

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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August 15, 2025

Lisa Davey-Bates
Executive Director
Lake Area Planning Council
525 South Main Street, Suite B
Ukiah CA 95482

Dear Lisa Davey-Bates,

RE: Final Regional Housing Need Determination

This letter provides Lake Area Planning Council (Lake APC) with its final Regional Housing Need Determination. Pursuant to state housing element law (Gov. Code, § 65584 et seq.), the Department of Housing and Community Development (HCD) is required to provide the determination of the region's existing and projected housing need.

In assessing Lake APC's regional housing need, HCD and Lake APC staff completed a consultation process from June 2025 through August 2025 covering the methodology, data sources, and timeline for HCD's determination of the Regional Housing Need. To inform this process, HCD also consulted Walter Schwarm and Jim Miller of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **2,498** total units among six income categories for Lake APC to distribute among the region's local governments. Attachment 2 explains the methodology applied pursuant to Government Code section 65584.01. In determining the region's housing need, HCD considered all the information specified in state housing law (Gov. Code, § 65584.01(c)).

Lake APC is responsible for adopting a methodology for RHNA allocation and RHNA Plan for the *projection* period beginning June 30, 2027, and ending August 15, 2035. Pursuant to Government Code section 65584(d), the methodology to prepare Lake APC's RHNA plan must further the following objectives:

- (1) Increasing the housing supply and mix of housing types, tenure, and affordability
- (2) Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns

- (3) Promoting an improved intraregional relationship between jobs and housing
- (4) Balancing disproportionate household income distributions
- (5) Affirmatively furthering fair housing

Pursuant to Government Code section 65584.04(e), to the extent data is available, Lake APC shall consider including the factors listed in Government Code section 65584.04(e) to develop its RHNA plan. Also, pursuant to Government Code section 65584.04(f), Lake APC must explain in writing how each of these factors was incorporated into the RHNA plan methodology and how the methodology furthers the statutory objectives described above.

Government Code section 65588(e)(6) specifies the RHNA *projection* period begins December 31 or June 30, whichever date most closely preceded the previous projection period end date. The RHNA projection period end date is set to align with the planning period end date. Lake APC's local governments are responsible for updating their housing elements for the *planning* period beginning August 15, 2027, and ending August 15, 2035, to accommodate their share of new housing need for each income category. Please note, a jurisdiction authorized to permit residential development may take RHNA credit for new units approved, permitted, and/or built since the start date of the RHNA *projection* period (June 30, 2027).

As specified in Government Code section 65584.01(c), a COG may, within 30 days from the date of this letter, file an objection to HCD's determination of the region's existing and projected housing need.

HCD encourages all of Lake APC's local governments to consider the many affordable housing and community development resources available to local governments. HCD's programs can be found at <https://www.hcd.ca.gov/grants-funding/nofas.shtml>.

HCD commends Lake APC's leadership in fulfilling their important role in advancing the state's housing, transportation, and environmental goals. HCD looks forward to continued partnership with the region and in assisting in planning efforts to accommodate the region's share of housing need.

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 Kevan Rolfness, Data Specialist, at kevan.rolfness@hcd.ca.gov.

Sincerely,



Marisa Prasse
Fair Housing Section Chief

Lisa Davey-Bates, Executive Director
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Enclosures

cc: Nephele Barrett, Dow & Associates, Planning Contractor, Lake Area Planning Council
John Speka, Senior Transportation Planner, Lake Area Planning Council

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION Lake Area Planning Council (Lake APC): JUNE 30, 2027, through AUGUST 15, 2035

| INCOME CATEGORY | PERCENT | HOUSING UNIT NEED |
|-----------------|---------------|-------------------|
| Acutely Low | 9.5% | 237 |
| Extremely Low | 14.8% | 370 |
| Very Low | 11.3% | 283 |
| Low | 20.6% | 514 |
| Moderate | 16.1% | 403 |
| Above Moderate | 27.7% | 691 |
| Total | 100.0% | 2,498 |

Notes:

Income Distribution:

