2014

<u>Income Category</u>	<u>Housing Unit Need</u>	<u>Percent</u>
Very-	3,380	22%
Low	2,545	17%
Moderate	2,870	19%
<u>Above-Moderate</u>	<u>6,335</u>	<u>42%</u>
Total	15,130	100%

Attachment 2

**AMBAG: Explanation of Regional Housing Need Determination
For the Period January 1, 2007 through June 30, 2014**

Methodology, Assumptions, and Data Sources Used to Project Housing Unit Need:

1. Household (HH) growth (14,519) was derived by subtracting Department of Finance's (DOF) 1/1/2007 estimate of "Occupied Housing Units" (224,673) from 6/30/2014 "Projected Households" (239,192 based on DOF's 2006 estimate of the headship rate or HH formation ratio). The Demographic Research Unit of DOF prepares these official estimates and projections that were last updated July 2007 (Population Projections by Race/Ethnicity, Gender and Age for California and Its Counties 2000-2050, July 2007). For planning period purposes, DOF provides the Department projections of HH population and projected number of HHs. The HH population projection reflects the population housed (occupied housing units) and excludes the group quarters population. Occupied housing units are estimated by DOF in its E-5 report (Population and Housing Estimates for Cities, Counties and the State, 2001-2007, with 2000 Benchmark, May 2007). The projected change in HH population reflects the change between January 1, 2007 (657,892) and June 30, 2014 (693,986). In projecting HHs, DOF uses the cohort-component method by applying age- and ethnicity-specific HH formation ratios (based on Census 2000 and DOF's estimate of 2006 data) to the projected population as described on its webpage (<http://www.dof.ca.gov/html/DEMOGRAP/ReportsPapers/Projections/P3>).
2. Homeowner and Renter households (HHs): allocation based on Census 2000 proportion of owner-occupied HHs (56.9%) held constant through projection period. Renter HHs reflect the difference in subtracting homeowner HHs from projected HH growth.
3. Vacancy allowance: rates of 1.8% (owner) and 5.0% (renter) reflect adjustments from standard targets of 2.0% and 6.0%, respectively, for current conditions. Standard targets identified by Office of Planning and Research, Economic Practices Manual (1984:37).
4. Replacement allowance: empirical demolition rate per housing unit averages .06% per year for 2001 through 2007 based on DOF demolition permit data (average 144 demolition permits among jurisdictions within Monterey and Santa Cruz counties, 2001-2007). The average rate is adjusted by a multiple of 2 to account for other losses, such as demolitions without a permit, conversions from residential use to other uses not involving demolition, and/or dwelling units destroyed because of a disaster. The adjusted rate is multiplied by 7.5 (years in the planning period) yielding a .91% replacement allowance rate. The minimum replacement percentage applied is 1% whereas the maximum replacement percentage applied is 2%.
5. Income category allocation: categories were combined after calculating each county's income category by multiplying the county's projected total housing need by the proportion of HHs in each income category based on County median HH income (Census 2000) and income definitions (H&S Code Sections 50079.5 and 50105, et.seq.).

Housing Unit Need Projection:

Household growth, Census 2006 headship rates (1)		14,520
Homeowner HHs (2)	56.9%	8,265
Homeowner HH vacancy allowance (3)	1.8%	150
Renter HHs	43.1%	6,250
Renter HHs vacancy allowance (3)	5.0%	315
	Subtotal	14,980
Replacement allowance (4)	1.0%	150
	Total	15,130

Appendix B: AB 1259 – Legislative Extension

BILL NUMBER: AB 1259 AMENDED
BILL TEXT

AMENDED IN SENATE SEPTEMBER 5, 2007
AMENDED IN SENATE JUNE 21, 2007
AMENDED IN ASSEMBLY APRIL 26, 2007

INTRODUCED BY Assembly Member Caballero
(Coauthor: Assembly Member Laird)
(~~Coauthor: Senator~~
~~Denham~~ Coauthors: Senators Cox,
Denham, and Steinberg)

FEBRUARY 23, 2007

An act to amend Section 65588 of , and to add and repeal Section 65584.7, the Government Code, relating to local planning.

LEGISLATIVE COUNSEL'S DIGEST

AB 1259, as amended, Caballero. Local planning: housing element.

(1) *The Planning and Zoning Law specifies the dates of revision for the housing element and prescribes the time periods for the submission of draft and adopted local general plan housing elements to the Department of Housing and Community Development and for the review of those elements by the department. That law also requires the department, based upon data provided by the Department of Finance and in consultation with each council of government (COG), to determine the regional share of the statewide housing need for the subsequent revisions to the housing element, and local governments within the regional jurisdiction of the Sacramento Area Council of Governments (SACOG) are required to revise their housing elements by June 30, 2002, for the 3rd revision, and June 30, 2008, for the 4th revision.*

This bill would until January 1, 2014 authorize the Department of Housing and Community Development, consistent with the revised population projections released by the Department of Finance on July 9, 2007, to revise its regional housing need determination for the Sacramento Area Council of Governments for the 4th revision of the housing element, and prior to the adoption of the final regional housing need allocation plan by the Sacramento Area Council of Governments.

