

# Regional Housing Needs Allocation (RHNA)

## Draft Allocation Methodology

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# California's Housing Future 2040

## The Next Regional Housing Needs Allocation (RHNA)

California Department of Housing and Community Development



# RHNA Background

- **What is RHNA?**

- Regional Housing Needs Assessment (RHNA)
- Enacted in 1980 to ensure that all jurisdictions were planning for its share of states housing need across all income levels

- **What is HCAOG's Role?**

- Receive/comment on determination from HCD
- Develop methodology to allocate housing units to member-agencies

- **What Isn't RHNA**

- A requirement that agencies build or cause to be built all of the units allocated during RHNA process
- A process to locate exact future housing locations (Housing Element)



# Final Cycle 7 Determination

Received July 15, 2025

Total Cycle 7 Determination: 5,962

## Adjustments New to Cycle 7:

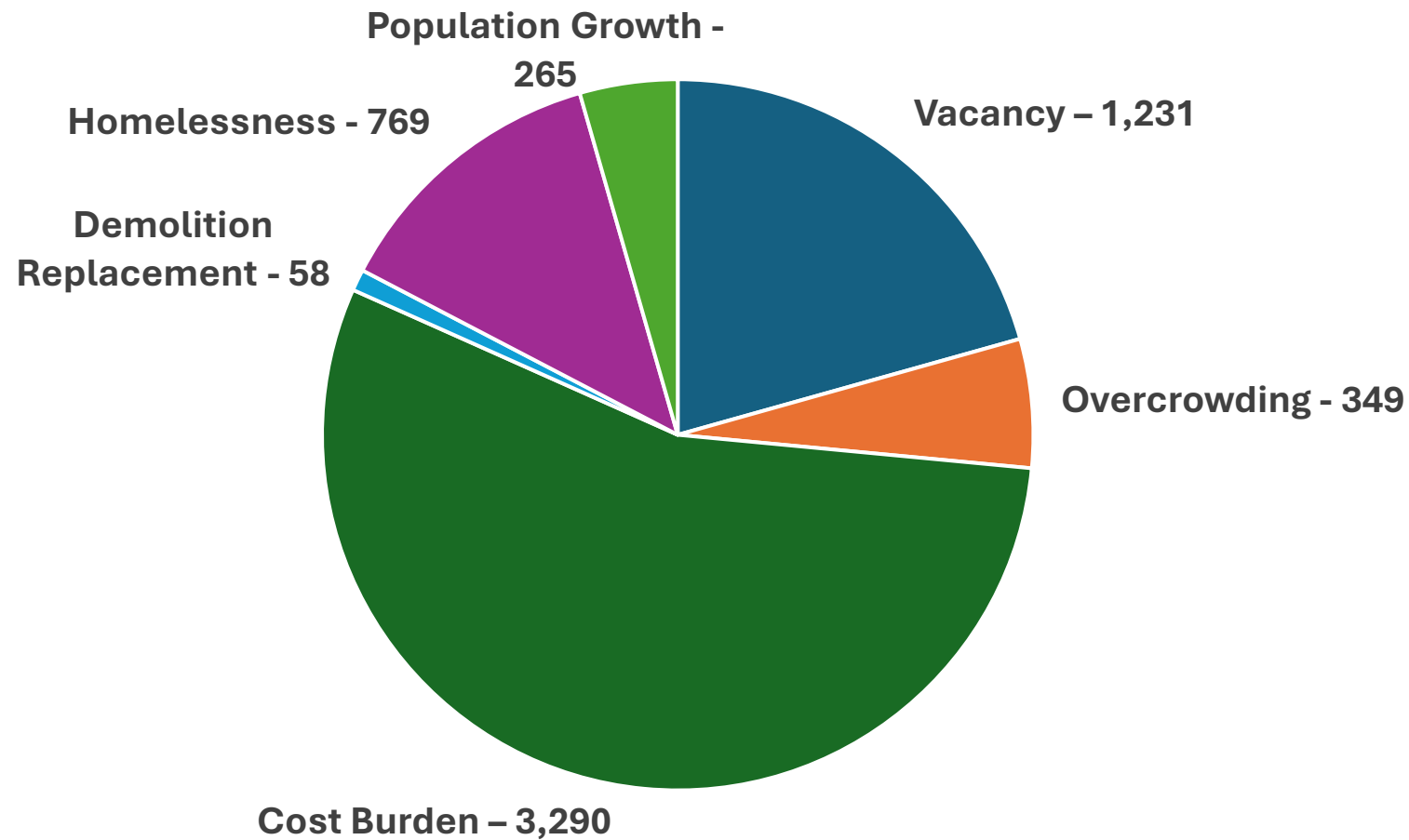
- Cost burden (line 7)
- Job/Housing Balance (lines 11&16)
- Homelessness (line 12)
- Total New Adjustment Units: 4,408

Humboldt County Association of Governments (HCAOG): June 30, 2027 – July 15, 2035 (8 years) HCD Determined Population, Households, & Housing Unit Need		
Reference No.	Steps Taken to Calculate Regional Housing Need	Amount
1.	<b>Population: June 30, 2035 (DOF June 30, 2035 projection adjusted + 0.5 months to July 15, 2035)</b>	131,962
2.	- <i>Group Quarters Population: June 30, 2035 (DOF June 30, 2035 projection adjusted + 0.5 months to July 15, 2035)</i>	-4,813
3.	<b>Household (HH) Population</b>	127,149
4.	<b>Projected Households</b>	<b>58,396</b>
5.	+ Owner Vacancy Adjustment (0.99%)	+324
	+ Renter Vacancy Adjustment (3.55%)	+907
6.	+ Overcrowding Adjustment	+349
7.	+ Cost-burden Adjustment	+3,639
8.	- Cost-burdened and Overcrowded Households (DOF data)	-349
9.	+ Replacement Adjustment Demolitions (.10%)	+58
10.	+ Replacement Adjustment Seasonal, Recreational, and Occasional Use (2015 vs. 2023) (0.0%)	+0
11.	+ Jobs Housing Relationship Adjustment	+0
12.	+ Homelessness Adjustment	+769
13.	+ State of Emergency Adjustment	+0
14.	- <i>Occupied Units (HHs) estimated projected June 30, 2027 (from DOF data)</i>	-58,131
15.	<b>Preliminary Regional Housing Need (Not including Replacement Adjustment Seasonal, Recreational, and Occasional Use)</b>	<b>5,962</b>
16.	+ Feasible Jobs/Housing Balance Adjustment	+0
<b>Total</b>	<b>7<sup>th</sup> Cycle Regional Housing Need Assessment (RHNA)</b>	<b>5,962</b>