Income categories are prescribed by California Health and Safety Code (section 50063.5, et. seq.). Percentages are derived based on Census/ACS reported household income brackets and region's median income as determined by HCD.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION: Lake Area Planning County (Lake APC): JUNE 30, 2027, through AUGUST 15, 2035

Methodology

| Lake Area Planning Council (Lake APC): JUNE 30, 2027 - AUGUST 15, 2035 (8 years) HCD Determined Population, Households, & Housing Unit Need | | |
|---|--|---------------|
| Reference No. | Steps Taken to Calculate Regional Housing Need | Amount |
| 1. | Population: June 30, 2035 (DOF June 30, 2035, projection adjusted + 1.5 months to August 15, 2035) | 66,899 |
| 2. | - Group Quarters Population: June 30, 2035 (DOF June 30, 2035, projection adjusted + 1.5 months to August 15, 2035) | -744 |
| 3. | Household (HH) Population | 66,155 |
| 4. | Projected Households | 28,969 |
| 5. | + Vacancy Adjustment for Existing Households | +250 |
| 5. | + Vacancy Adjustment for Projected Households | +41 |
| 6. | + Overcrowding Adjustment | +250 |
| 7. | + Cost-burden Adjustment | +1,832 |
| 8. | - Cost-burdened and Overcrowded Households (DOF data) | -250 |
| 9. | + Replacement Adjustment Demolitions (0.1%) | +29 |
| 10. | + Replacement Adjustment Seasonal, Recreational, and Occasional Use (2015 vs. 2023) (0.0%) | +0 |
| 11. | + Jobs Housing Relationship Adjustment | +0 |
| 12. | + Homelessness Adjustment | +286 |
| 13. | + State of Emergency Adjustment | +79 |
| 14. | - Occupied Units (HHs) estimated projected June 30, 2027 (from DOF data) | -28,988 |
| 15. | Preliminary Regional Housing Need (Not including Replacement Adjustment Seasonal, Recreational, and Occasional Use) | 2,498 |
| 16. | + Feasible Jobs/Housing Balance Adjustment | +0 |
| Total | 7th Cycle Regional Housing Need Assessment (RHNA) | 2,498 |

Detailed background data for this chart is available upon request.

Explanation and Data Sources

- 1-4. Population, Group Quarters, Household Population, & Projected Households:
Pursuant to Government Code section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
5. Vacancy Adjustment: HCD applies a vacancy adjustment based on Lake APC's current vacancy percentage to promote healthy market vacancies that facilitate housing availability and resident mobility. Healthy vacancy rates are 2% owner and 6% renter for non-MPO regions (7% for MPO regions). There are two methodologies utilized to calculate this adjustment. The first methodology is to calculate the vacancy adjustment for existing households. The adjustment for existing households is the difference between standard 2% and 6% vacancy rates and region's current vacancy rates based on the 2019-2023 5-year American Community Survey (ACS) data. That difference is then multiplied by the number of existing households by tenure (existing households multiplied by current rates of renter and owner). For Lake APC, the existing household owner vacancy rate (2.30%) is above the healthy standard, resulting in no adjustment. The existing household renter vacancy rate (2.89%) is below the healthy standard, resulting in a 3.11% adjustment. The second methodology is to calculate the vacancy adjustment for projected households. The projected household vacancy adjustment is obtained by applying the standard 2% and 6% vacancy rates to the projected owner and renter households. The healthy vacancy rates (2% and 6%) are then multiplied by the number of projected households by tenure (projected households multiplied by current rates of renter and owner). Data is from the 2019-2023 5-year ACS and DOF.
6. Overcrowding Adjustment: Pursuant to Government Code section 65584.01(b)(1)(C), HCD uses ACS data to consider the percentage of households that are overcrowded in the region compared to the United States national average of households that are overcrowded. In regions where the overcrowding rate is greater than the U.S. national average overcrowding rate (3.4%), HCD applies an adjustment based on the amount the region's overcrowding rate exceeds the U.S. overcrowding rate. For Lake APC, the region's overcrowding rate (4.3%) is higher than the national average (3.4%), resulting in a 0.9% adjustment. Data is from the 2019-2023 5-year ACS.
7. Cost Burden Adjustment: Pursuant to Government Code section 65584.01(b)(1)(H), HCD uses ACS data to consider the percentage of households that are cost burdened in the region compared to the United States national average of households that are cost burdened. In regions where the cost burdened rate is greater than the U.S. national average rate (31.68%), HCD applies an adjustment based on the amount the region's overcrowding rate exceeds the U.S. overcrowding rate. For Lake APC, the region's cost burdened rate (38.29%) is higher than the national average (31.68%), resulting in a 6.62% adjustment. Data is from the 2019-2023 5-year ACS.

