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HUMBOLDT COUNTY
ASSOCIATION OF GOVERNMENTS

June 12, 2008

Spencer Clifton
Executive Director
Humboldt County Association of Governments
427 F Street
Eureka, CA 95501

Subject: Regional Housing Needs Plan (RHNP) for Humboldt County

Dear Mr. Clifton,

In response to your request for assistance with the Regional Housing Needs Plan (RHNP) for Humboldt County, I have enclosed the following information:

- 1) **Jobs & Housing Relationships:** Ratio per 2000 US Census was 1.08 jobs per housing units in Eureka. Therefore, there is not enough housing in Eureka to house all those employed in Eureka.
- 2) **Development Opportunities and Constraints:** a) In our analysis last year of estimating the remaining capacity at the Elk River WWTP we came up with the following. There are two scenarios. The first scenario is under current permit conditions. The second scenario is the anticipated new NPDES permit conditions, which we will be submitting later this year and which will be valid for 5 years. All numbers stated are for Average Dry Weather Flow (ADWF), which is the governing condition in our NPDES permit.

Scenario 1: Current permit conditions:

HCSD: Under current permit conditions HCSD has a remaining unused capacity at the WWTP of 0.64 MGD (million gallons per day, ADWF). At 240 gallons per day (GPD) per equivalent single family dwelling unit (EDU), this equates to remaining capacity to serve approximately 2,667 EDU's. At 2.34 PP/EDU, this equates to a population of about 6,240 persons.

CITY: Under current permit conditions the City has a remaining unused capacity at the WWTP of about 0.1 MGD (million gallons per day, ADWF). At 240 gallons per day (GPD) per equivalent single family dwelling unit (EDU), this equates to remaining capacity to serve approximately 437 EDU's. At 2.34 PP/EDU, this equates to a population of about 1,022 persons.

Scenario 2: Projected permit conditions for 2009-2013:

The ultimate design capacity of the WWTP is 6.0 MGD. However the current NPDES permit was never upgraded to reflect this maximum capacity value and still retains the initial permit value of 5.24 MGD. The new value of 6.0 would add 0.76 MGD to the permitted WWTP capacity. Under the current agreement between the City and HCSD, HCSD receives 30.5% of the WWTP capacity, and the City receives 69.5%. Dividing the additional capacity between the City and HCSD yields and *additional* 0.2318 MGD for HCSD and 0.5282 MGD for the City. When these values are added to the unused capacities stated above, the new numbers will be as follows.

HCSD: The upgraded permit is anticipated to add 0.2318 MGD to HCSD's current unused capacity at the WWTP of 0.64 MGD, bringing the total unused capacity to 0.8718 MGD. At 240 gallons per day (GPD) per equivalent single family dwelling unit (EDU), this equates to remaining capacity to serve approximately 3,632 EDU's. At 2.34 PP/EDU, this equates to a population of about 8,500 persons.

CITY: The upgraded permit is anticipated to add 0.5282 MGD to the City's current unused capacity at the WWTP of about 0.1 MGD, bringing the total unused capacity to about 0.6282 MGD. At 240 gallons per day (GPD) per equivalent single family dwelling unit (EDU), this equates to remaining capacity to serve approximately 2,617 EDU's, or about 6,125 persons.

The 2008 NPDES permit renewal application will request the new permit be upgraded to reflect this maximum capacity.

- 5) **Direct Growth toward Incorporated areas:** See page 62, Residential Development Opportunities in the Housing Element.
- 6) **Loss of Units Contained in Assisted Housing Developments:** Since the publication of the May 2004 City of Eureka General Plan Housing Element, the City has documented 38 units which were lost from the Inventory of Affordable Housing Units Funded through the Redevelopment Agency due to expiration of covenants. The Agency has assisted with funding of an additional 115 units, since 2000.
- 7) **High Housing Cost Burdens:** According to the Humboldt Association of Realtors, the projected Median Home Sales price in February 2008 was \$311,000 with an average mortgage rate of 5.94%. The monthly payment of principal and interest, with impounding of taxes and insurance (PITI) is approximately \$1,816.42. This would require a qualifying income of \$72,657 and the payment would be 52% of Median Income which is \$41,962. The percentage of households in Humboldt County that would be considered qualified under the above guidelines for a Median Price Home was 13% in February 2008 making it very difficult for any low or very low income family to qualify to purchase a home.

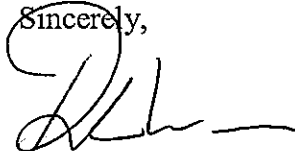
With the increased real estate values, lenders tightening their qualifying criteria, and the inability of the low income to qualify for mortgages, homeownership in the City's First Time Homebuyer Program has been predominantly to moderate income households in

2008. The City has provided three low income and three moderate income households affordable condominium homeownership in 2006, 68 units to First Time Homebuyers since 2000 through the First Time Homebuyer Program, a single family residential replacement unit to be provided to a low income household, and another three low income and three moderate income condominiums (currently under construction) projected for sale in 2008-9. The City has raised the First Time Homebuyer Down Payment Assistance Program maximum loan amounts from \$15,000 in 2000 to \$120,000 in 2006 to continue to provide affordable homeownership to the community.

Other issues are the high cost of construction, high cost of available land, and the cost of holding the property through the development process, escalating construction costs, and the cost and availability of financing.

- 8) **Housing Needs of Farmworkers:** Pg. 48 of the Housing Element is the most current US Census 2000 information.

Sincerely,



Robert S. Wall, AICP
Senior Planner
Long Range Planning Division