

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

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August 27, 2018

Ms. Marcella Clem, Executive Director
Humboldt County Association of Governments
611 I Street, Suite B
Eureka, CA 95501

Dear Ms. Clem:

RE: Final 6th Cycle Regional Housing Need Determination

This letter provides Humboldt County Association of Governments (HCAOG) its Regional Housing Need Assessment (RHNA) for the projection period starting December 31, 2018 and ending August 31, 2027. Pursuant to state housing element law, Government Code section 65584, et seq., the Department of Housing and Community Development (HCD) is required to determine each region's housing need.

The December 2018 projection start date is based on Gov. Code section 65584(e)(6) that specifies December 31 or June 30, whichever date most closely precedes the end date of the current housing element cycle date, that is June 2019 for Humboldt County governments. The August 2027 end date, pursuant to Gov. Code section 65584(e)(3), reflects the end date of local government's new 6th cycle 8-year housing element.

In assessing HCAOG's regional housing need, the Department and HCAOG's staff completed a consultation process covering the Department's methodology, data sources, and timeline for both the Department's RHNA Determination and HCAOG's RHNA Plan. The Department also consulted with Mr. Walter Schwarm of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays minimum RHNA of **3,390** total units among four income categories for HCAOG to distribute among its local governments. Attachment 2 explains methodology applied pursuant to Gov. Code section 65584.01. In finalizing HCAOG's housing need, HCD considered information specified in Gov. Code section 65584.01(c).

The Department, pursuant to Gov. Code section 65584(c), extended HCAOG's 6th cycle regional housing need determination by 60 days to consider updated Department of Finance information and therefore extended the local government's housing element adoption due date to August 31, 2019. The Department received HCAOG's required notification in December 2016 identifying a December 2017 estimated RTP adoption date for HCD to provide its RHNA determination by June 30, 2017. The Department appreciates the cooperation of HCAOG and local governments to submit HCAOG's

RHNA plan before December 31, 2018 for HCD approval and for local governments to submit their adopted housing element before August 31, 2019.

Pursuant to Gov. Code section 65584(d), the methodology to prepare HCAOG'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, HCAOG 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), HCAOG must explain in writing how each of these factors was incorporated into the RHNA plan methodology.

The Department commends HCAOG for its leadership in fulfilling its important role in advancing the state's housing, transportation, and environmental goals. The Department especially thanks Marcella Clem for her significant efforts and assistance. The Department looks forward to its continued partnership with HCAOG and its member jurisdictions and assisting HCAOG 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, or Tom Brinkhuis, Housing Policy Analyst at 916-263-6651 or tom.brinkhuis@hcd.ca.gov.

Sincerely,

Zachary Olmstead
Deputy Director

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION

Humboldt County Association of Governments
December 31, 2018 through August 31, 2027

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	24.4%	829
Low	15.7%	532
Moderate	18.1%	613
Above-Moderate	41.8%	1416
Total	100.0%	3390
* Extremely-Low	12.3%	Included in Very-Low Category
<i>Notes:</i> <i><u>Income Distribution:</u></i> <i>Income categories are prescribed by California Health and Safety Code (Section 50093, et. seq.). Percent's are derived based on Census/ACS reported household income brackets and County median income.</i>		

ATTACHMENT 2

**HCD REGIONAL HOUSING NEED DETERMINATION:
Humboldt COAG December 31, 2018 – August 31, 2027**

Methodology

Humboldt County: December 31, 2018 – August 31, 2027 (8.7 years) HCD Determined Population, Households, & Housing Unit Need		
1.	Population: Population: August 31, 2027 – DOF June 30, 2028 projection adjusted minus 10 months	140,980
2.	- Group Quarters Population: August 31, 2027– DOF June 30, 2028 projection adjusted minus 10 months	-6,090
3.	Household (HH) Population	134,890
4.	Projected Households (Occupied Unit Stock)	59,185
5.	+ Vacancy Adjustment (1.55%)	915
6.	+ Overcrowding Adjustment (0.41%)	245
7.	+ Replacement Adjustment (0.35%)	205
8.	- Occupied Units (HHs) estimated January 1, 2019	-57,160
6th Cycle Regional Housing Need Assessment (RHNA)		3,390

Explanation and Data Sources

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institute, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age groups, to form households at different rates based on Census trends.
5. Vacancy Adjustment: HCD applies a vacancy adjustment (standard 4% 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 4% vacancy rate and County's current vacancy rate based on the 2012-2016 American Community Survey (ACS) data.
6. 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.
7. Replacement Adjustment: HCD applies a replacement adjustment up to 5% of 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.
8. 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.