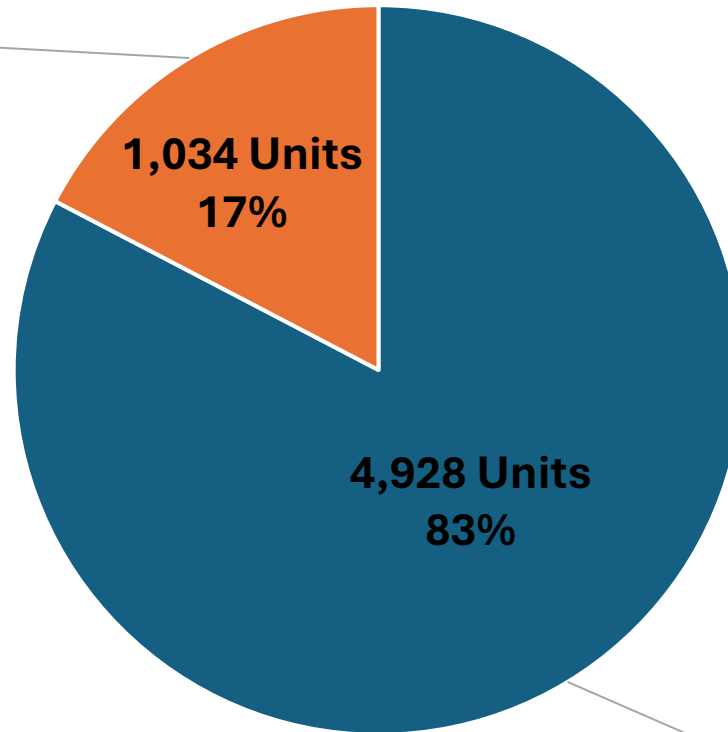


# RHNA – Housing Units by Adjustment



# RHNA – Housing Units by Need

Population Growth and  
Homelessness



Unhealthy Housing Market

**Note:** Projected Population Growth of ~400 from 2027-2035 (Department of Finance Table P-2A)



# RHNA Determination by Income

- Acutely Low income: 0%-15% Humboldt's median family income (MFI) of \$88,300
- Extremely-Low income: 15%-30% of MFI
- Very-Low income: less than 50% of MFI
- Low income: 50% to 80% of MFI
- Moderate income: 80% to 120% percent of MFI
- Above Moderate income: above 120% MFI

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
<b>Total</b>	<b>100.0%</b>	<b>5,962</b>



# Comparison of Past RHNA Allocations

Cycle	Planning Period (PP)	HCD Allocation	Annualized RHNA
2	12/31/90-6/30/97 6.5 Years	5,984	921/year
3	12/31/00-6/30/08 7.5 Years	3,975	530/year
4	12/31/06-6/30/14 7.5 Years	4,747	633/year
5	12/31/13-6/30/19 5.5 Years	2,060	375/year
6	12/31/18-8/31/27 8.7 Years	3,390	390/year
7	6/30/2027-7/15/2035 8 Years	5,962	745/year



# Allocation Methodology





# Methodology Requirements

- Must satisfy 5 RHNA Objectives
- Must consider factors listed in California Code Section 65584.04(d)
- HCAOG required to survey local jurisdictions



# RHNA Objectives (summarized)

1. Increase housing supply and mix in all areas equitably
2. Promote infill development and work toward regional GHG targets
3. Improve intraregional jobs/housing mix
4. Improve housing type (cost) diversity
5. Further state fair housing goals

**Goal New to  
Cycle 7**



# Methodology Factors(summarized)

- The jurisdictions jobs and housing relationship
- Constraints due to sewer, water, land suitability or preservation, evacuation route constraints, or climate change risks
- Household growth opportunities to maximize the use of public transportation and existing transportation infrastructure
- Agreements between a county and cities in a county to direct growth toward incorporated areas of the county
- The loss of units contained in assisted housing developments
- High housing cost burdens (rate of households paying over 30% and over 50% for housing)
- The rate of overcrowding
- Housing needs for farm workers
- Housing needs generated by Cal Poly Humboldt
- Housing needs for homeless population
- Loss of housing units during a state of emergency as declared by the Governor that have yet to be rebuilt
- The region's greenhouse gas emissions targets
- Any other factors that should be considered or adopted by the Council of Governments.



# Methodology Factor Survey and Responses

- Survey sent to local agencies on July 10<sup>th</sup>
- Received responses from Arcata, Trinidad, and Ferndale. All agencies cite cost-burden and housing shortage issues. Other issues of note include:
  - Trinidad
    - Faces utility capacity constraints
    - Has a need for affordable housing to service jobs (most of which are lower-wage)
  - Arcata
    - High housing demand, including for Cal Poly Humboldt
  - Ferndale
    - Has need for farmworker housing due to proximity to dairies
    - Would like to attract more business and housing for families
    - Is not serviced by transit

Survey of RHNA Data

*As part of the Regional Housing Need Allocation (RHNA) process, HCAOG is required to survey local governments for information on specific factors to be considered in developing the allocation methodology. By law, none of the information may be used as a basis for reducing the total housing need established for the region.*

*(Fill in form online and email to [brendan.kydd@hcaog.net](mailto:brendan.kydd@hcaog.net) with a copy to [amy.eberwein@hcaog.net](mailto:amy.eberwein@hcaog.net))*

Jurisdiction:

Name/Title:

(1) Your jurisdiction's existing and projected jobs and housing relationship

(2) Constraints due to sewer, water, developable land suitability or preservation issues, emergency evacuation route capacities, or climate change risks

(3) The distribution of household growth that provide opportunities to maximize the use of public transportation and existing transportation infrastructure



