

Proposed  
Regional Housing Needs Allocation  
Methodology

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### Proposed Regional Housing Needs Allocation (RHNA) Methodology

This document describes the proposed methodology for allocating housing units for the 2013 Regional Housing Needs Plan (RHNP). The 2013 RHNP will cover a 5 ½ year period from January 1, 2014 through June 30, 2019.

#### Summary of Proposed Methodology

Consistent with California Government Code Section 65584.04(b), HCAOG surveyed each member jurisdiction to requesting information regarding the factors listed in California Government Code Section 65584.04(d), provided below. In accordance with the law, the information provided by a local government in the survey response, was used, "to the extent possible as source information" for in the development of the methodology. Four out of the eight jurisdictions in the region responded to the survey in writing. The RHNA Methodology Committee (RMC), made up of jurisdictional planning representatives, further reviewed these factors. The factors and a summary of their evaluation (in italics) are provided below.

California Government Code Section:

65584.04(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

- (1) Each member jurisdiction's existing and projected jobs and housing relationship.

*The cities of Arcata and Eureka have the most balanced jobs per person ratios. (Arcata 56%, Blue Lake 4%, Eureka 65%, Ferndale 35%, Fortuna 26%, Rio Dell 7%, Trinidad 30% and the unincorporated area of the County 19%). Discussions at the RMC meetings acknowledged that our smaller cities are considered bedroom communities and most importantly, that there is nothing inherently wrong with that. Seven of the eight jurisdictions are served by public transportation which allow for affordable transportation to employment outside of their boundaries. Another point discussed was that the existing high vacancy rate in the City of Eureka, for instance, lends to the conclusion that increased housing opportunities may not necessarily entice employees to move to their city of employment.*

*The two data sets used in the alternative methodologies, detailed below, include population and employment by jurisdiction. For the reasons stated above, the RMC has recommended Alternative 2, detailed below, which maintains a 50/50 jobs/employment balance.*

- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

- (A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

*Responses from the jurisdictions ranged from no water or sewage capacity issues to a current Cease and Desist Order, expected to be rescinded in the fall of 2013. Inclusion of this factor in the alternative methodologies was not pursued due to the fact that this cycle's total allocation is 2,687 units less than the last cycle. As there will be no net increase in housing needs assigned to any jurisdiction as a result of this cycle, no adjustments to the methodology based on this factor were considered.*

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

*Due to the fact that this cycle's overall need is 2,687 units less than the last cycle, there is no net increase in housing allocations to any region in the county. Most respondents and RMC members indicated that their jurisdictions have available residential land inventories and housing vacancies. The inclusion of this factor into this cycle's methodology is therefore not necessary.*

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.

*Jurisdictions currently exclude such lands in their housing element's residential land inventories. No adjustments to the methodology based on this factor were considered.*

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

*To preserve prime agricultural land, the County's zoning ordinance and general plan limit the allowed uses and residential densities on prime agricultural land through its Agriculture Exclusive zoning designation. The County also implements a Williamson Act Agricultural Preserve program which keeps prime agricultural land in agricultural use. This factor has not been requested for consideration in the RHNA methodology.*

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

*Transit systems serve seven of the region's eight jurisdictions. Infill development opportunities are along existing transit routes. Many jurisdictions currently include this need in their housing elements. Although no adjustments to the methodology based on this factor were considered, HCAOG recommends that inclusion of this need be considered in all housing element updates.*

(4) The market demand for housing.

*A common response from the responding jurisdictions and the RMC is that the market demand for housing will not be significantly different between the jurisdictions. As every jurisdiction was*

*hit by the housing market collapse and every region has vacancies, no adjustments to the methodology based on this factor were considered.*

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

*There are no formal agreements.*

(6) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

*The City of Eureka was the only jurisdiction to report a loss of affordable housing units due to the expiration of covenants in the previous RHNA cycle. No data was provided regarding the number of units at risk for the next cycle. Each individual jurisdiction should consider this category of need in their respective housing elements.*

(7) High-housing cost burdens.

*The City of Eureka provided statistics regarding the overpayment for housing burden for the city, the County and the State. The percentages for the city and the county were not significantly different. High-housing cost burdens are a region-wide problem and therefore, no adjustments to the methodology based on this factor were considered*

(8) The housing needs of farmworkers.

*As defined by the California Employment Development Department (EDD). Regular (year round) farmworkers are those working 150 or more days for the same employer. Seasonal workers are those who work less than 150 days annually for the same employer. Migrant seasonal workers are defined as those who travel more than 50 miles across county lines to obtain agriculture employment. The RHNP concentrates on determining a needed increase in housing available for year round occupancy. It is assumed that seasonal and migrant workers will continue to be housed in non-year round units. For planning purposes, this means no net increase in seasonal or migrant housing is anticipated. Regular farmworker housing has been addressed, in part, in the allocation for very low and low income housing. Each city and county, however, should consider this category of need in individual housing elements.*

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

*The City of Arcata accommodates the majority of the student housing needs based on its proximity to Humboldt State University (HSU). No data or statistical information was provided to be incorporated into the RHNA methodology. Therefore, no adjustments to the methodology have been made for the housing needs of HSU.*

(10) Any other factors adopted by the council of governments.

