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May 18, 2009

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Mark Wheatley, Chairman, HCAOG
City of Arcata
736 F Street
Arcata, California 95521

Re: HCAOG/Draft Regional Housing Needs Plan For Humboldt County
Dated March 27, 2009

Dear Chairman Wheatley and HCAOG Board Members:

The Humboldt Association of REALTORS® would like to submit the following comments regarding the draft "Regional Housing Needs Plan For Humboldt County" [Plan] dated March 27, 2009. We note that this report was distributed at the March 26, 2009 Humboldt County Association of Governments [HCAOG] Board meeting and we understand that the 60 day public review clock started on that date. For the Board's information, we point out that at that meeting, HCAOG Executive Director Spencer Clifton stated the report would be posted on the HCAOG website for public review. The report was not posted on the website until almost a month later, on April 23rd, effectively allowing a 30 day public review period where a 60 day period of time was proposed by Mr. Clifton (HCAOG memo of January 5, 2009, "COG Tasks in Regional Housing Need Allocation Process Task, Review of Methodology, Task 4.1: 60-day public comment period.")

As to the matter of methodology, it appears the draft Plan omits any discussion of methodology (it appears to assume a methodology based on historic patterns) and moves directly to a proposed allocation scenario. This omission appears to ignore input provided at the January 21, 2009 public meeting attended by local city and county planners and interested citizens.

We suggest that this Regional Housing Needs Allocation (RHNA) process should begin again in order to properly develop a methodology as required under Government Code Sec. 65584.04. At the January 21 meeting, the results of an "HCAOG Regional Housing Needs Allocation Plan, Entity Planning Survey" were reviewed. This appeared to be an attempt at starting the process of developing an allocation methodology. As of this date, it has been the only attempt. The factors included in the survey must be considered per Government Code Sec. 65584.04(d)(2) and are included on pages seven and eight of the March 27 report. We urge that four of the factors be given particular weight as follows:

a. Development opportunities and constraints – capacity for sewer or water service
(Survey Factor #2a)

The most serious constraint is sewer. Higher density housing requires adequate sewer capacity. There are limitations to that capacity. This was identified in the County commissioned 2007 Winzler and Kelly engineering technical report. To improve the state of the sewer systems in the county and cities requires long lead times to plan, fund and build. This typically takes years. These lead times exceed this HCAOG planning period. It is impractical to assume that sewer capacities will be increased in time for enough new housing to be built to meet the RHNA numbers. (What this also means is that “non-sewered” housing, i.e. housing with septic tanks, will have to make up some of the difference.) For this reason, the sewer constraint factor should be included in development of a methodology model.

b. Development opportunities and constraints – availability of land suitable for urban development
(Survey Factor #2b)

We note that this factor rated high among the survey responses from the jurisdictions but it appears to have been discounted at the January 21, 2009 meeting. Land availability is critical to housing. However, urban land availability is constrained by sewer capacity limitations as discussed above. If the amount of available land is limited, then land costs go up. Land is the single largest component of housing costs. As land prices increase, housing costs increase and affordability decreases. For this reason, the availability of land factor should be included in development of a methodology model.

Specific to the County jurisdiction, this document proposes that the County plan for 2505 housing units over the next five years (Table 2, page 5 of Plan). We urge the County to consider this number carefully and question if zoning will support the number and particularly whether sewer and water systems, roads and other infrastructure can accommodate this future demand and will allow for higher densities. Of particular note is whether the County has enough buildable land. It is our understanding that the Find Our Lots (FOL) group has determined the County has only 1015 buildable lots at this time. We suggest serious limitations exist which limit how many units the County can realistically expect to provide for.

c. Market demand for housing (Survey Factor #4)

It is our experience that there is high market demand for rural and suburban (non-urban) housing, i.e. detached, single-family housing on individual lots. It is difficult for the cities to accommodate this type of demand due to lack of land availability. Of all the types of residential properties sold through the Humboldt Association of Realtors® Multiple Listing Service (MLS), the detached single-family home is by far the largest category. For this reason, the market demand factor should be included in development of a methodology model.

d. High housing costs burdens (Survey Factor #7)

Housing is expensive. This is due, in large part, to limited land availability. This applies to cities which are approaching build out and are limited by sewer capacities as mentioned previously. Strategies which require that virtually all new housing be constructed in the cities, with their limited land supply, will therefore limit housing supply. Limited supply increases costs. This burdens the public with more expensive housing. For this reason, the high housing costs burdens factor should be included in development of a methodology model.

We would appreciate HCAOG’s considering the inclusion of these four factors as the RHNA methodology is developed. We agree with a March 18, 2009 memo from Mr. Clifton to the HCAOG

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Board regarding the "Entity Planning Survey", referenced above, which states "according to our summary of surveyed interests...suitable land for development purposes...and housing costs were identified as major areas of interest."

Mr. Clifton stated at the March 26 Board meeting that he planned to hold a public workshop on the RHNA process. Towards that end he said he planned a public outreach to include local government representatives and the public within 30 days of the March 26 meeting. Neither outreach nor workshop has occurred as of this date, some 45 days later. We are interested in participating in such a workshop when that is scheduled.

The Association realizes that delays in the RHNA process can also mean delays in timely completion of the respective Housing Elements for the County and cities. It is our understanding, at this time, that August 31 is the deadline for each Housing Element adoption. If the deadline is not met, local governments may not qualify to apply for important state funding intended for various housing programs. We encourage HCAOG to make every effort to assist the County and cities by bringing the RHNA process to a timely completion.

Sincerely,



Victoria Copeland, Co-chair
General Plan Subcommittee



Debbie Provolt, Co-chair
General Plan Subcommittee

cc: Spencer Clifton, HCAOG Exec. Director
Humboldt County Board of Supervisors
Humboldt County Planning Commission
Kirk Girard, Director, CDS
Michael Richardson, Senior Planner
Cathy Creswell, Calif. Dept. of Housing and Community Development

Individual letters sent to:

Mayor of Arcata and City Council
Mayor of Blue Lake and City Council
Mayor of Eureka and City Council
Mayor of Ferndale and City Council
Mayor of Fortuna and City Council
Mayor of Rio Dell and City Council
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