~~Existing~~

(2) *Existing law requires every city, county, and city and county to revise the housing element of its general plan as frequently as is appropriate, but not less than every 5 years, to reflect the results of the periodic review of the housing element. Existing law further provides that specified councils of governments must complete the 3rd and 4th revisions of the housing elements of their general plans by specified dates. Local governments within the regional jurisdiction of the Association of Monterey Bay Area Governments are required to complete the 4th revision on June 30, 2008.*

This bill would extend the date by which local governments within the regional jurisdiction of the Association of Monterey Bay Area Governments must complete the 4th revision to June 30, 2009, and would make various technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 65584.7 is added to the Government Code , to read:

65584.7. (a) The Legislature finds and declares all of the following:

(1) Accurate and current data to estimate housing needs is necessary to ensure that state, regional, and local agencies plan effectively.

(2) The Department of Finance, which is charged with providing demographic data to aid effective state and local planning and policymaking, released updated population projections for the state on July 9, 2007.

(3) The updated projections released by the Department of Finance represent a decline of over 30 percent from the prior projection in the near-term population growth for the area within the regional jurisdiction of the Sacramento Area Council of Governments.

(4) Authorizing the department to adjust its regional housing needs determination for the Sacramento Area Council of Governments region is allowed only because a substantially different projection was released by the Department of Finance prior to the adoption of the Sacramento Area Council of Governments' final regional housing need allocation plan, and will not alter the schedule for its adoption.

(b) (1) Consistent with the revised population projections released by the Department of Finance on July 9, 2007, the department, for the fourth revision of the housing element pursuant to Section 65588, and prior to the adoption of the final regional housing need allocation plan by the Sacramento Area Council of Governments, may revise its regional housing need determination for the Sacramento Area Council of Governments. The revised determination by the department shall be consistent with the current population projections of the Department of Finance and with the methodology used for the initial determination for the region.

(2) The revision of the regional housing need determination shall not extend the time for, or reinstate any right to, an appeal, request for revision, or public comment or consultation period established pursuant to this article with respect to the determination of the regional housing need and the allocation to local government members of the Sacramento Area Council of Governments.

(3) This section does not change or modify the deadline established in Section 65588 by which local governments within Sacramento Area Council of Governments are required to adopt revised housing elements.

(c) This section is not intended to change or modify the deadlines in Sections 65584.01 to 65584.08, inclusive.

(d) This section shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

~~SECTION 1.~~ *SEC. 2. Section 65588 of the Government Code is amended to read:*

65588. (a) Each local government shall review its housing element as frequently as appropriate to evaluate all of the following:

(1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.

(2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.

(3) The progress of the city, county, or city and county in implementation of the housing element.

(b) The housing element shall be revised as appropriate, but not less than every five years, to reflect the results of this periodic review.

(c) The review and revision of housing elements required by this section shall take into account any low- or moderate-income housing provided or required pursuant to Section 65590.

(d) The review pursuant to subdivision (c) shall include, but need not be limited to, the following:

(1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.

(2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

(3) The number of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been authorized to be demolished or converted since January 1, 1982, in the coastal zone.

(4) The number of residential dwelling units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been required for replacement or authorized to be converted or demolished as identified in paragraph (3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.

(e) Notwithstanding subdivision (b) or the date of adoption of the housing elements previously in existence, each city, county, and city and county shall revise its housing element according to the following schedule:

(1) Local governments within the regional jurisdiction of the Southern California Association of Governments: June 30, 2006, for the fourth revision.

(2) Local governments within the regional jurisdiction of the Association of Bay Area Governments: June 30, 2007, for the fourth revision.

(3) Local governments within the regional jurisdiction of the Council of Fresno County Governments, the Kern County Council of Governments, and the Sacramento Area Council of Governments: June 30, 2002, for the third revision, and June 30, 2008, for the fourth revision.

(4) Local governments within the regional jurisdiction of the Association of Monterey Bay Area Governments: December 31, 2002, for the third revision, and June 30, 2009, for the fourth revision.

(5) Local governments within the regional jurisdiction of the San Diego Association of Governments: June 30, 2005, for the fourth revision.

(6) All other local governments: December 31, 2003, for the third revision, and June 30, 2009, for the fourth revision.

(7) Subsequent revisions shall be completed not less often than at five-year intervals following the fourth revision.

Appendix C: FTAC Member Invitee Letter

March 9, 2007

///

RE: Technical Forecast Advisory Committee to Update the Regional Population and Employment Forecast

Dear ///:

The Association of Monterey Bay Area Governments (AMBAG) is initiating an update to its regional Population and Employment forecast. At their February 2007 meeting, the AMBAG Board authorized the creation of a Forecast Technical Advisory Committee (FTAC) to jurisdictions with an opportunity to help direct and develop the forecast update.

We invite you to designate a staff person to represent your jurisdiction on the Forecast Technical Advisory Committee. Participation from each jurisdiction in the region is essential to the process of accurately developing and disaggregating forecasts.

FTAC participation will include each AMBAG member jurisdiction and ex-officio members representing state agencies with an interest in the regional forecast or that can provide technical knowledge for the development and disaggregation of the new forecasts.

The Board specifically tasked the FTAC to oversee the methodology to be used for creating a new county level population and employment forecasts for Monterey, San Benito and Santa Cruz counties, and to develop a standard methodology to disaggregate the county level forecast data to local levels.

