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**AGENDA ITEM 9b**  
 HCAOG Board Meeting  
 November 15, 2018

**DATE:** November 13, 2018  
**TO:** HCAOG Board of Directors  
**FROM:** Marcella Clem, Executive Director  
**SUBJECT:** **Proposed Regional Housing Needs Allocation (RHNA) Methodology Public Hearing**

**Contents:**

- Staff's Recommended Action
- Staff Summary
- American Community Survey Table DP03 data

**Staff Summary:**

Staff has prepared the following proposed RHNA methodology to distribute future housing targets, determined by the California Department of Housing and Community Development (HCD), by income categories. Once adopted by HCAOG, the approved targets will be used by each jurisdiction in their upcoming housing elements. The following distributions utilized a 50/50 jobs/housing balance as presented at the October HCAOG Board meeting. Data used to determine the total share to each jurisdiction was developed by the Department of Finance (population projections) and by the Labor Market Information Division of the California Employment Development Department (quarterly workforce indicators). The following table summarizes this data and outcome:

<b>Jurisdiction</b>	<b>EDD Employment Data</b>	<b>DOF Population (1/1/2018)</b>	<b>Jobs Distribution</b>	<b>Population Distribution</b>	<b>Jobs-Pop Allocation %</b>	<b>RHNA</b>
Arcata	10,362	18,398	22.5%	13.5%	18.0%	610
Blue Lake	182	1,280	0.4%	0.9%	0.7%	23
Eureka	16,956	26,362	36.8%	19.4%	28.1%	952
Ferndale	422	1,367	0.9%	1.0%	1.0%	33
Fortuna	3,819	12,042	8.3%	8.9%	8.6%	290
Rio Dell	246	3,348	0.5%	2.5%	1.5%	51
Trinidad	387	340	0.8%	0.2%	0.5%	18
Unincorporated Area	13,754	72,865	29.8%	53.6%	41.7%	1,414
<b>Totals</b>	<b>46,128</b>	<b>136,002</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3,390</b>

Staff has not received public comment on the methodology to date, but will forward any suggestions for received prior to HCAOG’s final action, currently scheduled for December 15, 2019, or at a later date to be determined by the HCAOG Board.

The following table summarizes the most current income category data for each jurisdiction, in addition to the regional goals determined by HCD. The data was developed by the American Community Survey, Table DP03. The source data is provided as an attachment to this staff report. Arcata, partly due to the Humboldt State University students living near campus, has the highest percentage of very low-income households (36.99%). Blue Lake has the lowest (18.53%).

<b>Percentage of Households by Income Category by Jurisdiction</b>					
	Very Low (<50% MHI)	Low (50-80% MHI)	Moderate (80-120% MHI)	Above Moderate (>120% MHI)	TOTAL UNITS
Arcata	36.99%	16.32%	16.57%	30.12%	<b>610</b>
Blue Lake	18.53%	19.27%	13.47%	48.73%	<b>23</b>
Eureka	25.85%	18.36%	18.31%	37.48%	<b>952</b>
Ferndale	21.84%	20.96%	22.76%	34.44%	<b>33</b>
Fortuna	21.32%	15.28%	22.60%	40.79%	<b>290</b>
Rio Dell	27.88%	13.96%	16.47%	41.70%	<b>51</b>
Trinidad	22.25%	8.11%	22.58%	47.06%	<b>18</b>
Unincorporated Area	21.27%	14.51%	17.70%	46.51%	<b>1413</b>
<b>HCD Regional Targets</b>	<b>24.45%</b>	<b>15.69%</b>	<b>18.08%</b>	<b>41.77%</b>	<b>3390</b>

The following series of tables show the methodology proposed to bring each city closer to HCD’s regional targets. Using the same methodology from the last RHNA cycle, each cities percentage was adjusted by 10% towards the regional target. When the total units ended up less than HCD’s regional target, an additional unit was added to the agency with the 2012-16 ACS data farthest away from the regional target. The following examples show the methodology for both Arcata and Blue Lake:

Arcata:  $[(36.99\% - 24.45\%) \times 1.10] - 36.99\% = 23.20\%$        $23.20\%$  of 610 units = 142 units

Blue Lake:  $[(18.53\% - 24.45\%) \times 1.10] - 18.53\% = 25.04\%$        $25.04\%$  of 23 units = 7 units. A final adjustment of one unit was then added to meet HCD’s RHNA target for the Very-Low Income category.