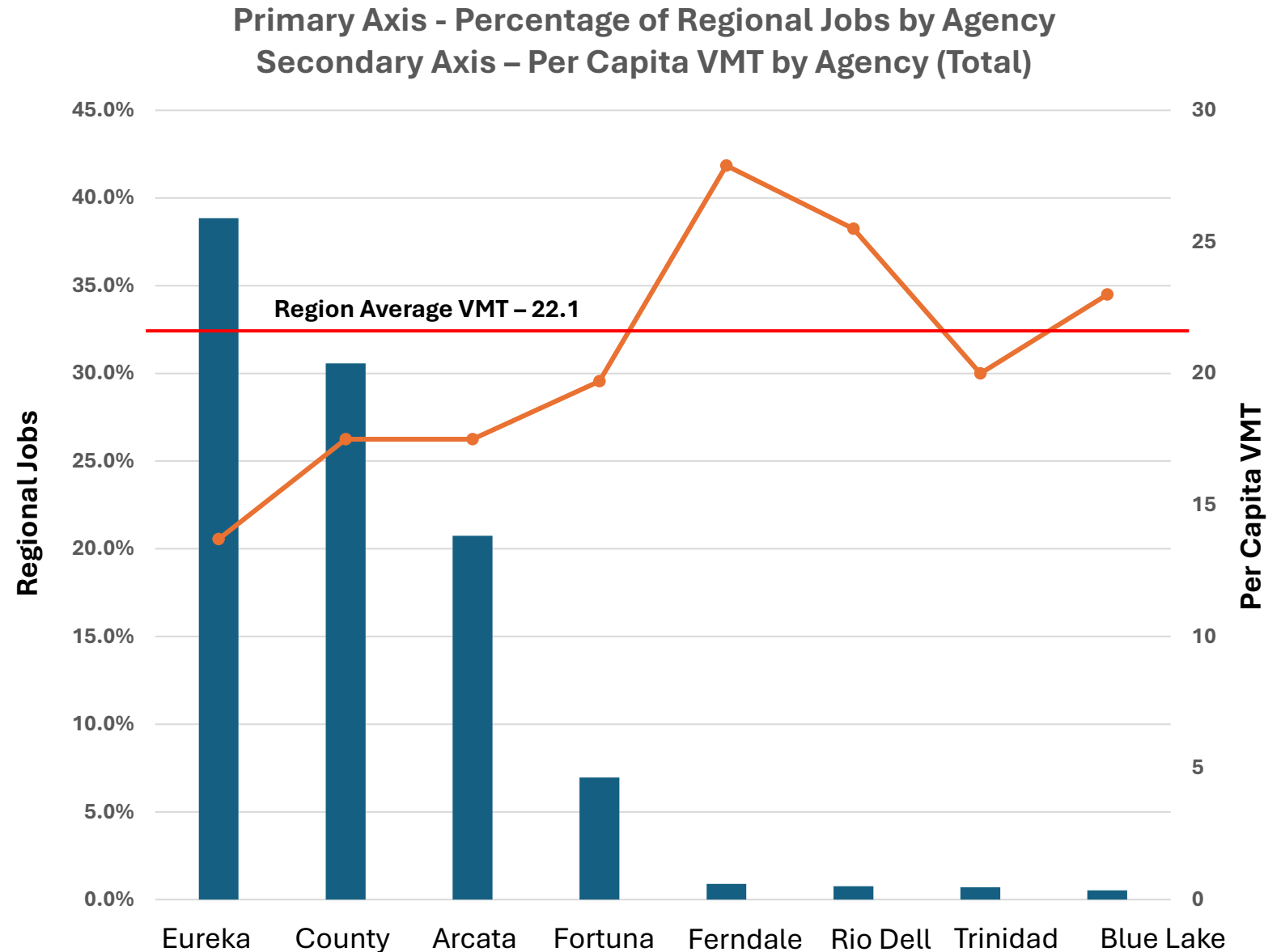
# Regional Working Group and Variables Considered

- RHNA working group convened including HCAOG staff Community Development staff from all local agencies
- Reviewed RHNA objectives, allocation method, and allocation factors
- Considered more ‘complex’ allocation method which could include factors such as site ***suitability, opportunity score, or VMT***
- After several meetings, working group staff recommend continuing allocation methodology that ***uses agency population and jobs statistics***



# Jobs

- Promotes jobs/housing balance
- Leverages existing infrastructure investments
- Job centers are also low VMT areas