The first meeting of the FTAC will be scheduled at the Moss Landing Harbor District on April 3, 2007, at 1:30 p.m. A draft agenda for this meeting is attached.

Please let us know who your agency's representative will be prior to the April 3, 2007, FTAC meeting.

If you have any questions about the FTAC or the Regional Population and Employment Forecast process, please contact Mark Griffin, AMBAG Director of Planning.

Sincerely,

Nicolas Papadakis
Executive Director

Attachments

Cc: AMBAG Director ///

Appendix D: FTAC EX-Officio Invitee Letter

March 9, 2007

///

RE: Technical Advisory Committee to Update the Regional Population and Employment Forecast

Dear ///:

The Association of Monterey Bay Area Governments (AMBAG) is initiating an update to its regional Population and Employment forecast. At their February 2007 meeting, the AMBAG Board authorized the creation of a Forecast Technical Advisory Committee (FTAC) to jurisdictions with an opportunity to help direct and develop the forecast update.

We invite you to designate a staff person to represent your agency as an **ex-officio participant** on the Forecast Technical Advisory Committee. Participation from each jurisdiction in the region is essential to the process of accurately developing and disaggregating forecasts.

FTAC participation will include each AMBAG member jurisdiction and ex-officio members representing state agencies with an interest in the regional forecast or that can provide technical knowledge for the development and disaggregation of the new forecasts.

The Board specifically tasked the FTAC to oversee the methodology to be used for creating a new county level population and employment forecasts for Monterey, San Benito and Santa Cruz counties, and to develop a standard methodology to disaggregate the county level forecast data to local levels.

The first meeting of the FTAC will be scheduled at the Moss Landing Harbor District on April 3, 2007, at 1:30 p.m. A draft agenda for this meeting is attached.

Please let us know who your agency's representative will be prior to the April 3, 2007, FTAC meeting.

If you have any questions about the FTAC or the Regional Population and Employment Forecast process, please contact Mark Griffin, AMBAG Director of Planning.

Sincerely,

Nicolas Papadakis
Executive Director

Attachments

Cc: AMBAG Director ///

Appendix E: Notice of Public Meeting

AMBAG

NOTICE OF PUBLIC MEETING

Regional Population, Housing Unit, and Employment Forecast Technical Advisory Committee (FTAC)

The Association of Monterey Bay Area Governments (AMBAG) is initiating an update to its Regional Population, Housing Unit, and Employment Forecast. At their February 2007 meeting, the AMBAG Board authorized the creation of a Forecast Technical Advisory Committee (FTAC) to jurisdictions with an opportunity to help direct and develop the forecast update. FTAC participation will include each AMBAG member jurisdiction and ex-officio members representing state agencies with an interest in the regional forecast or that can provide technical knowledge for the development and disaggregation of the new forecasts. The first meeting of the FTAC will be scheduled at the Moss Landing Harbor District on April 3, 2007 at 1:30 pm.

Please contact Mark Griffin, AMBAG Director of Planning at 831/883-3750 if you have questions.

What: Association of Monterey Bay Area Governments Forecast
Technical Advisory Committee Meeting
Date: April 3, 2007
Time: 1:30 p.m.
Location: Moss Landing Harbor District, 7881 Sandholdt Road
Moss Landing, California

Thank you very much,

Stefanie Weiland
Planning Intern
Association of Monterey Bay Area Governments
Phone: (831) 883-3750
Fax: (831) 883-3755

Appendix F: RHNA Working Group Agendas

AGENDA

Regional Population and Employment Forecast Technical Advisory Committee (FTAC)

P.O. Box 809
Marina, CA 93933
(831) 883-3750
aflores@ambag.org

Moss Landing Harbor District Office
7881 Sandholdt Road
Moss Landing, California

April 3, 2007

1:30 p.m.

1. Call to Order
2. Roll Call
3. Agenda Item - Confirm
4. **Public Comment on Items not on the Agenda**
(A maximum of three minutes on any subject not on the agenda)
5. Overview of Population, Housing Unit and Employment Forecast
6. Discuss FTAC Assigned Responsibilities
 - A. Review the options for developing County level forecasts and provide a recommendation to the Board of Directors as to which option should be selected forecasts to local levels.
 - B. Select and implement a standard methodology to disaggregating the population forecasts to local levels.
 - C. Collect and proof local data needed to disaggregate the forecasts.
 - D. Develop recommendation on the final disaggregated forecasts.

7. Planning Technology

GIS

Modeling

- RTDM
- Land Use

8. Previous Methodologies

2004 Population, Housing Unit and Employment Forecasts
Proposed ABAG methodology

9. Special Session (if necessary)

Regional Housing Need Allocation based on 2004 Forecast

10. FTAC Schedule

11. Other

12. Adjourn

AGENDA

Regional Housing Needs Allocation Subgroup (RHNA)

P.O. Box 809
Marina, CA 93933
(831) 883-3750
aflores@ambag.org

Moss Landing Harbor District Office
7881 Sandholdt Road
Moss Landing, California

May 16, 2007

1:30 p.m. – 3:00 p.m.

–

1. **Introductions**
2. **Agenda Changes or Modifications**
3. **Legislative Update**
4. **Housing and Community Development Discussion**
5. **RHNA Expedited Process**
6. **RHNA Normal Process**
7. **Next Steps/Meeting**
8. **Adjourn**

AGENDA

***Regional Housing Needs Allocation Subgroup
(RHNA)***

P.O. Box 809
Marina, CA 93933
(831) 883-3750
aflores@ambag.org

Moss Landing Harbor District Office
7881 Sandholdt Road
Moss Landing, California

June 14, 2007

2:30-3:30 p.m.