VERY LOW					
Jurisdiction	2012-2016 ACS Very Low Income (<50% MHI)	110% Adjustment towards Regional Goal of 24.45%	Income Allocation using adjusted	Jurisdictional adjustment to meet HCD target	Income Level Allocation
Arcata	36.99%	23.20%	142		<b>142</b>
Blue Lake	18.53%	25.04%	6	+1	<b>7</b>
Eureka	25.85%	24.31%	231		<b>231</b>
Ferndale	21.84%	24.71%	8	+1	<b>9</b>
Fortuna	21.32%	24.76%	72	+1	<b>73</b>
Rio Dell	27.88%	24.11%	12		<b>12</b>
Trinidad	22.25%	24.67%	4		<b>4</b>
Unincorporated Area	21.27%	24.77%	350	+1	<b>351</b>
<b>RHNA TARGETS</b>	<b>829 Units</b>		<b>825</b>		<b>829</b>

LOW					
Jurisdiction	2012-2016 ACS Low Income (50-80% MHI)	110% Adjustment towards Regional Goal of 15.69%	Income Allocation using adjusted	Jurisdictional adjustment to meet HCD target	Income Level Allocation
Arcata	16.32%	15.63%	95		<b>95</b>
Blue Lake	19.27%	15.34%	4		<b>4</b>
Eureka	18.36%	15.43%	147		<b>147</b>
Ferndale	20.96%	15.17%	5		<b>5</b>
Fortuna	15.28%	15.73%	46		<b>46</b>
Rio Dell	13.96%	15.87%	8		<b>8</b>
Trinidad	8.11%	16.45%	3	+1	<b>4</b>
Unincorporated Area	14.51%	15.81%	223		<b>223</b>
<b>RHNA TARGETS</b>	<b>532 Units</b>		<b>531</b>		<b>532</b>

	<b>MODERATE</b>				
Jurisdiction	2012-2016 ACS Moderate (80-120% MHI)	110% Adjustment towards Regional Goal of 18.08%	Income Allocation Using Adjusted	Jurisdictional adjustment to meet HCD target	Income Level Allocation
Arcata	16.57%	18.24%	<b>111</b>		<b>111</b>
Blue Lake	13.47%	18.55%	<b>4</b>	+1	<b>5</b>
Eureka	18.31%	18.06%	<b>172</b>		<b>172</b>
Ferndale	22.76%	17.62%	<b>6</b>		<b>6</b>
Fortuna	22.60%	17.64%	<b>51</b>		<b>51</b>
Rio Dell	16.47%	18.25%	<b>9</b>		<b>9</b>
Trinidad	22.58%	17.64%	<b>3</b>		<b>3</b>
Unincorporated Area	17.70%	18.13%	<b>256</b>		<b>256</b>
<b>RHNA TARGETS</b>	<b>613 Units</b>		<b>612</b>		<b>613</b>

	<b>ABOVE MODERATE INCOME</b>				
Jurisdiction	2012-2016 ACS Above Moderate Income	110% Adjustment towards Regional Goal of	Income Allocation using adjusted %	Jurisdictional adjustment to meet HCD target	Income Level Allocation
Arcata	30.12%	42.93%	262		<b>262</b>
Blue Lake	48.73%	41.07%	9	-2	<b>7</b>
Eureka	37.48%	42.20%	402		<b>402</b>
Ferndale	34.44%	42.50%	14	-1	<b>13</b>
Fortuna	40.79%	41.87%	121	-1	<b>120</b>
Rio Dell	41.70%	41.77%	21	+1	<b>22</b>
Trinidad	47.06%	41.24%	7		<b>7</b>
Unincorporated Area	46.51%	41.29%	583		<b>583</b>
<b>RHNA TARGETS</b>	<b>1416 Units</b>		<b>1419</b>		<b>1416</b>

The jurisdictional adjustments in the Above Moderate Income table were applied to meet the total RHNA allocations determined using the 50/50 population/housing methodology. The following table summarizes proposed RHNA allocations by income category for the region:

Jurisdiction	Very Low Income Allocation	Low Income Allocation	Moderate Income Allocation	Above Moderate Allocation	Proposed Total RHNA Allocation
Arcata	142	95	111	262	<b>610</b>
Blue Lake	7	4	5	7	<b>23</b>
Eureka	231	147	172	402	<b>952</b>
Ferndale	9	5	6	13	<b>33</b>
Fortuna	73	46	51	120	<b>290</b>
Rio Dell	12	8	9	22	<b>51</b>
Trinidad	4	4	3	7	<b>18</b>
Unincorporated Area	351	223	256	583	<b>1413</b>
<b>RHNA TARGETS</b>	<b>829</b>	<b>532</b>	<b>613</b>	<b>1416</b>	<b>3390</b>