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February 12, 2025

Brendan Byrd, PE
Executive Director
Humboldt County Association of Governments
611 I Street, Suite B
Eureka, CA 95501

Dear Brendan Byrd,

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft Humboldt County Association of Governments (HCAOG) Seventh Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodologies to determine whether a methodology furthers the statutory objectives described in Government Code Section 65584(d).

The draft HCAOG RHNA methodology begins with the total regional determination provided by HCD of 5,962 units. HCAOG uses a two-step methodology, which first assigns a total number of units to each jurisdiction based on weighted factors, and then distributes those units to each jurisdiction by income category.

The first weighted factor HCAOG uses to distribute the RHNA is based on each jurisdiction's estimated 2025 population. HCAOG allocates 50 percent of the regional RHNA using this factor. The second weighted factor is based on the total number of jobs within each jurisdiction, which HCAOG uses to allocate the remaining 50 percent of the regional RHNA[1]. Once the initial jurisdictional allocations have been completed, HCAOG begins step two.

For step two, HCAOG takes the results of the first step and uses two separate methods to allocate the RHNA by income category: one for the lower-income RHNA[2] and one for the higher income RHNA[3].

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[1] The jobs data is obtained from the United States Census Bureau Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics for 2022.
[2] Lower Income RHNA includes the following income categories: acutely low, extremely low, very low, and low income.
[3] Higher Income RHNA includes the following income categories: moderate and above moderate income.

To assign the lower-income RHNA, HCAOG calculates the percentage of households in each jurisdiction that fall into the lower-income category and multiplies it by the jurisdiction's total RHNA allocation from step one. This initial allocation is then adjusted in two steps with different weighting:

- 30 percent based on a comparison between the countywide opportunity score[4] and the jurisdictional opportunity score.
- 70 percent based on a comparison between the countywide average work-based VMT and the jurisdictional work-based VMT[5].

The method for allocating higher-income units subtracts the lower-income RHNA (as determined above) from the jurisdiction's total RHNA allocation to arrive at the higher-income RHNA.

The final step in the HCAOG methodology is to assign each jurisdiction's total lower- and higher- income RHNA to individual income categories. HCAOG allocates the RHNA by income category by comparing the percentage of a jurisdiction's population in each income category to the regional average in that income category. Based on this comparison, HCAOG adjusts a jurisdiction's RHNA according to how much it is above or below the regional average, ensuring that the total regional allocation by income category is met. This adjustment may result in minor increases or decreases in a jurisdiction's RHNA for each income category.

HCD has completed its review of the methodology and finds that the draft HCAOG RHNA Methodology furthers the statutory objectives described in Government Code section 65584(d).[6] HCAOG's draft methodology directs more RHNA units – particularly lower income units – to jurisdictions with incomes above 80 percent of the region's median, to jurisdictions with more single family homes, to jurisdictions with higher home values and rental costs, and to jobs-rich jurisdictions with greater access to jobs via transit and lower average vehicle miles traveled (VMT).

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households. The regional housing needs allocation plan shall allocate units for extremely low and acutely low income households in a manner that is roughly proportional to, and within a range of 3 percent of, the housing

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[4] Opportunity score is obtained from the TCAC/HCD Opportunity Maps, specifically the COG Geography version, which can be accessed here: COG Geography TCAC/HCD Opportunity Map - Composite Score (2025) - Overview
[5] Work based VMT data was obtained from Fehr and Peer VMT Index Mapping Tool.
[6] While HCD finds this methodology furthers statutory objectives, applying this methodology to another region or cycle may not necessarily further the statutory objectives as housing conditions and circumstances may differ.

need for very low income households.

On a per-household basis, the draft methodology allocates slightly more lower-income units to jurisdictions with fewer lower-income households. Higher-income jurisdictions receive a greater proportion of the lower-income RHNA. Jurisdictions with a higher percentage of single-family homes and a greater share of owner-occupied households receive proportionally more lower-income RHNA. Additionally, jurisdictions with higher gross median rents receive a larger share of the regional RHNA allocation. Finally, the regional housing needs allocation plan allocates units for extremely low- and acutely low-income households in a manner that is roughly proportional to the housing need for very low-income households.