## Notes:

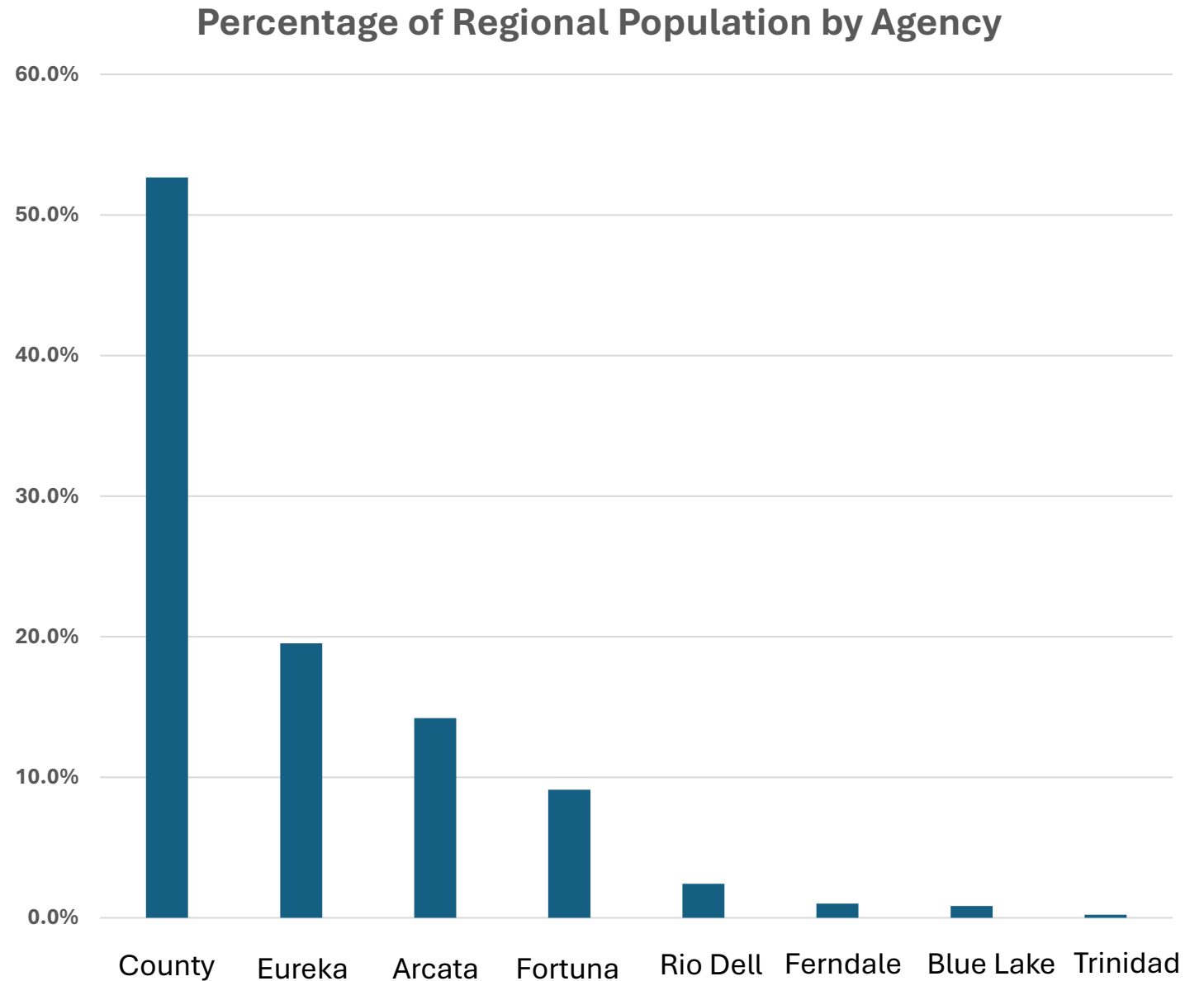
1. VMT Data from VMTIndex (Fehr & Peers)
2. County VMT data includes developed census blocks from Humboldt Hill to McKinleyville





# Population

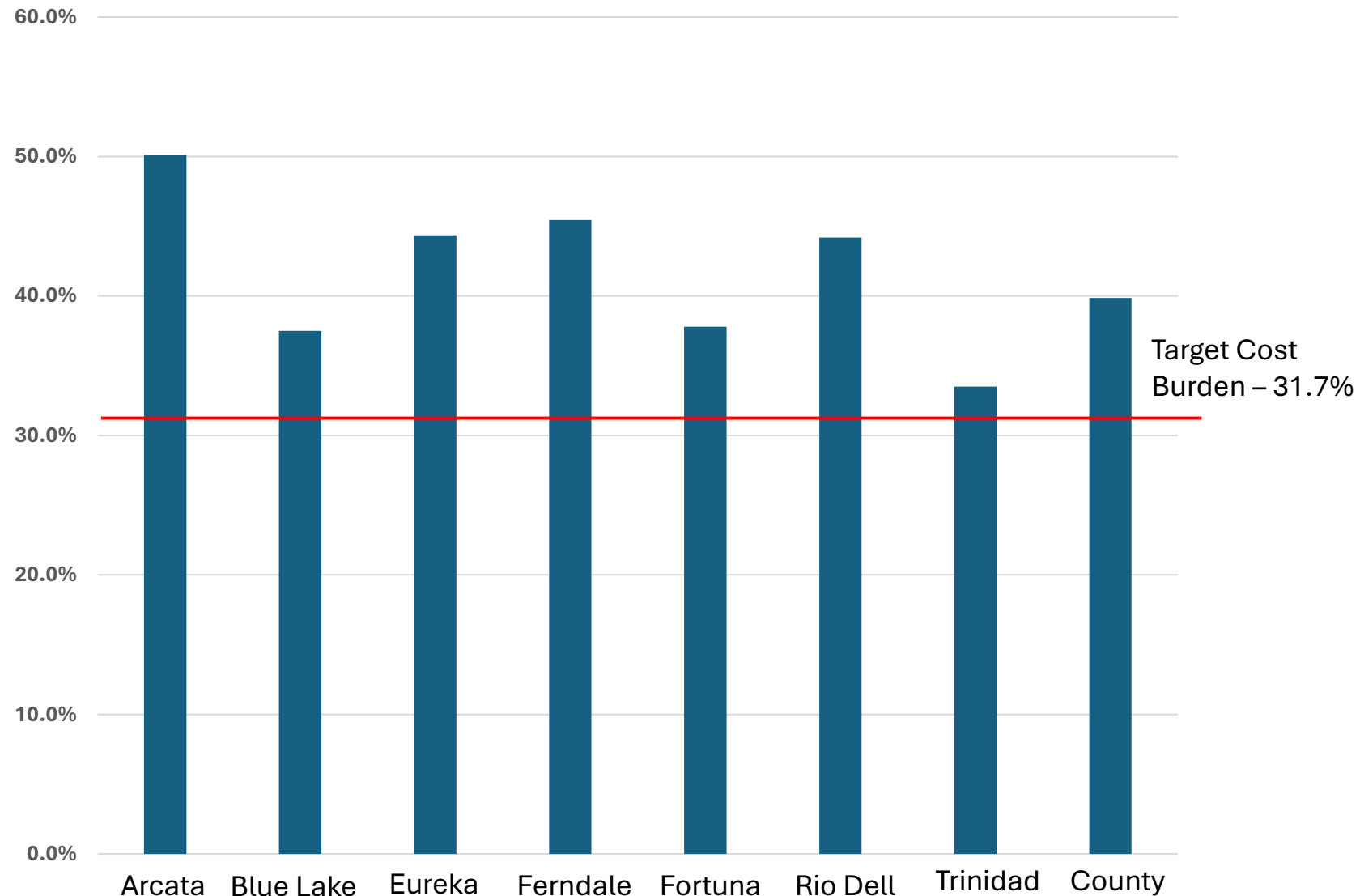
- Improves housing stock in all jurisdictions (addresses vacancy and cost burden issues)
- Promotes housing diversity and opportunity in all jurisdictions by adding units proportional to agency size