-
1. **Introductions**

 2. **Agenda Changes or Modifications**

 3. **Jurisdiction Consideration of Assisted Housing (factor 9)**

 4. **Jurisdiction Consideration of City-County Trades (factor 10)**

 5. **Legislation Update**

 6. **Next Steps/Meeting**

 7. **Adjourn**

AGENDA

Regional Housing Needs Allocation Subgroup (RHNA) Monterey County and Cities

P.O. Box 809
Marina, CA 93933
(831) 883-3750
aflores@ambag.org

July 11, 2007

1:00 p.m.

AMBAG Office

1. **Introductions**
2. **Recap of RHNA Activities**
3. **HCD Determination**
4. **Expedited**
 - 2004 Forecast
 - Sample Distribution
 - Evaluation Factors
 - Assisted housing
 - County/City trade
 - Trail Distribution, 7/19
 - Technical Adjustments
 - Draft Distribution, 8/16
5. **Extension**
 - Legislation pending
6. **GIS Analysis**
7. **Next Steps**
 - July 19 RHNA; August 16 RHNA

AGENDA

***Regional Housing Needs Allocation Subgroup
(RHNA)***

P.O. Box 809
Marina, CA 93933
(831) 883-3750
mgriffin@ambag.org

**Moss Landing Harbor District Office
7881 Sandholdt Road
Moss Landing, California**

August 23, 2007

2:30-3:30 p.m.

- 1. Introductions**

- 2. Agenda Changes or Modifications**

- 3. Review of RHNA Activities**

- 4. Residential Land Use Data**

- 5. Trial Distribution**

- 6. Legislation Extension Update**

- 7. Next Steps/Meeting**

- 8. Adjourn**

AGENDA

Regional Housing Needs Allocation Subgroup (RHNA)

P.O. Box 809
Marina, CA 93933
(831) 883-3750
aflores@ambag.org

**Moss Landing Harbor District Office
7881 Sandholdt Road
Moss Landing, California**

September 27, 2007

2:30 p.m.

- 1. Introductions**
- 2. Agenda Changes or Modifications**
- 3. Report of Sub-Regional Working Groups**
- 4. Trial Distributions**
- 5. Extension**
- 6. Working Group Recommendation to Board**
- 7. Next Steps/Meeting**
- 8. Adjourn**

AGENDA

Regional Housing Needs Allocation Subgroup (RHNA)

P.O. Box 809
Marina, CA 93933
(831) 883-3750
aflores@ambag.org

**Moss Landing Harbor District Office
7881 Sandholdt Road
Moss Landing, California**

October 25, 2007

2:30 p.m.

Introductions

- 1. Agenda Changes or Modifications**
- 2. Review the submission of the Draft- RHNA 2006-2013 to jurisdictions.**
- 3. Next Steps/Meeting**
- 4. Adjourn**

Appendix G1: Comments and Requests for Revision

MONTEREY COUNTY

RESOURCE MANAGEMENT AGENCY, Wayne K. Tanda, P.E., Director

168 W. Alisal St., 2nd Floor
Salinas, CA 93901

(831) 755-4879
Fax: (831) 757-5877



DEC 20 2007

December 14, 2007

Mr. Nick Papdakakis
Association of Monterey Bay Area Governments
P.O. Box 809/445 Reservation Road, Suite G
Marina, CA 93933-0809

Re: Request for Revisions to the Draft Regional Housing Needs Allocation Plan 2006-2013 for Monterey and Santa Cruz Counties

Dear Mr. Papdakakis:

I am writing on behalf of the jurisdictions who have been working together these past months to achieve our regional goals. Several of the jurisdictions have already sent in individual letters.

The jurisdictions in the County of Monterey have reviewed the proposed draft RHNA allocation for 2006-2013 and respectfully request that the AMBAG Board make the following revisions:

Del Rey Oaks	Change from 416 to 251
Greenfield	Change from 1007 to 900
Gonzales	Change from 880 to 1152

The reasons for these changes are as follows:

- There had been a typo in the original draft with respect to the allocation for Greenfield.
- Gonzales re-evaluated its allocation and indicated it could accept a larger allocation.
- Del Rey Oaks was not involved in the meetings and upon review of the allocation indicated that because of issues with covenants and restrictions in their potential growth area, they might not be able to achieve the larger allocation at this time.

The allocation for all of the remaining jurisdictions will not change and the total allocation remains the same: 19,933.