*No additional factor has been considered this cycle.*

## The Preferred and Alternative Methodologies

The RMC developed three alternative methodologies for consideration and has recommended one as the preferred methodology. All of the alternatives are similar to the one used in preparing the 2009 RHNP, in which population and employment data provided the information for allocating units to each jurisdiction. The population data is from the Department of Finance estimates. The employment data is from the California Employment Development Department (EDD) from the Quarterly Census of Employment and Wages (QCEW) Program for the California Department of Resources Recycling and Recovery (CalRecycle). The source information for the employment data is provided in Attachment 1.

The RMC has recommended Alternative 1 as the preferred RHNA Methodology. This formula balances the jobs and housing data by weighting each equally. The RMC preferred this alternative as it is the best model to comply with the objectives of RHNA plans as directed in Government Code Section 65884(d):

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
- (3) Promoting an improved intraregional relationship between jobs and housing.
- (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

### Jobs/Population Model-Alternative 1

<b>Weighting Factor</b>						
Jobs	0.5					
Population	0.5					
Total RHNA	2060					
<b>Based on 2012 DOF Population Data</b>					Alternative 1	
Entity	Jul - Jun 2010 Avg Employment	DOF Population (2012)	Jobs Distribution	(2012) Population Distribution	Jobs-Pop Allocation %	Jobs-Pop RHNA
Arcata	9945	17,752	22%	13%	17.6%	363
Blue Lake	50	1,255	0%	1%	0.5%	11
Eureka	17630	26,960	39%	20%	29.6%	609
Ferndale	471	1,362	1%	1%	1.0%	21
Fortuna	3106	11,840	7%	9%	7.8%	162
Rio Dell	237	3,344	1%	2%	1.5%	31
Trinidad	108	364	0%	0.3%	0.3%	5
Unincorporated County	13571	71,710	30%	53%	41.7%	859
<b>Totals</b>	<b>45117</b>	<b>134,587</b>	<b>100%</b>	<b>100%</b>	<b>100.0%</b>	<b>2060</b>

Alternative 2 uses the same data but weights jobs at 40% and population at 60%. This weighting was used in the previous RHNA cycle. The RMC preferred Alternative 1 as it promotes a better jobs/housing balance.

### Jobs/Population Model-Alternative 2

Weighting Factor	
Jobs	0.4
Population	0.6
Total RHNA	2060

Based on 2012 DOF Population Data						Alternative 2	
Entity	Jul - Jun 2010 Avg Employment	DOF Population (2012)	Jobs Distribution	(2012) Population Distribution	Jobs-Pop Allocation %	Jobs-Pop RHNA	
Arcata	9945	17,752	22%	13%	16.7%	345	
Blue Lake	50	1,255	0%	1%	0.6%	12	
Eureka	17630	26,960	39%	20%	27.6%	570	
Ferndale	471	1,362	1%	1%	1.0%	21	
Fortuna	3106	11,840	7%	9%	8.0%	165	
Rio Dell	237	3,344	1%	2%	1.7%	35	
Trinidad	108	364	0%	0.3%	0.3%	5	
Unincorporated County	13571	71,710	30%	53%	44.0%	906	
Totals	45117	134,587	100%	100%	100.0%	2060	

Alternative 3 also uses the same data but weights jobs at 60% and population at 40%. The RMC preferred Alternative 1 as it promotes a better jobs/housing balance.

### Jobs/Population Model-Alternative 3

Weighting Factor	
Jobs	0.6
Population	0.4
Total RHNA	2060

Based on 2012 DOF Population Data						Alternative 3	
Entity	Jul - Jun 2010 Avg Employment	DOF Population (2012)	Jobs Distribution	(2012) Population Distribution	Jobs-Pop Allocation %	Jobs-Pop RHNA	
Arcata	9945	17,752	22%	13%	18.5%	381	
Blue Lake	50	1,255	0%	1%	0.4%	9	
Eureka	17630	26,960	39%	20%	31.5%	648	
Ferndale	471	1,362	1%	1%	1.0%	21	
Fortuna	3106	11,840	7%	9%	7.6%	158	
Rio Dell	237	3,344	1%	2%	1.3%	27	
Trinidad	108	364	0%	0.3%	0.3%	5	
Unincorporated County	13571	71,710	30%	53%	39.4%	811	
Totals	45117	134,587	100%	100%	100.0%	2060	

## ***Total Employment Data by Jurisdiction***

### ***For the California Department of Resources Recycling and Recovery (CalRecycle)***

Modified January 2012

This table contains Total Employment by incorporated city and balance of county for California. Data are calculated by the California Employment Development Department (EDD) from the Quarterly Census of Employment and Wages (QCEW) Program for the California Department of Resources Recycling and Recovery (CalRecycle).

