

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

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August 13, 2018

Lisa Davey-Bates, Executive Director  
Lake County/City Area Planning Council  
367 North State Street  
Ukiah, CA 95482

Dear Lisa Davey-Bates:

**RE: Final Regional Housing Need Determination**

This letter provides the Lake County/City Area Planning Council (Lake APC) its Final Regional Housing Need Determination. Pursuant to state housing element law (Government Code section 65584, et seq.), the Department of Housing and Community Development (HCD) is required to provide the determination of Lake APC's existing and projected housing need.

In assessing Lake APC's regional housing need, HCD and Lake APC staff completed a consultation process covering HCD's methodology, data sources, and timeline for both the HCD's Regional Housing Need Determination and Lake APC's Regional Housing Need Allocation (RHNA). HCD also consulted with Walter Schwarm of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **1,905** total units among four income categories for Lake APC to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01. In determining Lake APC's housing need, HCD considered all the information specified in state housing law (Gov. Code section 65584.01(c)).

Lake APC is responsible for adopting a methodology and RHNA Plan by August 15, 2018 for the *projection* period beginning December 31, 2018 and ending August 15, 2027. However, Lake APC has informed HCD of the need to adopt in September 2018 due to delays associated with the fires and HCD has agreed that is a reasonable approach. Within 30 days from the adoption date, Lake APC must submit the RHNA Plan to HCD for approval. Local governments are in turn responsible for updating their housing element for the *planning* period beginning August 15, 2019 and ending August 15, 2027 to accommodate their share of new housing need for each income category.

Pursuant to Gov. Code section 65584(d), the methodology to prepare Lake APC's RHNA plan must be consistent with the following objectives:

- (1) Increasing the housing supply and mix of housing types, tenure, and affordability.

- (2) Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns.
- (3) Promoting an improved intraregional relationship between jobs and housing.
- (4) Balancing disproportionate household income distributions.

Pursuant to Gov. Code section 65584.04(d), to the extent data is available, Lake APC should include the factors listed in Gov. Code section 65584.04(d)(1-10) to develop its RHNA plan, and pursuant to Gov. Code section 65584.04(e), Lake APC must explain in writing how each of these factors was incorporated into the RHNA plan methodology.

HCD commends Lake APC for its leadership in fulfilling its important role in advancing the state's housing, transportation, and environmental goals. HCD especially thanks Nephele Barrett for her significant efforts and assistance. HCD looks forward to its continued partnership with Lake APC and its member jurisdictions and assisting Lake APC in its planning efforts to accommodate the region's share of housing need.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, at (916) 263-7428 or [megan.kirkeby@hcd.ca.gov](mailto:megan.kirkeby@hcd.ca.gov), or Tom Brinkhuis, Housing Policy Analyst, at 916-263-6651 or [tom.brinkhuis@hcd.ca.gov](mailto:tom.brinkhuis@hcd.ca.gov).

Sincerely,



Zachary Olmstead  
Deputy Director

Enclosures

## ATTACHMENT 1

### HCD REGIONAL HOUSING NEED DETERMINATION

Lake Area Planning Council  
December 31, 2018 through August 15, 2027

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	24.2%	460
Low	16.1%	310
Moderate	15.8%	300
Above-Moderate	43.9%	835
<b>Total</b>	<b>100.0%</b>	<b>1,905</b>
* Extremely-Low	12.3%	Included in Very-Low Category

**Notes:**

**Income Distribution:**

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

## ATTACHMENT 2

### HCD REGIONAL HOUSING NEED DETERMINATION: Lake Area Planning Council December 31, 2018 – August 15, 2027

#### Methodology

<b>1. Lake County: December 31, 2018 – August 15, 2027 (8.7 years) HCD Determined Population, Households, &amp; Housing Unit Need</b>					
2.	<b>Population: August 15, 2027 – DOF June 30, 2028 projection adjusted minus 10.5 months</b>				<b>66,985</b>
3.	<i>- Group Quarters Population: August 15, 2027– DOF June 30, 2028 projection adjusted minus 10.5 months</i>				-1,120
4.	<b>Household (HH) Population</b>				<b>65,865</b>
	<b>Household Formation Groups</b>	<b>HCD Adjusted DOF Projected HH Population</b>	<b>DOF HH Formation Rates</b>	<b>HCD Adjusted DOF Projected Households</b>	
		<b>65,865</b>		<b>27,485</b>	
	under 15 years	11,495	n/a	n/a	
	15 – 24 years	7,785	9.50%	740	
	25 – 34 years	8,335	38.69%	3,225	
	35 – 44 years	7,475	49.38%	3,690	
	45 – 54 years	6,345	56.58%	3,590	
	55 – 64 years	7,215	61.82%	4,460	
	65 – 74 years	8,605	65.85%	5,665	
	75 – 84 years	6,360	70.13%	4,460	
	85+	2,250	73.54%	1,655	
5.	<b>Projected Households (Occupied Unit Stock)</b>				<b>27,485</b>
6.	<b>+ Vacancy Adjustment (0%)</b>				<b>0</b>
7.	<b>+ Overcrowding Adjustment (0%)</b>				<b>0</b>
8.	<b>+ Replacement Adjustment (5%)</b>				<b>1,375</b>
9.	<i>- Occupied Units (HHs) estimated January 1, 2018 (from DOF data)</i>				-26,955
<b>6<sup>th</sup> Cycle Regional Housing Need Assessment (RHNA)</b>					<b>1,905</b>

#### Explanation and Data Sources

1. Projection period: Gov. Code 65588(f) specifies RHNA projection period start is December 31 or June 30, whichever date most closely precedes end of previous RHNA projection period end date. RHNA projection period end date is set to align with planning period end date. The planning period end date is eight years following the housing element due date, which is 18 months following the Regional Transportation Plan adoption rounded to the 15th or end of the month.
- 2-5. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institute, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age groups, to form households at different rates based on Census trends.
6. Vacancy Adjustment: HCD applies a vacancy adjustment (standard 5% maximum to total housing stock) and adjusts the percentage based on the County's current "for rent and sale" vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. Adjustment is difference between standard 5% vacancy rate and County's current vacancy rate based on the 2012-2016 American Community Survey (ACS) data.
7. Overcrowding Adjustment: In Counties where overcrowding is greater than the U.S. overcrowding rate of 3.34%, HCD applies an adjustment based on the amount the County's overcrowding rate exceeds the U.S. overcrowding rate. Data is from the 2012-2016 ACS.
8. Replacement Adjustment: HCD applies a replacement adjustment between 0.5% and 5% to total housing stock based on the current 10-year annual average percent of demolitions, applied to length of the projection period. Data is from County local government housing survey reports to DOF.
9. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the January closest to the projection-period start date, per DOF E-5 report.