Respectfully,

Alana Knaster
Deputy Director

Cc: Monterey County Cities
Supervisor Salinas
Supervisor Calcagno



City of Gonzales

P.O. BOX 647
PHONE: (831) 675-5000

147 FOURTH ST.
FAX: (831) 675-2644

GONZALES, CALIFORNIA 93926
www.ci.gonzales.ca.us

DEC 05 2007

December 3, 2007

George A. Worthy
Mayor

Mark Griffin, AICP; Director of Planning
Association of Monterey Bay Area Governments
P.O. Box 809/445 Reservation Road, Suite G
Marina, CA 93933-0809

Delia Gutierrez
Mayor Pro Tem

Re: Draft Regional Housing Needs Allocation Plan 2006-2013 for Monterey
and Santa Cruz Counties

Matt Gourley
Councilmember

Dear Mr. Griffin:

Maria Orozco
Councilmember

The City of Gonzales has appreciated participating in the RHNA process. City staff and the City Council have reviewed the draft report dated October 17, 2007. Table 3.1 sets the draft allocation for the City of Gonzales at 880 dwellings for the 2006-2013 period. This number accurately reflects buildout of the 1996 Gonzales General Plan, and was provided by City staff to AMBAG. However, on further reflection, the City's believes that that buildout may occur before the year 2013 - and that additional housing development would proceed based upon the update of the Gonzales General Plan now in process. Accordingly, the original sample allocation of 1,152 housing units for Gonzales may be a more realistic number for our City and is requested to be used in the report in Table 3.1.

Lisa M. Senkir
Councilmember

René L. Mendez
City Manager

The City of Gonzales is attempting to take a long-range and balanced approach to revising its General Plan. We hope to be able to help stabilize the production of new housing in this area by providing a sufficient long-term supply of appropriately planned land for housing. While we are not in a rush to see a lot of new development, the City would like to help reduce the peaks and valleys that have characterized housing production here for so long.

Meeting the income category assignments will be much more challenging than simply providing for additional housing. This will require the good will and active participation of the private sector – and more creative governmental solutions than have been evident in the past. We request that AMBAG help convey this message forcefully to the state. Simply mandating targets to be met is not enough – more technical expertise in the housing field is needed, and much more in the way of state financial assistance.

Thank you for the opportunity to comment.

Sincerely,

George Worthy, Mayor



CITY OF PACIFIC GROVE

300 FOREST AVENUE
PACIFIC GROVE, CALIFORNIA 93950
TELEPHONE (831) 648-3100
FAX (831) 375-9863

DEC 13 2007

December 6, 2007

Mark Griffin, AICP; Director of Planning
Association of Monterey Bay Area Governments
P.O. Box 809
Marina, CA 93933-0809

Subject: Draft Regional Housing Needs Plan

Dear Mr. Griffin:

This letter confirms the City of Pacific Grove's concurrence with the determination of 200 dwelling units as our "fair share" as shown in Table 3.1 of the Draft Regional Housing Needs Allocation Plan 2006-2013 for Monterey and Santa Cruz Counties. We look forward to updating our Housing Element and demonstrating that the City's zoning, polices and programs accommodate our jurisdiction's share of the regional housing need.

Sincerely,

Handwritten signature of Daniel E. Cort in cursive.

Daniel E. Cort
Mayor

Appendix G2: AMBAG Response to Revision Requests

MEMORANDUM

TO: Board of Directors
FROM: Mark Griffin, Director of Planning
DATE: January 9, 2008
SUBJECT: Regional Housing Needs Allocation (RHNA) Plan
 2006-2013 for Monterey and Santa Cruz Counties

On October 17, 2007, AMBAG staff distributed the DRAFT- Regional Housing Needs Allocation (RHNA) Plan 2006-2013 for Monterey and Santa Cruz Counties. Per state regulation, local and county governments had 60 days to review the draft and submit any requests for revision. Staff received three letters of correspondence from the County of Monterey, the City of Gonzales and the City of Pacific Grove.

Requests for Revision and Additional Correspondence

Throughout development of the Draft Allocation and the review and revision period, representatives of the cities and the counties of Monterey and Santa Cruz have worked collaboratively with Staff in the allocation process. This collaboration is reflected in the coordinated request for revision received from the County of Monterey (see Attachment 1), on behalf of the cities of Del Rey Oaks, Greenfield and Gonzales and includes the following proposed changes to the housing allocation numbers:

	Original Allocation	Revised Allocation
Del Rey Oaks	416	251
Greenfield	1007	900
Gonzales	880	1152

Gonzales accepts the transfer of 272 total units from both Del Rey Oaks and Greenfield. In a separate letter written by the city's mayor, Gonzales foresees building-out the original allocation of 880 units before 2013. Their current General Plan update will be able accommodate additional housing development up to 1152 units.

The City of Del Rey Oaks justified their request to transfer 165 units to Gonzales by explaining that existing covenants and restrictions in their potential growth area would not enable them to reach their allocated share by 2013.

The 107 units the City of Greenfield requested for transfer to Gonzales is the result of further mediation and negotiation efforts between jurisdictional and county representatives.

AMBAG also received a letter from the City of Pacific Grove, who confirmed in agreement about the city's allocation of 200 units.