# Population Allocation to Address Market Factors and Housing Opportunity

- 83% of Humboldt's RHND units come from local housing marking availability and affordability
- Review of agency-specific cost burden and vacancy rates show the issue is common to all Humboldt jurisdictions
- Based on mapped opportunity scores, housing opportunity should be provided in many smaller agencies

Percentage of Cost-Burdened Households by Agency



Opportunity Score	7.0	7.7	3.1	6.3	5.6	5.5	7.5	5.4
Vacancy Rate	6.8%	4.9%	6.9%	13.8%	5.8%	7.9%	27.7%	11.0%



# Alternative 1 – 50% Jobs/50% Population

Agency	2022 Employment Data	DOF Population (1/1/2012)	Jobs Distribution	Population Distribution	Jobs-Pop Allocation %	Jobs-Pop RHNA
Arcata	9,839	19,001	20.7%	14.2%	17.5%	1,042
Blue Lake	252	1,136	0.5%	0.8%	0.7%	41
Eureka	18,424	26,122	38.8%	19.5%	29.2%	1,740
Ferndale	427	1,361	0.9%	1.0%	1.0%	57
Fortuna	3,300	12,198	7.0%	9.1%	8.0%	479
Rio Dell	359	3,232	0.8%	2.4%	1.6%	95
Trinidad	330	296	0.7%	0.2%	0.5%	27
Unincorporated County	14,501	70,471	30.6%	52.7%	41.6%	2,481
<b>Totals</b>	<b>47,432</b>	<b>133,817</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5,962</b>



## Alternative 2 – 60% Jobs/40% Population

Agency	2022 Employment Data	DOF Population (1/1/2012)	Jobs Distribution	Population Distribution	Jobs-Pop Allocation %	Jobs-Pop RHNA
Arcata	9,839	19,001	20.7%	14.2%	18.1%	1,081
Blue Lake	252	1,136	0.5%	0.8%	0.7%	39
Eureka	18,424	26,122	38.8%	19.5%	31.1%	1,855
Ferndale	427	1,361	0.9%	1.0%	0.9%	56
Fortuna	3,300	12,198	7.0%	9.1%	7.8%	466
Rio Dell	359	3,232	0.8%	2.4%	1.4%	85
Trinidad	330	296	0.7%	0.2%	0.5%	30
Unincorporated County	14,501	70,471	30.6%	52.7%	39.4%	2,350
<b>Totals</b>	<b>47,432</b>	<b>133,817</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5,962</b>



# Recommended Alternative

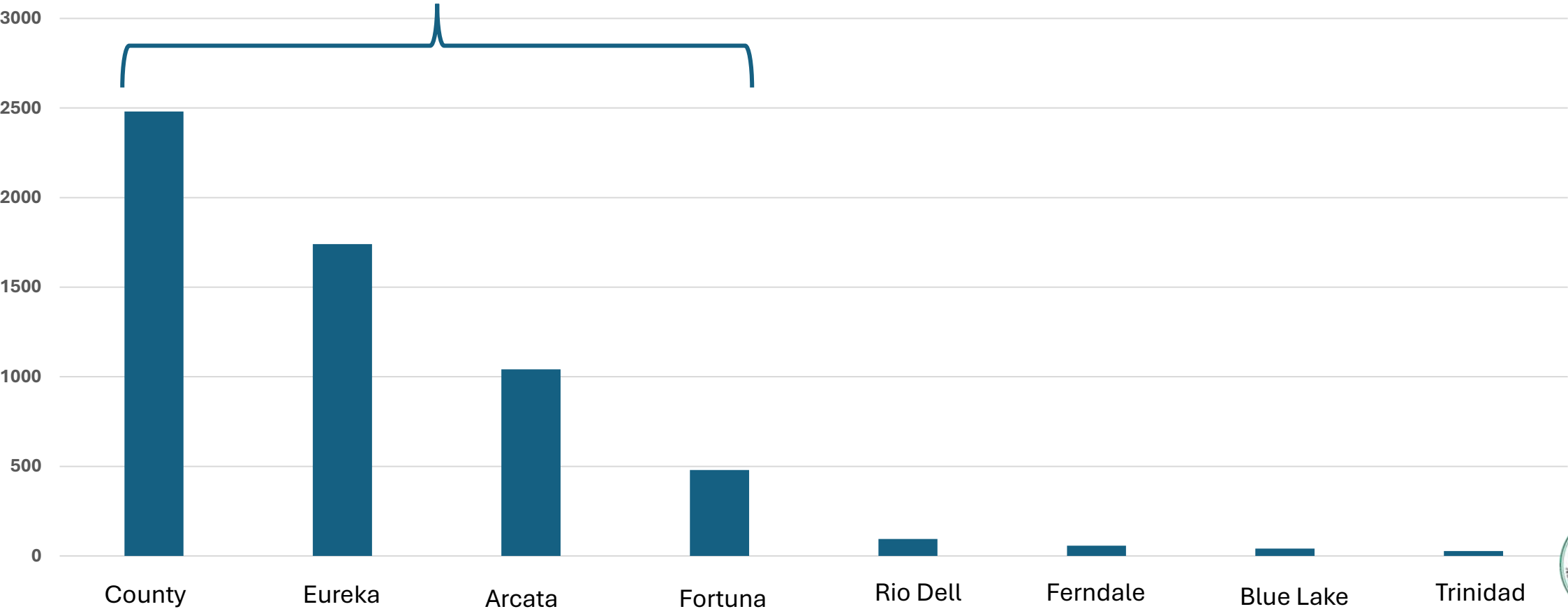
- **Alternative 1** – weighing agency jobs and population each at 50%
- Why?
  - Allocates 50% of RHND (~3,000 units) based on infill and climate goals (jobs)
  - Allocates 50% of RHND (~3,000 units) based on HCD-identified housing market inadequacies, allows for further housing diversification across the region



