



COUNTY OF HUMBOLDT
PLANNING AND BUILDING DEPARTMENT
LONG RANGE PLANNING

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Date: Meeting of May 2, 2019
To: Humboldt County Planning Commission
From: John H. Ford, Director of Planning and Building Department
Subject: 2019 Housing Element Update Workshop

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Please contact Michelle Nielsen, at 707-268-3708 or mnielsen@co.humboldt.ca.us if you have any questions about the Housing Element workshop.

AGENDA ITEM TRANSMITTAL

Meeting Date May 2, 2019	Subject Housing Element Background Workshop	Contact Michelle Nielsen
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Project Description: The Planning Commission is to receive and discuss background information in preparation for the May 16, 2019 Planning Commission public hearing for the 2019 Housing Element update.

At the May 2, 2019 workshop the following topics will be discussed:

- Current Housing Element law and recent changes to Housing Element and housing law;
- A review of the 2014 Housing Element, including building and subdivision activity; and
- The adopted 2019 Regional Housing Needs Assessment Plan (RH NAP).

Project Location: All of the unincorporated areas of Humboldt County, including the Coastal Zone.

Present Plan Designations: All land use categories.

Present Zoning: All zoning districts.

Environmental Review: This is a workshop where no action will be taken by the Planning Commission, and therefore CEQA compliance is not required.

State Appeal Status: The Planning Commission will not be taking any action on the project at the workshop, and therefore there will be no action to appeal.

PLANNING COMMISSION HOUSING ELEMENT WORKSHOP

Recommended Commission Action

1. Describe the project as a Planning Commission workshop to receive and discuss background information for the 2019 Housing Element update;
2. Request that staff present the background information;
3. Receive public comment; and
4. Deliberate and comment on the Housing Element Background material.
5. Continue the Public Hearing to May, 16, 2019.

DISCUSSION:

Housing Element Law

State law requires cities and counties to have housing elements as part of their general plans, and that jurisdictions regularly update their housing elements in accordance with a mandated schedule. The housing element must address specific statutory requirements, but an update effort that focuses solely on those requirements will not be adequate. A housing element must also address the community's specific housing needs and issues and reflect the community's priorities, and be consistent with the jurisdiction's general plan.

State requirements include specific housing element content. In sum, the housing element establishes goals, policies, standards and implementation measures for the preservation, improvement, and development of housing in the unincorporated areas of the county, and it must consider the needs of all residents of the unincorporated area. More specifically, in order to be legally adequate, a housing element must address the following:

- Existing and projected housing needs, including the share of the regional housing needs allocation ("RHNA). The analysis of existing housing needs must consider publicly-assisted housing that is at risk of conversion to market rate units due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use; overpayment and overcrowding; the demographics of your community, and demographics changes occurring in the community.
- An inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites. The inventory of land suitable for residential development must be used to identify sites that can be developed for housing within the planning period.
- The housing element must identify and analyze potential and actual governmental constraints to the maintenance, improvement, or development of housing for all income levels, including housing for people with disabilities. The analysis should identify the specific standards and processes of these constraints and evaluate their impact on the supply and affordability of housing. The analysis should determine whether local, regulatory standards pose an actual constraint and must also demonstrate local efforts to remove constraints that hinder a jurisdiction from meeting its housing needs.
- Each jurisdiction must identify specific programs in its housing element that will allow it to implement the stated policies and achieve the stated goals and objectives. Programs must include specific action steps the locality will take to implement its policies and achieve its goals and objectives. Programs must also include a specific timeframe for implementation, identify the agencies or officials responsible for implementation, describe the jurisdiction's specific role in implementation, and (whenever possible) identify specific, measurable outcomes.
- The Housing Element update process must include public participation and be inclusionary.

Regional Housing Needs Assessment Plan

One of the initial steps in the housing element update process is the determination of the projected housing need for the planning period in a Regional Housing Needs Plan (RHNP) that allocates a share of the regional housing need to each city and county. The County's allocation for the 2014-2019 time period, also referred to as the 5th cycle, totaled 859 dwelling units. Table 1 below provides the income category break down for the county's 5th cycle RHNA allocation.

