



May 26, 2022

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

Dear AMBAG Board of Directors,

I first want to acknowledge the current housing crisis within our region and the dire need for more affordable housing. Capitola is dedicated to planning for affordable housing and has recently launched our 6<sup>th</sup> cycle Housing Element update. However, the City of Capitola strongly opposes AMBAG’s formula to allocate RHNA housing units. **Capitola believes that not including land area adequate for development makes the current formulas ineffective, inequitable and illogical.**

AMBAG’s proposed formula to calculate AFFH units only distributes units based on existing households in a city, which results in smaller densely populated cities being required to accommodate far more units per acre than low density cities.

The following table demonstrates the inconsistent outcomes in the current formula by presenting the proposed number of AFFH units, divided by total land area in high resources cities. Each jurisdiction with RCAA and TCAC averages of 5 or below is shown in green. Jurisdiction with an average of .9 to 1 are shown in blue. If the method was logical, there should be a correlation within each category for units per square mile (excluding counties). However, the method is illogical as evidenced by **Capitola’s 401 RCAA units per square mile that is vastly higher than all other jurisdictions**, with the closest jurisdiction trailing by 112 units per square mile.

	RCAA and TCAC Average	2020 Households	Assigned AFFH Units	Total Land Area (Sq. Mile)	AFFH Units per Sq. Mile
<b>Total</b>			11,452		
<b>Monterey County</b>					
Carmel-By-The-Sea	<b>1.0</b>	2,129	306	1.06	288.68
Del Rey Oaks	<b>0.5</b>	683	49	1.06	.94
Monterey	<b>0.9</b>	11,981	1,493	12.27	121.67
Pacific Grove	<b>1.0</b>	6,779	974	4.00	243.5
Sand City	<b>.3</b>	144	5	2.91	1.72
Unincorporated Monterey	<b>.5</b>	33,922	2,337	3,695.00	.63
<b>Santa Cruz County</b>					

Capitola	<b>1.0</b>	4,773	674	1.68	<b>401.19</b>
Santa Cruz	<b>.4</b>	22,608	1,190	15.83	75
Scotts Valley	<b>1.0</b>	4,522	650	4.618	140.75
Unincorporated Santa Cruz	<b>0.5</b>	52,156	3,774	578	6.53

Capitola is proud of its planning heritage, the City is built-out with a wide variety of housing opportunities including mixed use, multifamily, mobile homes, and single-family and a 50/50 mix of ownership/rental. Capitola has historically been the most-dense city within the Santa Cruz region. Simply put, our good planning practices of previously developing at higher densities are now the source of our illogically high allocation of RHNA units. To ignore land area adequate for development within the formula is not sound planning. During the housing element update, our residents will be asked to look at future densities much higher than our neighboring jurisdictions within our 1.68 square miles.

The RHNA plan statutory objectives “to ensure the overall size of jurisdiction is considered to assure 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” has not been met. The approved AMBAG RHNA formula does not meet this objective.

In closing, the City of Capitola is objecting to the RHNA allocation formula because it does not take into account the actual facts on the ground, the actual amount of land a city has to accommodate new development.

Sincerely,

Sam Storey, Mayor  
City of Capitola