Staff Analysis

In accordance with state statutes, at this time the Board may either (a) accept the proposed revisions; (b) modify its earlier allocation; or (c) reject the revision requests as being inconsistent with the regional housing need. AMBAG Staff recommends that Board approve these requests for revision. As required by CGC §65584, the parties who negotiated the above transfers were all willing parties and the total number of allocated units to Monterey County remains the same at 19,933 units. Furthermore, the proportion of units allocated by income level (very low, low, moderate, and above moderate) remains consistent with the regional determination received from the California department of Housing & Community Development (HCD). A revised *Regional Housing Need Allocation* table is shown below:

Table 1

Regional Housing Need Allocation					
City	Draft Allocation 2006-2013	Income Category			
		Very Low 22%	Low 17%	Moderate 19%	Above-Moderate 42%
Monterey County					
Carmel-by-the-Sea	54	12	9	10	23
Del Rey Oaks	251	55	43	48	105
Gonzales	1,152	253	196	219	484
Greenfield	900	198	153	171	378
King City	955	210	162	181	401
Marina	3,200	704	544	608	1,344
Monterey	1,100	242	187	209	462
Pacific Grove	200	44	34	38	84
Salinas	6,821	1,501	1,160	1,296	2,865
Sand City	200	44	34	38	84
Seaside	1,000	220	170	190	420
Soledad	1,500	330	255	285	630
Unicorp. Monterey County	2,600	572	442	494	1,092
Monterey Co Total	19,933	4,385	3,389	3,787	8,372
Santa Cruz County					
Capitola	240	53	41	46	101
Santa Cruz	1,125	248	191	214	473
Scotts Valley	315	69	54	60	132
Watsonville	1,545	340	263	294	649
Unicorp. Santa Cruz County	2,157	475	367	410	906
Santa Cruz Co Total	5,382	1,184	915	1,023	2,260
TWO COUNTY TOTAL	25,315	5,569	4,304	4,810	10,632

TOTAL HUs NEEDED	25,315	5,569	4,304	4,810	10,632
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In addition to being reviewed by the regional jurisdictions, the Draft RHNA Plan was also noticed and made available for public comment for a thirty-day period through January 5, 2008 (copy of Notice in Attachment 2). Staff received the comments as summarized in Attachment 3. At the outset of the public comment period, Staff made a specific effort to contact organizations known to have an interest in housing issues to advise them of the review period.

Should the Board approve the requested revisions or otherwise modify its previous allocation, it is additionally recommended that the Board schedule a Public Hearing and final adoption of the RHNA Plan for the Board meeting schedule for February 13, 2008.

Should the Board reject the revisions, it is recommended that the Board (1) establish an Appeals Board, (2) set a due date for appeals, and (3) schedule a public hearing to rule on any appeals. Suggested dates for the implementation of these activities would be to establish the Appeals Board 01/09/08; due date for appeals 01/23/08; and schedule a public hearing 02/21/08; schedule final action 03/12/08.

Staff Recommendation:

Staff recommends Approval of the revised Regional Housing Needs Allocation.

ATTACHMENT 2

Copy of Public Notice for Public Review of Draft RHNA Plan:

On October 10, 2007 AMBAG Board of Directors approved of the Draft Regional Housing Needs Allocation (RHNA) 2006-2013 for all jurisdictions within Monterey and Santa Cruz Counties. AMBAG is under a state mandate to prepare a seven-year Regional Housing Needs Assessment under the State's Housing Element legislation. Housing unit goals given by the State every five years are distributed by AMBAG to its member cities and counties for very low, low, moderate and above moderate income housing.

The Draft RHNA 2006-2013 is now available on AMBAG's website (<http://www.ambag.org/planning.htm>) for a 30-day public comment and review period. AMBAG will accept all comments, inquiries and revision requests by Friday January 5, 2008. Comments should be submitted in writing to:

Association of Monterey Bay Area Governments
Attention: Mark Griffin, Director of Planning
P.O. Box 809
Marina, CA 93933

Please contact Mark Griffin, AMBAG Director of Planning at 831/883-3750 if you have questions.

ATTACHMENT 3

Summary of Public Comments received December 03, 2007 through January 5, 2008 on the DRAFT RHNA Plan:

No comments received as of December 28, 2007.

Staff responses to comments received:

No responses.

MEMORANDUM

TO: Board of Directors
FROM: Mark Griffin, Director of Planning
DATE: January 9, 2008

**SUBJECT: Supplemental: Regional Housing Needs Allocation (RHNA) Plan
2007-2014 for Monterey and Santa Cruz Counties**

Background

With the enactment of Assembly Bill 1259 (Caballero, at the request of the Board), the Housing & Community Development (HCD) department has provided AMBAG with a revised Regional Housing Needs Determination (RHND) that shifts the RHNA planning period from 2006-2013 to 2007-2014, and provides a new housing determination number of 15,130 units, as opposed to the previous determination of 25,315 units. The revised determination letter of January 4, 2008 is attached.

In making its revised determination, HCD specifically acknowledged the efforts and processes underway in the region since the beginning of 2007. HCD also suggests that the allocation achieved with the previously distributed Draft RHNA Plan be used as the proportional basis for an allocation of the revised housing determination.