Table 1: Regional Housing Needs Allocation, Humboldt County Unincorporated Areas, 2014 – 2019

Income Category ¹	Projected Housing Needs	Percent of Total RHNA
Very Low (< 50% of median)	212	25%
Other Low (50 – 80%)	135	16%
Moderate (80 – 120%)	146	17%
Above Moderate (> 120%)	366	42%
Total	859	100%

In accordance with the mandated housing element update cycle, the Humboldt County Association of Governments (HCAOG) working with the County and all the cities approved the 6th cycle RHNA on March 21, 2019. The 2019 RHNA for the for the 8.7-year projection period that begins December 31, 2018 and ends August 31, 2027 is shown in the below table.²

Table 2: Regional Housing Needs Allocation, Humboldt County, 2019-2027

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

Evaluation of the 2014 Housing Element

The 2014 Housing Element ("2014 HE") was adopted when the economy was still recovering from the Great Recession, and the County was still in the process of updating its General Plan. The 2017 General Plan incorporated the 2014 HE as Chapter 8 without any changes.

The priorities of the 2014 HE were to:

- Provide housing and shelter opportunities for the homeless and extremely low income populations.

¹ Income categories are pursuant to Health and Safety Code Sections 50052.5 et seq. and 50053 et seq.

² A full copy of the adopted Humboldt County Regional Housing Needs Assessment Plan available here: http://www.hcaog.net/sites/default/files/2019_final_rhna_plan_2.pdf

- Stimulate the production of low cost housing by the private sector in order to increase homeownership rates.
- Stimulate the production of workforce rental housing, particularly for those earning less than the median income.

What has been Accomplished in the 2014 Housing Element?

The County issued building permits for 505 of the 859 units in the 5th cycle RHNA (58%); Table 1 below shows the number of building permits issued in the unincorporated area from 2014 to 2018:

Table 3. Comparison of Building Permits Issued and the 5th Cycle RHNA

Income Level	5 th Cycle Allocation by Income Level	2014	2015	2016	2017	2018	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	212	16	5	3	7	5	36	176
Low	135	13	4	11	15	18	61	74
Moderate	146	26	53	30	86	10	205	0
Above Moderate	366	83	39	27	12	42	203	163
Total RHNA	859							
Total Units		138	101	71	120	75	505	413

Also, during the 2014 – 2018 time period 232 new lots were tentatively approved by subdivision. Of those 74 have recorded parcel and final maps, and can be sold, leased, or financed. Attachment 1 is the most recent report on the progress made on various 2014 Housing Element implementation measures.

Notable Changes in Housing Law

Accessory Dwelling Units, Gov't Code Section 65852.2: ABs 2406, 2299 (2016), AB 494 and SB 229 (2017) State laws for accessory dwelling units (also known as secondary dwelling units, mother-in-law units and ADU's) have been changed dramatically over the past few years. The intent of the changes is to ease local restrictions for ADU development because ADUs can contribute positively to housing supply and affordability. The amendments to Government Code Section 65852.2 measurably removes barriers, streamlining the approval process for the development of accessory dwelling units (ADUs), and restricting local jurisdictions from imposing more requirements that contained in the statute.

Streamline Housing Approval Process, Gov't Code Section 65913.4: SB 35 (2017). For jurisdictions that have not met regional housing need targets, SB 35 streamlined approval processes for eligible infill projects by speeding up the project approval process allowing construction to happen more quickly. Infill housing is either constructed on vacant lots among older, existing properties in urbanized areas, or inserted into an already-approved neighborhood as additional units. These infill developments must provide at least 10 percent of the housing units for lower-income individuals or families. The developer must also pay construction workers the current prevailing wage. Eligible projects must be approved ministerially, using only objective standards, within 90 to 180 days of submission.

Other notable allowances of SB 35 are 1) development standards that are not objective are set aside; 2) allowed density is the maximum density; 3) significant reductions in number of parking spaces required for dwelling units; 4) the development may include mixed or commercial use provided at least two-thirds of the square footage is for residential use; and 5) an exemption from the prevailing wage requirement for projects of ten or fewer housing units.

Housing element accountability, Gov't Code Section 65585: AB 72 (2017): clarified HCD's enforcement authority. HCD has authority to review any action by a local government that it determines is inconsistent

with an adopted housing element or housing element law. This review of a local action can occur at any point in the housing element cycle. HCD is able to revoke a jurisdiction's housing element compliance certification.