Recommended  
Alternative 1 –  
Units/Agency

# Allocation vs Job Centers

97% of Regional Jobs/ 96% of Allocated Units

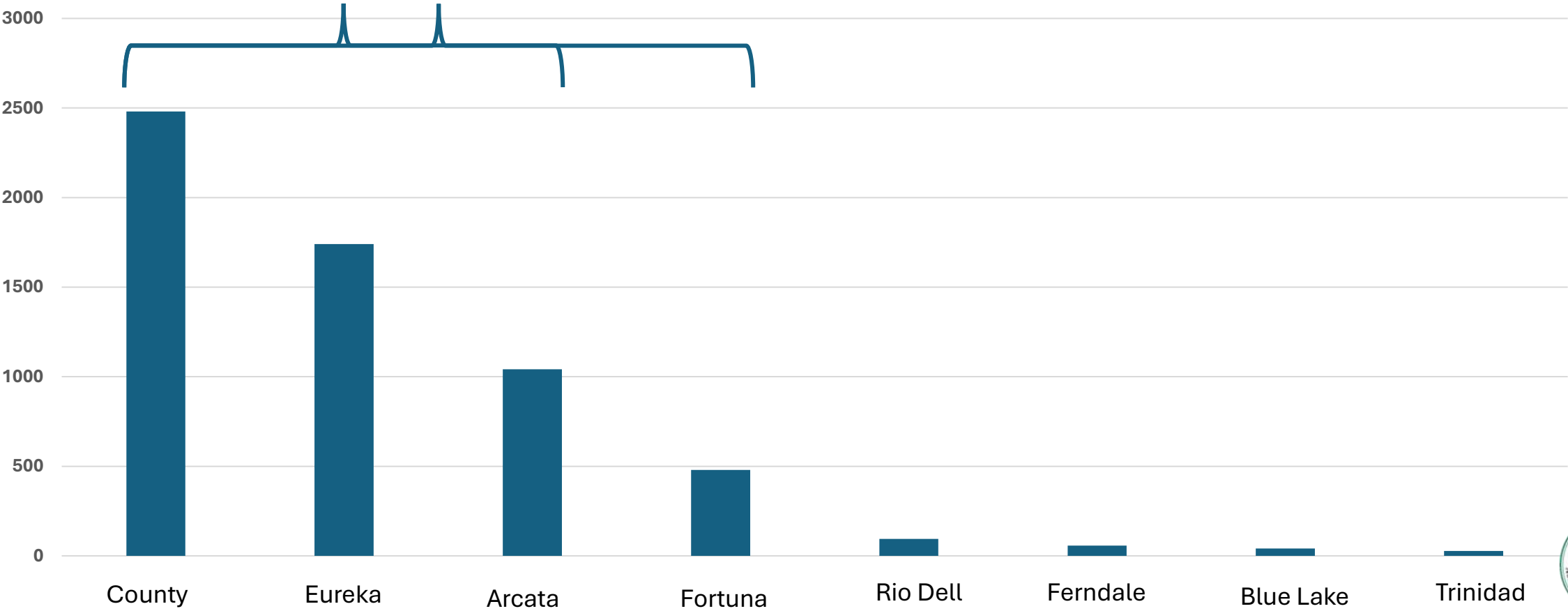




Recommended  
Alternative 1 –  
Units/Agency

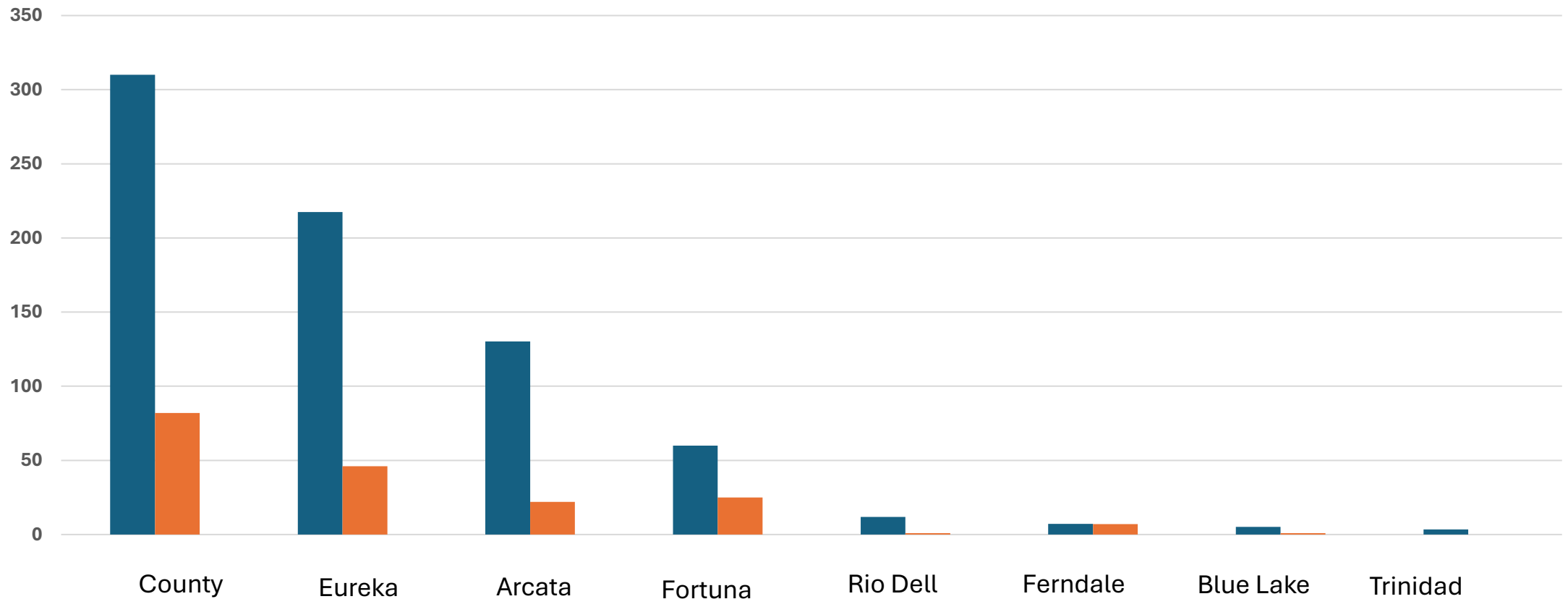
# Allocation vs VMT (infill)