Revised Allocation

A suggested *Regional Housing Need Allocation* table based on the revised determination of 15,130 units and utilizing a proportional distribution of the RHNA Working Group approved Draft RHNA distribution of the previous 25,315 unit determination is shown below:

Revised RHNA		Income Category 2007-2014			
Monterey County	Revised Allocation 2007-2014	Very Low 22%	Low 17%	Moderate 19%	Above-Moderate 42%
Carmel-by-the-Sea	32	7	5	6	14
Del Rey Oaks	150	33	26	29	63
Gonzales	689	151	117	131	289
Greenfield	538	118	91	102	226
King City	571	126	97	108	240
Marina	1,913	421	325	363	803
Monterey	657	145	112	125	276
Pacific Grove	120	26	20	23	50
Salinas	4,077	897	693	775	1,712
Sand City	120	26	20	23	50
Seaside	598	131	102	114	251

Soledad	897	197	152	170	377
Unicorp. Monterey					
County	1,554	342	264	295	653
Monterey Co Total	11,913	2,621	2,025	2,264	5,004
Santa Cruz County					
Capitola	143	32	24	27	60
Santa Cruz	672	148	114	128	282
Scotts Valley	188	41	32	36	79
Watsonville	923	203	157	175	388
Unicorp. Santa Cruz					
County	1,289	284	219	245	541
Santa Cruz Co Total	3,217	708	547	611	1,351
TOTAL RHND	15,130	3,329	2,572	2,875	6,355

Suggested Approval Process for Revised RHNA Plan

Under the schedule enacted with AB 1259, AMBAG needs to approve a final RHNA Plan by June 30, 2008.

To preserve the regional efforts reflected in the previously distributed RHNA Plan, the Board may Approve the Requests for Revision as received and recommended, and direct Staff to prepare a Revised RHNA Plan that proportionately distributes the revised housing determination of 15,130, as shown above.

At a minimum the Revised RHNA Plan should be subject to a Public Hearing prior to its Final Approval. Given the June 2008 deadline, there would also be sufficient time to release the Revised RHNA Plan to the jurisdictions for a 30-day comment period. At its meeting in February, the Board could then choose to (1) establish an Appeals Board, (2) set a due date for appeals, and (3) schedule a public hearing to rule on any appeals that are made.

Staff Recommendation

Staff recommends that the Board Approve revision requests as received and direct Staff to prepare and distribute a proportionate distribution of the revised RHND for a 30-day comment period to the jurisdictions.

Attachment

Revised HCD RHND letter of January 4, 2008

Appendix G3: Summary of Responses to Revised Draft RHNA Public Comment Period

Comments from jurisdictions, county governments, regional agencies: 0

Comments from the public: 2

Comment 1: Joseph P. Pendry on February 13, 2008

Mr. Pendry responded to the Revised Draft RHNA Plan by stating that the Pajaro Valley/Watsonville area within Santa Cruz County cannot accommodate any more housing because what currently exists is an excess of abandoned and for sale units. Mr. Pendry is concerned that additional low-income units will result in an increase in neighborhood crime and blight. Additionally, he is concerned about the area having a sufficient supply of water to accommodate the additional units, citing that the local aquifers are in overdraft.

AMBAG staff responded to Mr. Pendry's comments by explaining that the number of units and the proportion of very low-, low, moderate- and above moderate- income categories that the region must plan for is determined by the Department of Housing and Community Development (HCD). AMBAG and the RHNA Working Group maintained a comprehensive methodology incorporating 14 state mandated factors for allocating housing units to each jurisdiction. Lack of capacity for sewer and water service was one of those factors, and was addressed in the update of the 2004 Population, Housing and Employment Forecast and further described in the RHNA Plan's methodology.

Comment 2: Tom Carvey, Executive Director of Common Ground Monterey County

Mr. Carvey on behalf of Common Ground Monterey County responded to the Revised RHNA Draft by providing a list of comments, including:

- Each jurisdiction should be required to provide an account of their housing production in relation to the required allocation.
- Previous RHNA cycle should be analyzed and brought into consideration
- No explanation for the 40 percent reduction in housing units in the revised draft
- Public was not invited to participate in the RHNA process
- Several of the state mandated factors within the methodology were not given sufficient attention.

AMBAG's reply to Mr. Carvey's comments on behalf of Common Ground was to provide clarification about the requirements established in the state statutes for developing the RHNA Plan and the extent of its purview. AMBAG staff emphasized that HCD provided a set number of units to be distributed within the region, based on population and housing projections, and that AMBAG

and the RHNA Working Group were only responsible for planning processes of allocation. The need for more housing and concerns with housing production goes beyond RHNA's scope.

The state statute also acknowledges that each RHNA cycle is independent of previous plans given that HCD provides a new letter of determination based on updated population and housing trend data. For this reason, previous RHNA Plans are not considered.

The reduction in the number of housing units to be allocated within the region was extensively explained in the Revised Draft RHNA and supported with supplemental letters from HCD and Board Memorandums from AMBAG staff. The reduction in the determined number of housing units was a result of the passing of AB 1259, which provided a legislative extension for jurisdictions to update their housing elements. The extension shifted the planning period from 2006-2013 to 2007-2014, and thereby requiring a new letter of determination from HCD based on current population projections. These projections showed a further slowing of the population compared to the projections used to determine the 2006-2013 allocation. As such, the reduction in the number of housing units reflects the decrease in population growth.

In response to Mr. Carvey's claim that the public was not invited to participate, AMBAG staff demonstrated that it had met the statutes requirements for public participation. The initiation, development of methodology, work progress, status updates and draft and revised-draft of the plan were all publicly noticed and available to public review and comment, both through Board agendas and meetings, newspaper notices, two public comment periods, and a public hearing.

Finally, the Revised Draft explains that many of the methodology's state mandated factors were given sufficient attention. The evaluation of these factors involved jurisdictional input related to land availability, land use, infrastructure and growth constraints, providing a foundational basis for the RHNA allocation. Furthermore, this methodology was publicly reviewed and approved by the AMBAG Board.

