

STAFF REPORT

City Council Consent Item

DATE: October 20, 2025

TO: Honorable Mayor and Council Members

FROM: Amy Nilsen, City Manager

SUBJECT: **Authorize Staff to Send a Letter of Support for Humboldt County Association of Governments (HCAOG) Proposed Regional Housing Needs Allocation**

STAFF RECOMMENDATION:

Direct staff to forward City Council's concurrence to HCAOG on the proposed draft Regional Housing Needs Allocation.

DISCUSSION:

Regional Housing Needs Determination

The State of California, since 1980, has required each town, city, and unincorporated area to plan for its share of the state's housing need for people of all income levels. This requirement, known as the Housing Element Law (Chapter 1143, Statutes of 1980; AB 2853), includes a process called the Regional Housing Need Allocation. HCAOG is required under California Government Code Section 65584 to prepare a Regional Housing Needs Allocation Plan (RHNP) for the Humboldt County Region. Based on the adopted RHNP, each city and county must update the housing element of its general plan to demonstrate how the jurisdiction will meet the expected growth in housing need over a specified planning period. HCAOG received the Cycle 7 Regional Housing Needs Determination (RHND) from the California Department of Housing and Community Development (HCD) on July 15, 2025, which is included as Attachment A. The attached RHND is the same that was reviewed by the Board at the August meeting. As indicated in the final determination from HCD, the eight (8) year projection period begins June 30, 2027 and ends July 15, 2035. The allocation is based on California Department of Finance (DOF) population and household formation rate projections/estimates, in addition to a number of household unit adjustments applied by HCD, including most notably:

1. Owner/Renter property vacancy rate adjustments
2. Overcrowding and cost burden adjustments
3. Jobs/Housing balance adjustments
4. Homelessness Adjustments
5. Demolition and state of emergency adjustments

HCD has determined that there is a need for 5,962 dwelling units for Humboldt County, including the unincorporated areas and the cities. HCD's housing need determination for the County is as follows:

Income Category	Percent	Housing Unit Need
Acutely Low	9.4%	562
Extremely Low	14.5%	866
Very Low	10.5%	627
Low	17.8%	1,064
Moderate	9.5%	565
Above Moderate	38.2%	2,278
Total	100.0%	5962

In general, what HCD and Department of Finance have determined through HCAOGs RHNA Cycle 7 RHND is that projected population growth over the 8-year period is not the region's primary driver for housing need. The primary driver for housing need is increased housing stock in all affordability categories, in order to reduce local housing costs.

Development of Regional Housing Allocation Methodology

The state-mandated RHNA process (Government Code Sections 65580 et seq.) requires HCAOG to develop a methodology that determines how to divide the overall allocation that the region receives from HCD to local jurisdictions. City staff have been participating with the other local jurisdictions in a RHNA working group, resulting in development of an allocation based on these coordinated efforts and the factors allowed by Government Code 66584. All of the jurisdictions are in support of the allocation as presented below.

Below presents the housing allocation as supported by the local jurisdiction planning staff. The recommended allocation is based on a 50-50 jobs/population split, these are factors that are common to all jurisdictions and can be easily quantified from available data.

Jurisdiction	Acutley Low (0% - 15% MHI)	Extremely Low (15% - 30% MHI)	Very Low (30% - 50% MHI)	Low (50% - 80% MHI)	Moderate (80% - 120% MHI)	Above Moderate (120%<MHI)	Total Jurisdictional Allocation
Arcata	90	135	103	201	100	413	1,042
Blue Lake	3	7	4	7	4	16	41
Eureka	175	258	179	307	171	650	1,740
Ferndale	8	6	6	10	5	22	57
Fortuna	45	70	50	93	46	175	479
Rio Dell	8	14	8	16	10	39	95
Trinidad	4	4	5	7	3	4	27
County	229	372	272	423	226	959	2,481
Total	562	866	627	1,064	565	2,278	5,962

The City of Fortuna's share for the 8-year period, according to the proposed allocation, is 479 units; in comparison, Fortuna's previous share was 290 units for a five-year period. The per year average comparison is 38 units per year under the previous period, and almost 60 units per year under the new period's proposed distribution.

Again, the allocations do not represent a specific number of housing units that must be constructed; rather, they are a projection of need, which must be accommodated in terms of land availability. The City must facilitate housing construction and remove barriers to allow the

private market to construct the needed housing units. The State's goal is for each jurisdiction to be responsible for the housing needs of all income groups of its population, and therefore the City must plan for the construction of housing units as set forth in the RHNA, although there is no production quota.

HCAOG staff has presented the proposed methodology to the HCAOG Board in September, and will hold a public hearing to discuss public comments or recommendations received on the draft RHNA methodology on Thursday, November 20 and then consider adoption of the preferred methodology at the Thursday, December 18 Board meeting. At this time, it appears that the County and local jurisdictions who participated in the planning sessions are in agreement with the methodology, and HCAOG staff has not indicated that they have received any opposition.

RECOMMENDED COUNCIL ACTION:

Staff recommends that the Council authorize staff to submit a letter of concurrence regarding the RHNA allocation based on the 50/50 jobs/housing methodology as described by HCAOG staff. Consent Agenda vote.

ATTACHMENT

- Attachment A: Humboldt County Determination Letter
- Attachment B: HCAOG Memo from Brendan Byrd dated September 25, 2025