2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The draft methodology promotes infill development and efficient development patterns by ensuring that jurisdictions with lower VMT receive a larger share of the regional RHNA allocation. On a per-households basis, the draft methodology allocates more of the regional RHNA to jurisdictions with the largest number of jobs accessible within a 60-minute commute via transit and automobile.

3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

On average, jurisdictions within Humboldt County have a jobs-to-housing ratio of between 0.18 and 1.56, where a ratio of one means there is one job per household. The draft methodology generally allocates more RHNA to jurisdictions with a higher share of the regional jobs. It assigns a significantly larger proportion of the regional RHNA to jurisdictions with the highest jobs-to-housing ratios, ensuring that more housing units are directed to areas with the greatest employment opportunities. Furthermore, nearly 60 percent of jobs within Humboldt County are concentrated within two jurisdictions, Arcata and Eureka. Accordingly, the draft methodology allocates a higher share of the regional RHNA to these jurisdictions, thereby improving the intraregional relationship between jobs and housing. Finally, the draft methodology allocates more of the lower income RHNA on a per-household basis to jurisdictions with a greater share of jobs earning less than $3,333 per month (a proxy for lower-income households).

4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

On average, jurisdictions with a larger existing share of higher-income

households[7] receive a higher allocation of lower-income RHNA in HCAOG's draft allocation methodology. In the Humboldt draft allocation methodology, jurisdictions with more higher-income households receive more lower-income RHNA. This is true for jurisdictions with a higher percentage of their households earning more than 80 percent of the area median income and more than 120 percent of the area median income. This approach helps ensure jurisdictions with concentrations of higher-income households receive more of the lower-income RHNA.

5. Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

Affirmatively furthering fair housing requires that the draft methodology improve access to opportunity within the region. In HCAOG's draft methodology, jurisdictions with greater access to opportunity receive a larger share of the lower-income RHNA. In the context of HCAOG's draft methodology, jurisdictions with a higher percentage of their population in high or highest opportunity areas, as indicated in the 2025 COG Geography TCAC/HCD Opportunity Map[8], receive a greater share of both the total and lower-income regional RHNA. This approach helps ensure that the lower-income RHNA is generally allocated to jurisdictions with the most opportunity.

Finally, HCD notes that while HCAOG's draft methodology satisfies the five objectives, regional context remains important when evaluating compliance, and what has worked for HCAOG may not work for other regions.

Finally, pursuant to Government Code section 65584.04(h), HCAOG confirmed via email on December 29, 2026, that the public comment period had closed prior to the submittal of the draft methodology to HCD.

HCD appreciates the active role of HCAOG staff in providing data and input throughout the draft HCAOG RHNA methodology development and review period. HCD especially thanks Brendan Byrd for his significant efforts and assistance.

HCD looks forward to continuing our partnership with HCAOG to help its member jurisdictions meet and exceed the planning and production of the region's housing need.

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[7] Higher income households are defined as having incomes greater than 80 percent of the area median income.
[8] Opportunity score is obtained from the TCAC/HCD Opportunity Maps, specifically the COG Geography version, which can be accessed here: COG Geography TCAC/HCD Opportunity Map - Composite Score (2025) - Overview

In the coming months, HCD, in collaboration with HCAOG members, will prepare and carry out a technical assistance plan geared to support local governments in preparing the 7th cycle of the housing elements. Further, support opportunities available for the HCAOG region this cycle include, but are not limited to:

- Prohousing Designation Program – Ongoing awards distributed over-the-counter to local jurisdictions with compliant Housing Elements and prohousing policies. Those awarded receive additional points on application processing preference when applying to housing and non-housing funding programs including the Affordable Housing & Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), and Transformative Climate Communities (TCC). HCD's Prohousing Designation Program can be found at https://www.hcd.ca.gov/planning-and-research/prohousing.

- HCD also encourages all Humboldt County local governments to consider the many other affordable housing and community development resources available to local governments, such as the Permanent Local Housing Allocation program. HCD's programs can be found at https://www.hcd.ca.gov/funding/nofa-calendar.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Taylor Price, Specialist, at taylor.price@hcd.ca.gov or Balaji Balaganesan, Senior Specialist at Balaji.balaganesan@hcd.ca.gov.

Sincerely,

Marisa Prasse

Fair Housing Section Chief