VMT's 12%–38% below Regional Average, 88%–96% of Allocated Units



# Cycle 7 RHNA vs Local Housing Unit Development

Annualized RHNA Allocation vs 2024 Agency Housing Units Built



# Income Category Distribution

- Second portion of RHNA Allocation Method is to distribute total jurisdictional allocation across 6 income categories
- Goal is to move toward regional housing balance and diversity
- Units assigned to each agency and each income category based on:

***Total Units in Income Category*** = *Total Allocation* x (*Regional Average % of Units in Income Category X* ± 20%(*Regional Average % of Units in Income Category* – *Agency % of Units in Income Category*))

- Staff propose to increase Income Category Adjustment Factor to 20% (10% used in RHNA Cycle 6)



# Income Category Distribution Recommendation

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
<b>Total</b>	<b>562</b>	<b>866</b>	<b>627</b>	<b>1,064</b>	<b>565</b>	<b>2,278</b>	<b>5,962</b>



# Timeline

**HCD Pre-Consultation**

**Allocation Method Development and Adoption**

**60-day Public/Agency Review and Comment Period**

May

June

July

August

September

October

November

December

**Survey Sent to  
Local Agencies  
July 10<sup>th</sup>**

**RHND  
Received  
July 15<sup>th</sup>**

**Allocation  
Method to Board  
September 18<sup>th</sup>**

**Public Hearing on  
Allocation Methods  
October 16<sup>th</sup>**

**Allocation Method  
Approved by Board  
December 18<sup>th</sup>**



# Response to Comments Received

- Cost-burden, vacancy, and overcrowding should be measured directly (not through population)
- Sewer and water constraints should be considered
- Account for the housing needs of Cal Poly Humboldt



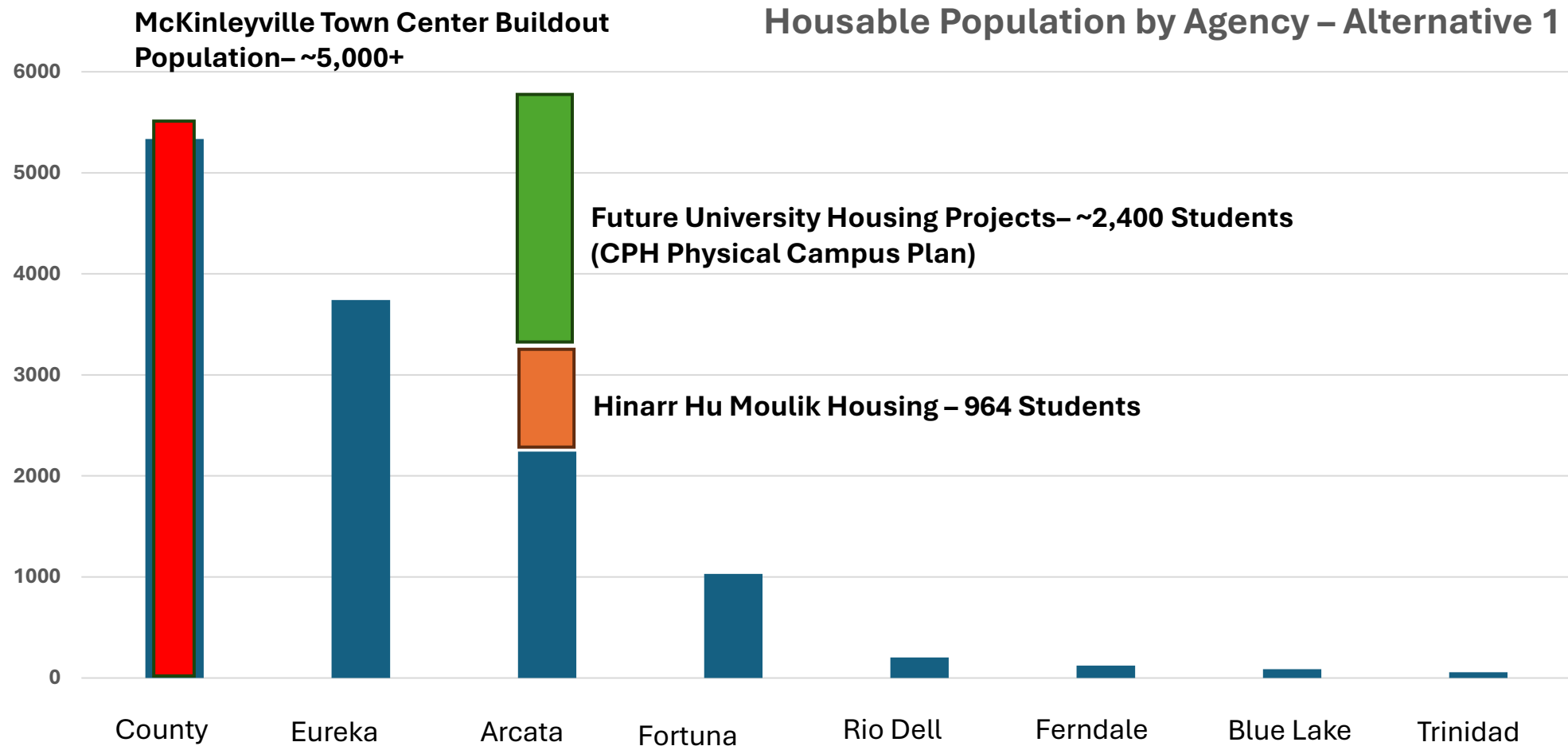


# Response to Comments Received – Utility Capacity

- Allocation method does not account for utility capacity, but utility capacity is a key consideration of housing planning
- Regional planning staff work with technical staff to verify capacity
- HCAOG staff have had conversations with technical staff at all agencies, who have indicated ability to service proposed RHNA demands



# Response to Comments Received – CPH Housing Needs



# Staff Recommended Motion

- Identify Alternative 1 as the Preferred RHNA Allocation Method
- Increase Income Category Adjustment Factor to 20%