What are Humboldt County's Housing Issues?

Based on public input at numerous workshops held since the beginning of the year, housing continues to be unaffordable for a broad spectrum of community. And a greater number of residents are experiencing homelessness. The unsheltered 2019 count, completed on January 23, 2019, counted 1,473 individuals who slept in a place not designed for or ordinarily used as a regular sleeping accommodation.

To address the changes in state law and concerns expressed in the public workshops to date, the policies and implementation measures being contemplated in the 2019 Housing Element update include the following:

- allowances for tiny houses, moveable tiny houses, and tiny house villages;
- allowances and increased flexibility for accessory dwelling units;
- measures for supportive housing and farmworker housing that align with State law;
- policies and measures to allow safe parking as form of emergency shelter, and the initiation of a safe parking pilot program;
- development and implementation of a residential development technical assistance program to improve access to expertise and better facilitating the permitting process; and
- policy direction for the County to actively seek funding in partnership with developers and community organizations to provide shelter and housing.

Attachment 1

2014-2019 Housing Programs Annual Progress Report, Table D, filed 3/31/2019

Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
H-IM40 Expedited Residential Subdivision Review in Housing Opportunity Zones	The County shall develop standardized thresholds of significance in the subject areas listed in H-S13 to simplify environmental review of residential subdivisions in Housing Opportunity Zones.	12/31/2015	Delayed until 2019
H-IM29 Procedures for Conversion of Mobilehome Parks and Recreational Vehicle Parks	The County shall amend County Code to adopt a mobilehome park conversion ordinance pursuant to Gov't Code §65863.7, and to require similar procedures acceptable to the Planning Commission for conversion of Recreational Vehicle Parks to other uses.	1/1/2016	DONE
H-IM30 Elder Housing Needs Assessment	The County shall facilitate an assessment of the housing needs of elders	1/1/2016	DONE
H-IM33 Standards for Alternative Sewage and Wastewater Disposal System.	Consistent with Regional Water Quality Control Board requirements, the Division of Environmental Health shall consider approval of gray water and other acceptable sewage treatment and disposal systems, including composting toilets, in areas where Alternative Owner Builder structures are allowed.	7/1/2016	IN PROGRESS
H-IM32 "Safe Homes" Program to Increase Building Code Compliance	The County shall allow qualified unpermitted homes to become permitted through a "safe homes" program. Reduced or eliminated penalty fees for owners wishing to obtain permits for unpermitted homes shall be included as an incentive to bring the unpermitted units into compliance.	7/1/2016	DONE

Attachment 1

2014-2019 Housing Programs Annual Progress Report, Table D, filed 3/31/2019

IM37 Affordable Multifamily Housing Land Inventory	The County shall increase the inventory of lots suitable for inclusion in the affordable multifamily housing inventory and allowed by right (no discretionary review is required), including any necessary rezonings to R-3: Residential Multiple Family or RM: Residential Multifamily to accommodate 77 additional units, which can accommodate the housing need for extremely low, very low and low income households pursuant to Government Code Section 65583 (c)(1) (A). This program will be on a voluntary basis and use the Q – Qualified zone to establish minimum density and other requirements.	12/31/2016	The County rezoned a property in the Myrtle town area and approved a building permit in March, 2019 for construction of 66 multifamily units at a density of 30 units per acre. The County has received requests for other rezones, and will be bringing those forward separately from the Housing Element.
H-IM38 Farmworker Housing	The County shall review the zoning ordinance to comply with the requirements of state law (Health and Safety Code 17021.5 and 17021.6).	12/31/2016	Administrative draft of ordinance has been prepared and is undergoing internal review. The draft ordinance is proposed to be adopted concurrently with the Housing Element Update in July, 2019.
HM-IM39 At Risk Units	The County shall seek to preserve all assisted multifamily housing units at risk of being converted to market rate rental housing through establishing an early warning system and providing financial assistance when funding is available.	12/31/2016	Ongoing.
H-IM1 Housing Trust Fund	The County shall establish a Housing Trust Fund to support the conservation and development of housing affordable to low- and very low-income households. The County shall seek funding to provide an initial funding level of \$500,000.	8/31/2017	Housing Trust Fund and Homeless Solutions Committee established by Board of Supervisors Resolution No. 18-14 on February 27, 2018. Lucas Street parcel, owned by the County, approved for sale to fund the trust fund.
H-IM2 Pursue Funding for Housing Programs	The County shall pursue funding for housing programs, and prioritize funding for development of housing affordable to very low-income households when competing for resources with other projects	Annually	Applying when eligible, and trying to attract developers