Appendix H: Memorandum: HCD Technical Adjustment Request

MEMORANDUM

TO: Board of Directors
FROM: Mark Griffin, Director of Planning
DATE: June 11, 2008
SUBJECT: HCD Technical Adjustment Request

In the process of certifying the AMBAG region's adopted Regional Housing Needs Allocation Plan (RHNA), HCD discovered a rounding methodology that they are requesting be amended to be consistent with state-wide practices. The rounding issue stems from the presentation of income category percentages which were rounded up to whole numbers in the Determination letter provided by HCD. In making the request for a Technical Adjustment, HCD has indicated that these percentages should actually be calculated at the two decimal, or hundredths, rather than as whole percentages. With these Technical Adjustments, all jurisdictions retain the same total allocation of housing units, although for some jurisdictions these calculations shift a small number of allocated units from the Moderate and Low categories to Very Low. The attached tables present the adopted 2007-2014 RHNA allocations and the Technical Adjustments requested by HCD.

Upon receipt of the HCD request for a Technical Adjustment, AMBAG staff distributed the preceding tables to the jurisdictions for review and comment. On May 30 AMBAG convened a teleconference to address any questions or concerns raised by the jurisdictions in regards to the HCD adjustments. HCD participated in the conference call, and none of the jurisdictions in the region had any questions or concerns at that time. HCD did indicate that with these Technical Adjustments there were not further issues involved with their certification of the 2007-2014 RHNA for the AMBAG region.

Staff Recommendation:

Staff recommends **Approval** of the Technical Adjustments, as shown on the attached.

Adopted 2007-2014 RHNA

Monterey County	Adopted Allocation 2007-2014	Very Low 22%	Low 17%	Moderate 19%	Above-Moderate 42%
Carmel-by-the-Sea	32	7	5	6	14
Del Rey Oaks	150	33	26	29	63
Gonzales	689	151	117	131	289
Greenfield	538	118	91	102	226
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Sand City	120	26	20	23	50
Seaside	598	131	102	114	251
Soledad	897	197	152	170	377
Unicorp. Monterey County	1,554	342	264	295	653
Monterey Co Total	11,913	2,621	2,025	2,264	5,004
Santa Cruz County					
Capitola	143	32	24	27	60
Santa Cruz	672	148	114	128	282
Scotts Valley	188	41	32	36	79
Watsonville	923	203	157	175	388
Unicorp. Santa Cruz County	1,289	284	219	245	541
Santa Cruz Co Total	3,217	708	547	611	1,351
TOTAL RHND	15,130	3,329	2,572	2,875	6,355

Technical Adjustments requested by HCD

Monterey County	Revised Allocation 2007-2014	Very Low 22.34%	Low 16.82%	Moderate 18.97%	Above-Moderate 41.87%
Carmel-by-the-Sea	32	7	5	6	14
Del Rey Oaks	150	34	25	28	63
Gonzales	689	154	116	131	288
Greenfield	538	120	90	102	226
King City	571	128	96	108	239
Marina	1,913	427	322	363	801
Monterey	657	146	111	125	275
Pacific Grove	120	27	20	23	50
Salinas	4,076	911	686	773	1,706
Sand City	120	27	20	23	50
Seaside	598	134	101	113	250
Soledad	897	200	151	170	376
Unicorp. Monterey County	1,554	347	261	295	651
Monterey Co Total	11,915	2,662	2,004	2,260	4,989
Santa Cruz County					
Capitola	143	32	24	27	60
Santa Cruz	672	150	113	127	282
Scotts Valley	188	42	32	36	78
Watsonville	923	206	155	175	387
Unicorp. Santa Cruz County	1,289	288	217	245	539
Santa Cruz Co Total	3,215	718	541	610	1,346
TOTAL RHND	15,130	3,380	2,545	2,870	6,335

* Technical Adjustment based on a May 13th, 2008 HCD request

Appendix H: Memorandum: HCD Technical Adjustment Request

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY

ARNOLD SCHWARZENEGGER, Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177
FAX (916) 327-2643



June 13, 2008

Mr. Nicolas Papadakis, Executive Director
Association of Monterey Bay Area Governments
P.O. Box 809
Marina, CA 93933-0809

Dear Mr. Papadakis:

RE: Review of Adopted Regional Housing Need Allocation (RHNA) Plan

Thank you for submitting the Regional Housing Needs Plan that the Association of Monterey Bay Area Governments (AMBAG) adopted April 12, 2008 and electronically transmitted to the Department on April 18, 2008. As you are aware, pursuant to Government Code Section 65584.05(h), the Department is required to review RHNA plans for consistency with statutory requirements.

The Department is pleased to find that the adopted RHNA plan, as technically revised by AMBAG on June 11, 2008 to correct Table 3.1 figures (Page 12), is consistent with the Department's January 4, 2008 Regional Housing Need Determination.

The Department is committed to working with AMBAG and your local government members to effectively address the region's housing and community development needs through the housing element update process and other related planning and assistance efforts. It has been a pleasure working with your staff.

The Department's staff can be contacted at (916) 445-4728 for assistance. Any questions concerning the regional housing need allocation should be directed to Glen Campora, Senior Policy Advisor.

Sincerely,

A handwritten signature in cursive script that reads "Cathy E. Creswell".

Cathy E. Creswell
Deputy Director