# Questions?



# Income Category Distribution - Example

*Total Units in Income Category*  
*= Regional Average % of Units in Income Category X*  
*± 20%(Regional Average % of Units in Income Category – Agency % of Units in Income Category)*

**Agency – Arcata**

**Income Category – Above Moderate**

**Regional Average % of Housing Type – 38.2%**

**Agency % of Housing Type – 31.1%**

**Arcata Above Moderate Units Assigned =  $1,042 \times (38.2\% + 20\% \times (38.2\% - 31.1\%)) = 413$**

**Arcata's effective allocation % = 39.6%**

**Note:** without any adjustment unit assignment would be 398

Adjustment Factor 120%

## 50% Jobs 50% Population – 20% Adjustment Factor

Acutely Low							Extremely Low						
Jurisdiction	Acutely Low (0% - 15% MHI)	Adjustment to Regional Goal	Income Allocation Using Adjustment	Jurisdictional Adjustment to Meet HCD Target	Income Level Allocation	% above/below regional target	Jurisdiction	Extremely Low (15% - 30% MHI)	Adjustment to Regional Goal	Income Allocation Using Adjustment	Jurisdictional Adjustment to Meet HCD Target	Income Level Allocation	% above/below regional target
Arcata	13.3%	8.6%	90.0		90.0	3.9%	Arcata	19.2%	13.6%	142	-7	135.0	4.6%
Blue Lake	22.8%	6.7%	3.0		3.0	13.4%	Blue Lake	5.5%	16.3%	7		7.0	-9.1%
Eureka	8.6%	9.6%	167.0	8	175.0	-0.8%	Eureka	14.1%	14.6%	254	4	258.0	-0.4%
Femdale	6.5%	10.0%	6.0	2	8.0	-2.9%	Femdale	16.6%	14.1%	8	-2	6.0	2.1%
Fortuna	9.6%	9.4%	45.0		45.0	0.1%	Fortuna	14.4%	14.5%	70		70.0	-0.1%
Rio Dell	12.8%	8.7%	8.0		8.0	3.4%	Rio Dell	15.0%	14.4%	14		14.0	0.5%
Trinidad	8.3%	9.7%	3.0	1	4.0	-1.2%	Trinidad	5.4%	16.4%	4		4.0	-9.2%
Unincorporated County	10.4%	9.2%	229.0		229.0	0.9%	Unincorporated County	12.7%	14.9%	370	2	372.0	-1.9%
Average/Sum	9.4%		551.00	11	562.00	16.9%	Average/Sum	14.5%		869.00	-3	866.00	
RHNA Target	562		(11)				RHNA Targets	866		3			
Very Low							Low						
Jurisdiction	Very Low (30% - 50% MHI)	Adjustment to Regional Goal	Income Allocation Using Adjustment	Jurisdictional Adjustment to Meet HCD Target	Income Level Allocation	% above/below regional target	Jurisdiction	Low (50% - 80% MHI)	Adjustment to Regional Goal	Income Allocation Using Adjustment	Jurisdictional Adjustment to Meet HCD Target	Income Level Allocation	% above/below regional target
Arcata	11.3%	10.3%	108	-5	103	0.8%	Arcata	16.1%	18.1%	189	12	201.0	-1.7%
Blue Lake	9.6%	10.7%	4		4	-0.9%	Blue Lake	18.3%	17.7%	7		7.0	0.5%
Eureka	11.0%	10.4%	181	-2	179	0.5%	Eureka	18.6%	17.6%	307		307.0	0.8%
Femdale	13.4%	9.9%	6		6	2.9%	Femdale	19.4%	17.5%	10		10.0	1.6%
Fortuna	10.8%	10.4%	50		50	0.3%	Fortuna	17.6%	17.8%	85	8	93.0	-0.2%
Rio Dell	15.1%	9.6%	9	-1	8	4.6%	Rio Dell	21.1%	17.1%	16		16.0	3.3%
Trinidad	3.7%	11.9%	3	2	5	-6.8%	Trinidad	16.0%	18.2%	5	2	7.0	-1.8%
Unincorporated County	8.2%	11.0%	272		272	-2.3%	Unincorporated County	21.5%	17.1%	423		423.0	3.7%
Average/Sum	10.5%		633.00	-6	627.00		Average/Sum	17.8%		1,042.00	22	1,064.00	
RHNA Targets	627		6				RHNA Targets	1,064		(22)			
Moderate							Above Moderate						
Jurisdiction	Moderate (80% - 120% MHI)	Adjustment to Regional Goal	Income Allocation Using Adjustment	Jurisdictional Adjustment to Meet HCD Target	Income Level Allocation	% above/below regional target	Jurisdiction	Above Moderate (120% < MHI)	Adjustment to Regional Goal	Income Allocation Using Adjustment	Jurisdictional Adjustment to Meet HCD Target	Income Level Allocation	% above/below regional target
Arcata	9.0%	9.6%	100		100	-0.5%	Arcata	31.1%	39.6%	413		413	-7.1%
Blue Lake	10.6%	9.3%	4		4	1.1%	Blue Lake	33.2%	39.2%	16		16	-5.0%
Eureka	9.1%	9.6%	167	4	171	-0.4%	Eureka	38.6%	38.1%	663	-13	650	0.4%
Femdale	11.5%	9.1%	5		5	2.0%	Femdale	32.6%	39.3%	22		22	-5.6%
Fortuna	9.3%	9.5%	46		46	-0.2%	Fortuna	38.3%	38.2%	183	-8	175	0.1%
Rio Dell	10.9%	9.2%	9	1	10	1.4%	Rio Dell	25.2%	40.8%	39		39	-13.0%
Trinidad	10.1%	9.4%	3		3	0.6%	Trinidad	56.5%	34.5%	9	-5	4	18.3%
Unincorporated County	11.4%	9.1%	226		226	1.9%	Unincorporated County	36.0%	38.6%	959		959	-2.2%
Average/Sum	9.5%		560.00	5	565.00		Average/Sum	38.2%		2,304.00	-26	2,278.00	
RHNA Targets	565		(5)				RHNA Targets	2,278		26			