Attachment 1

2014-2019 Housing Programs Annual Progress Report, Table D, filed 3/31/2019

<p>H-IM15 Monitoring Affordable Housing Development on Properties Rezoned to Multifamily.</p>	<p>The County shall include in its Annual General Plan Progress Report prepared pursuant to §65400 of the Government Code a description of the development that has occurred on the properties rezoned to multifamily under H-IM17 and H-IM18 of the 2009/2010 Housing Element. The County shall also include in the 2019-2024 Housing Element Update an assessment of the effectiveness of the Affordable Multifamily Housing Land Inventory in meeting the County's housing needs for lower income households, and propose changes to that program as necessary to increase its effectiveness.</p>	<p>12/31/2018</p>	<p>Building permit applications applied for in 2018 to construct a 66 unit apartment complex on a parcel rezoned to multifamily.</p>
<p>H-IM26 Post Information Regarding Fair Employment and Housing</p>	<p>The County shall continue to support the enforcement program of the State Fair Employment and Housing Commission. The Planning Division shall disseminate information about fair housing rights and procedures for filing fair housing complaints to public libraries and the Humboldt County Housing Authority.</p>	<p>Annually</p>	<p>Done annually in April.</p>
<p>H-IM20 Consideration of Policies from the "Idea Bank".</p>	<p>The County shall consider implementing the policies and implementation measures labeled with a "→" in §8.12.20 of the Housing Element Appendix as stand-alone projects with separate environmental review.</p>	<p>Ongoing</p>	<p>The County continues to consider implementation of the identified programs.</p>

Attachment 2 – Income Limits

Excerpt from State Income Limits for 2018. More information can be found here: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/inc2k18.pdf>

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent									
El Dorado County 4-Person Area Median Income: \$80,100	Extremely Low	16850	19250	21650	25100	29420	33740	38060	42380
	Very Low Income	28050	32050	36050	40050	43300	46500	49700	52900
	Low Income	44900	51300	57700	64100	69250	74400	79500	84650
	Median Income	56050	64100	72100	80100	86500	92900	99300	105750
	Moderate Income	67250	76900	86500	96100	103800	111500	119150	126850
Fresno County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900
Glenn County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900
Humboldt County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Attachment 3

Housing Costs

Excerpts from Appendix G of the Housing Element Appendix of the adopted 2014 Housing Element

HOUSING ELEMENT APPENDIX TABLE – U. Direct and Indirect New Housing Costs For Typical 3 Bedroom, 1,500 Square Foot Home in Humboldt County, 2008 and 2013

Direct Costs	2008	2013
Land (6,000 square foot lot*)	\$105,000	\$95,000
Site Improvements	\$12,000	\$15,000
Construction	\$127,500+	\$187,500+
Sales and Marketing (6%)	\$11,978	\$18,000
Indirect Costs		
Origination Fee	\$2,994	\$3,097
Credit Check	\$65	\$65
Appraisal Fee	\$350	\$500
Document Preparation	\$200	\$85
Roof Report	\$200	\$200
Termite Report	\$200	\$200
Total Purchase Price	\$260,487	\$319,647

Source: Humboldt County Planning & Building Department, 2013.

*Not including water and sanitation systems.

HOUSING ELEMENT APPENDIX TABLE – V. Sample Monthly Costs of Ownership on a Typical 3 Bedroom, 2 Bath, 1,500 Square Foot Home, 2003, and 2013

Basic Payment Components	2003	2013
Selling Price	\$200,000	\$300,000
10% Down Payment	\$20,000	\$30,000
Balance To Be Financed	\$180,000	\$270,000
Mortgage Payment 6% interest, 30 year amortization*	\$1,232	\$1,619
Property Taxes, Insurance	\$209	\$388
Gas and Electric	\$125	\$125
Water and Sewer	\$38	\$38
Total Monthly Payment	\$1,604	\$2,170

Source: Humboldt County Planning & Building Department, 2013