

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

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January 11, 2021

Terri King, Executive Director
Kings County Association of Governments
339 West D Street, Suite B
Lemoore, CA 93245

Dear Executive Director Terri King:

RE: Final Regional Housing Need Determination

This letter provides the Kings County Association of Governments (KCAG) with 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 KCAG's existing and projected housing need. In assessing KCAG's regional housing need, HCD and KCAG staff completed a consultation process from August 2021 through December 2021 that included the methodology, data sources, and timeline for HCD's determination of the Regional Housing Need. To inform this process, HCD also consulted with Walter Schwarm and Doug Kuczynski of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **9,429** total units across four income categories. KCAG is to distribute the units amongst the region's local governments. Attachment 2 explains the methodology applied pursuant to Government Code section 65584.01. In determining KCAG's housing need, HCD considered all the information specified in state housing law (Government Code section 65584.01(c)).

KCAG is responsible for adopting a methodology distributing the regional housing need determination, and for adopting a final RHNA plan for the projection period beginning on June 30, 2023 and ending on January 31, 2032. Pursuant to Government Code section 65584(d), the methodology to prepare KCAG's RHNA plan must further 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
- (5) Affirmatively furthering fair housing

Pursuant to Government Code section 65584.04(d), to the extent data is available, KCAG shall include the factors listed in Government Code section 65584.04(d)(1-13) to develop its RHNA plan. Also, pursuant to Government Code section 65584.04(f), KCAG must explain in writing how each of these factors was incorporated into the RHNA plan methodology and how the methodology furthers the statutory objectives described above.

HCD encourages all KCAG's local governments to consider the many affordable housing and community development resources available to local governments. HCD's programs can be found at <https://www.hcd.ca.gov/grants-funding/nofas.shtml>.

HCD commends KCAG's leadership in fulfilling their important role in advancing the state's housing, transportation, and environmental goals. HCD looks forward to continued partnership with KCAG and member jurisdictions and assisting KCAG in 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 Tom Brinkhuis, Senior Housing Policy Specialist at (916) 776-7707 or tom.brinkhuis@hcd.ca.gov.

Sincerely,



Tyrone Buckley
Assistant Deputy Director of Fair Housing

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION KCAG: June 30, 2023 through January 31, 2032

| <u>Income Category</u> | <u>Percent</u> | <u>Housing Unit Need</u> |
|------------------------|----------------|-------------------------------|
| Very-Low* | 23.9% | 2,257 |
| Low | 17.7% | 1,672 |
| Moderate | 18.6% | 1,753 |
| Above-Moderate | 39.7% | 3,747 |
| Total | 100.0% | 9,429 |
| * Extremely-Low | 11.9% | Included in Very-Low Category |

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: June 30, 2023 through January 31, 2032

Methodology

| KCAG: PROJECTION PERIOD (8.5 years) | | |
|---|---|---------------|
| HCD Determined Population, Households, & Housing Unit Need | | |
| Reference No. | Step Taken to Calculate Regional Housing Need | Amount |
| 1. | Population: January 31, 2031 (DOF June 30, 2031 projection adjusted + 7 months to January 31, 2032) | 173,575 |
| 2. | <i>- Group Quarters Population: January 31, 2032 (DOF June 30, 2031 projection adjusted + 7 months to January 31, 2032)</i> | -18,915 |
| 3. | Household (HH) Population | 154,660 |
| 4. | Projected Households | 51,610 |
| 5. | + Vacancy Adjustment (3.12%) | +1,612 |
| 6. | + Overcrowding Adjustment (4.84%) | +2,496 |
| 7. | + Replacement Adjustment (.5%) | +258 |
| 8. | <i>- Occupied Units (HHs) estimated June 30, 2023</i> | -46,828 |
| 9. | + Cost Burden Adjustment | +281 |
| Total | 6th Cycle Regional Housing Need Assessment (RHNA) | 9,429 |

Detailed background data for this chart available upon request.

Explanation and Data Sources

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Gov. Code Section 65584.01, projections were extrapolated from KCAG and 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 within the Household Population to form households at different rates based on American Community Survey (ACS) trends.
5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and the region's current "for rent and sale" vacancy percentage to determine healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% vacancy rate and the region's current vacancy rate (**1.88%**) is based on the 2015-2019 ACS data. For KCAG, that difference is **3.12%**.
6. Overcrowding Adjustment: In counties where the overcrowding rate is greater than the comparable region's overcrowding rate, HCD applies an adjustment based on the amount the region's overcrowding rate exceeds the comparable region's overcrowding rate. For KCAG, the region's overcrowding rate (**8.19%**) is higher than the national overcrowding rate (3.35%), resulting in a **4.84%** adjustment.
7. Replacement Adjustment: HCD applies a replacement adjustment from between .5% and 5% to the total housing stock based on the current 10-year average of demolitions in the region's local government annual reports to Department of Finance

(DOF). For KCAG, the 10-year average is **.43%**, therefore a **.5%** adjustment was applied.

8. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2023).
9. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost burden by income group for the region to the cost burden by income group for the nation. The very low- and low-income RHNA is increased by the percent difference ($67.21\% - 60.25\% = \mathbf{6.96\%}$) between the region and the nation's cost burden rate for households earning 80% of area median income and below, then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent. The moderate- and above moderate-income RHNA is increased by the percent difference ($10.35\% - 9.89\% = \mathbf{0.46\%}$) between the region and the nation's cost burden rate for households earning above 80% area median income, then this difference is applied to moderate- and above moderate-income RHNA proportionate to the share of the population these groups currently represent. Data is from 2014-2018 CHAS.