

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

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June 30, 2012

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

**RECEIVED**  
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HUMBOLDT COUNTY  
ASSOCIATION OF GOVERNMENTS

Dear Ms. Clem:

**RE: Regional Housing Need Determination for the Fifth Housing Element Update**

This letter provides the Humboldt County Association of Governments (HCAOG) its fifth cycle regional housing need assessment (RHNA) determination for the projection period January 1, 2014 through June 30, 2019. The Department of Housing and Community Development (Department), is required to determine HCAOG's existing and projected housing need pursuant to State housing law (Government Code Section 65584, et. seq.).

As you know, Senate Bill 375 (Chapter 728, Statutes of 2008) further strengthened the existing coordination of housing and transportation planning by requiring Metropolitan Planning Organizations (MPO) to develop and incorporate a new sustainable community strategy (SCS) in the Regional Transportation Plan (RTP) to achieve greenhouse gas emission reductions and ensure the SCS accommodates the RHNA. SB 375 also amended the RHNA schedule and methodology and, among other things, strengthened rezoning requirements.

In assessing HCAOG's regional housing need, the Department considered the critical role housing plays in developing sustainable communities and supporting employment growth. Since only partial demographic data was available from Census 2010 and the Department of Finance (DOF), the Department's RHNA determination also utilized American Community Survey (ACS) data. The Department determined HCAOG's regional housing need to be 2,060 units for the 5.5-year projection period from January 1, 2014 through June 30, 2019. This RHNA reflects the Department's consideration of HCAOG's socio-economic base and potential for recent household formation trends to generate housing demand at a changing and more diverse pace.

In determining the regional housing need, consideration was also given to the extraordinary uncertainty regarding national, State, local economies and housing markets. As a result, for this RHNA cycle only, the Department made an adjustment to account for abnormal vacancies and unique market conditions due to prolonged recessionary conditions, high unemployment, and unprecedented foreclosures.

In assessing HCAOG's regional housing needs, the Department and representatives of HCAOG completed the consultation process specified in statute through a meeting in Eureka on May 16, 2012, correspondence and conference calls conducted between May and June 2012. HCAOG participants included Ms. Meghan Ryan, Planner. Local governments' representatives and members of the general public were also present at the May 16 meeting. The Department also consulted with Ms. Mary Heim, demographic expert, and the DOF's Demographic Research Unit.

In finalizing HCAOG's RHNA, the Department applied methodology and assumptions regarding the following factors (Government Code Section 65584.01(c)(1)):

- anticipated household growth associated with projected population increases;
- household size data and trends in household size;
- rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures;
- vacancy rates in existing housing stock, and for healthy housing market functioning and regional mobility, as well as housing replacement needs;
- other characteristics of the composition of the projected population; and
- the relationship between jobs and housing, including any imbalance between jobs and housing.

For this cycle only, assumptions also included the rate with which existing vacant "for sale" and "for rent" housing units may be absorbed for occupancy by the beginning of the projection period in 2014.

The Attachments to this letter describe details of the Department's methodology and RHNA income category distribution for HCAOG to allocate 2,060 housing unit need among all its local governments. As you know, HCAOG must provide each locality a RHNA share of very-low, low-, and moderate-income units that at least equals the total for each of these income categories shown in Attachment 1 and also distribute housing need for above-moderate income households. The RHNA represents the *minimum* amount of residential development capacity a jurisdiction must plan to accommodate through zoning and appropriate development strategies. RHNA is not to be used within local general plans as a maximum amount or cap of residential development to plan for or approve.

HCAOG's RHNA projection period (also described in the attachments) was determined pursuant to Government Code Section 65588(e)(6). The housing element due date schedule is updated periodically and made available on the Department's website at: [http://www.hcd.ca.gov/hpd/hrc/plan/he/he\\_time.htm](http://www.hcd.ca.gov/hpd/hrc/plan/he/he_time.htm) .

HCAOG is responsible for developing a RHNA distribution methodology and adopting a RHNA Plan for the period of January 1, 2014 through June 30, 2019.

Housing element law (Government Code Section 65584, et. seq.) requires HCAOG's methodology and RHNA Plan to be consistent with the following objectives:

- increasing the housing supply and mix of housing types, tenure, and affordability;
- promoting infill development and socio-economic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns;
- promoting an improved intraregional relationship between jobs and housing; and
- balancing the distribution of households by income category.

Pursuant to Government Code Section 65584.05(h), HCAOG is required to submit its RHNA Plan to the Department for approval within three days of adopting the RHNA Plan. Once the Department has approved the RHNA Plan, HCAOG is to distribute to all its local government members their income category shares of new housing needs to be addressed in their housing element updates covering 2014 - 2019.

In updating their housing elements, local governments may only take RHNA credit for units permitted since the January 1, 2014 start date of the RHNA projection period. Localities are also required to describe how units were credited to different income categories based on actual or projected sale price or rent level data.

Any city planning to accommodate a portion of RHNA on sites within a city's Sphere of Influence (SOI) needs to include an annexation program in the housing element. The annexation program needs to demonstrate SOI sites can be annexed early enough in the planning period to make adequate sites available before triggering penalties pursuant to Government Code sections 65583(c)(1)(A), and 65583(f).

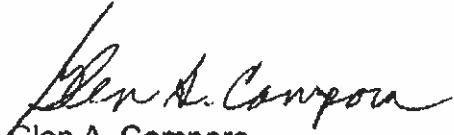
Regarding transfers of housing need among local governments, AB 242 (Chapter 11, Statutes of 2008) amended certain provisions of Government Code Section 65584.07. RHNA transfers agreed between local governments may occur until adoption of the RHNA Plan. After HCAOG has adopted its RHNA Plan and before the housing element due date, transfers meeting specified conditions may only occur from a county to cities within the county.

Transfers after the due date of the housing element are restricted to annexations and incorporations and must be completed within specified timeframes. The numbers of units by income to be transferred are determined either based on mutual agreement between affected local governments, or, when no agreement is reached, by the entity responsible for allocating housing need (HCAOG). The Department must be notified of all transfers; jurisdictions affected by RHNA transfers must amend their housing element within a specified timeframe.

Ms. Marcella Clem  
Page 4

We look forward to a continued partnership with HCAOG and its member jurisdictions in planning efforts to accommodate the region's housing need. If you have any questions or need additional assistance, please contact me or Anda Draghici, Senior Housing Policy Specialist, at (916) 445-4728.

Sincerely,

A handwritten signature in black ink that reads "Glen A. Campora". The signature is written in a cursive style with a large initial 'G'.

Glen A. Campora  
Acting Deputy Director

Enclosures