### **Confidentiality**

All data contained in this table are non-confidential and may be shared. A cell may not contain data representing fewer than three employer accounts, and no single employer account may represent 80 percent or more of the total employment in the cell.

### **Data Sources**

#### **Employment Data**

The QCEW program is a cooperative program involving the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor and the State Employment Security Agencies. The QCEW program produces a comprehensive tabulation of employment and wage information for workers covered by State Unemployment Insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees program. (See the BLS QCEW Frequently Asked Questions for more information: <http://www.bls.gov/cew/cewfaq.htm>)

Every quarter, under the laws of each State, businesses are required to report the number of employees for all 3 months, total wages, taxable wages, UI taxes, and administrative data, such as physical location addresses. After these UI reports are collected and entered by the State UI department, they are passed to the State QCEW program for the reviewing, editing, and publishing stages. These data also are used for the QCEW business register. Employment data under the QCEW program represent the number of covered workers who worked during, or received pay for, the pay period including the 12th of the month.

In addition to the UI reports, BLS funds two other data collection programs to support the needs of its users. Over a three year period, the Annual Refiling Survey contacts all businesses to update or complete industry information and addresses. This is the primary method for updating physical location addresses within the QCEW business register. The other method for updating address information is the quarterly Multiple Worksite Report that collects data for each individual establishment of a multi-unit business. The combination of information from these sources makes up the resulting QCEW program. The program's comprehensiveness results in precise business and employment data with substantial industry and geographic detail.

Publicly available files include data on the number of establishments, monthly employment, and quarterly wages, by industry, by county, by ownership sector, for the entire United States. These data are aggregated to annual levels, to higher industry levels, and to higher geographic levels (National, State, and Metropolitan Statistical Area).

#### Municipal Boundaries

Current and accurate information on boundaries of incorporated municipalities are obtained from the Census Bureau Tiger Line files for the 2011 project. Updates will be obtained from State sources including the Board of Equalization for future years. No fees are incurred for these data sets.

#### Geocoding

Geocoding is the process of adding geographic information, such as latitude and longitude, to a file or database for use in a geographic information system (GIS). A GIS is a set of activities that involve the use of computer programs and staff to capture, store, update, manipulate, analyze, and display spatial information.

Address geocodes are derived using the physical location address. Addresses are geocoded by BLS using commercial software that accesses U.S. postal data files. This software estimates the location of each address record from an input file and standardizes the address. These standardized addresses are then matched against a Geographic Base File, which contains directories of street segment records. If the geocoding software is unable to match against an address, it will attempt to geocode to the ZIP Code centroid. These matching processes assign geographic codes to address records, establishing their spatial location.

Not all business establishments have provided EDD with physical location addresses or breakouts of employment in multiple locations. Only business establishments for whom accurate physical locations are available are included in the data. We calculate a geocoding percentage by comparing the business establishments, employment and quarterly wages having geocoded addresses within the county, with the county totals.

#### Methodology Used

Within GIS software, spatial joins are performed to join geocoded employer records to county and city files. Like joining two tables by matching values in a field, a spatial join associates one layer to another based on the geographic location of the features in the layers.

Employment is aggregated by incorporated city and unincorporated county.

The resulting data is reviewed to ensure preservation of individual employer data confidentiality. The geocoding percentage is applied to adjust for employers for whom accurate addresses are not available.

Data are averaged for the time period(s) requested by CalRecycle.

Data are formatted in Microsoft Excel to meet CalRecycle requirements.

#### Reliability of Geocoded QCEW Data

The nationwide QCEW database contains approximately 8.8 million business establishments with an employment level of approximately 135 million. By the third quarter of 2006, 83 percent of the QCEW records and 93 percent of the employment data had been geocoded. BLS considers this rate extremely good and sufficient to proceed with developing a wide range of products such as maps and subcounty research data. The remaining business establishments not geocoded are mostly new small firms or Federal, State and local government entities that do not provide QCEW data by worksite. A

small number of large business establishments also do not provide QCEW data by worksite. BLS continues to work with these firms to obtain accurate data by county and industry to allow for geocoding these areas.

#### Time Period Covered

The employment data in this table includes previously provided annual average employment for 2005, 2006 and 2007, twelve month average employment from July 2007 through June 2008, and twelve month average employment from July 2008 through June 2009; and data calculated in May 2009 for the twelve month average employment from July 2009 through June 2010.

#### Notes for data beginning with the July 2008 through June 2009 Period

Two newly incorporated cities were added, both in Riverside County. Menifee was incorporated on October 1, 2008 and Wildomar was incorporated on July 1, 2008. These dates of incorporation are included here for information only; they are from an unverified internet source.

#### Contact Information

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