8. **Overcrowding and Cost Burden Adjustment:** To minimize double counting the housing needs of households that are both overcrowded and cost burdened, HCD has implemented an additional overcrowding and cost burden adjustment. For regions with an adjustment for both overcrowding and cost burden, a downward adjustment is applied based on the number of households that are estimated to be both overcrowded and cost burdened according to an analysis of 2023 ACS Public Use Microdata Sample File data (PUMS) provided by DOF. If the DOF data for this adjustment exceeds the individual adjustments for overcrowding or cost burden, then this adjustment is limited to the lesser of the two. This double counting consideration resulted in a 250-unit reduction.
9. **Replacement Adjustment:** HCD applies a replacement adjustment between 0.1% to 5% to the total housing stock based on the current 10-year average percent of demolitions in the region's local government annual reports to DOF. Units lost during a state of emergency declaration are not included. For Lake APC, the 10-year average was 0.1% so the adjustment of 0.1% is applied to the projected occupied households.
10. **Replacement Adjustment (Seasonal, Recreational, and Occasional Use Housing Units):** In addition to the demolition replacement adjustment, HCD also applies a replacement adjustment to account for housing units that are not available for permanent year-round occupancy. This adjustment is calculated based on the change in the percentage of housing units that are for seasonal, recreational, and occasional use per ACS data. There are two methodologies utilized to calculate this adjustment, depending on changes in the housing stock over the period of analysis. If both the total number of seasonal, recreational, and occasional use housing units and the overall housing stock increased over the relevant 8-year period, HCD calculates the adjustment based on the proportion of newly added housing units used for seasonal, recreational, or occasional purposes during that time frame. This proportion is then applied as a percentage increase to the preliminary housing need assessment. If, however, either the total number of seasonal, recreational, and occasional use housing units or the overall housing stock decreased, HCD instead compares the change in the share of seasonal, recreational, occasional use housing units to total housing units. For Lake APC, the percentage of seasonal, recreational, occasional use housing units decreased while total housing units decreased from 2015 to 2023, therefore HCD applied the methodology based on the change in the percentage share of seasonal, recreational, occasional use units. In 2015, the seasonal, recreational, and occasional use housing units made up 18.1% of total housing units. In 2023, that share of seasonal, recreational, occasional use housing units decreased to 16.2% of total housing units. Therefore, for Lake APC there was replacement adjustment (Seasonal, Recreational, and Occasional Use Housing Units). Data is 2015 and 2023 ACS 5-year estimates.
11. **Jobs Housing Relationship Adjustment:** HCD applies an adjustment based on the number of in-commuters to a region. The adjustment is calculated by dividing the number of in-commuters to the region by HCD's jobs/housing standard of 1.5. This adjustment does not include commuters entering from or leaving to states other than California. In Lake APC, the number of employed residents exceeded the number of people employed in the region, resulting in no adjustment. Data is from the US Census Bureau LEHD Origin-Destination Employment Statistics, 2022 and 2019-2023 5-year ACS.

12. Homelessness Adjustment: HCD applies an adjustment based on the housing needs of individuals and families experiencing homelessness. For non-COG regions and COGs that do not provide their own data, by default HCD uses the most recent Point-in-Time counts from the Region's Continuum of Care and DOF household formation rates. An adjustment of 286 units was applied to Lake APC using data from the Lake County Continuum of Care 2024 Point-in-Time Count and DOF household formation rates.
13. State of Emergency Adjustment: HCD used data provided by the California Governor's Office of Emergency Services (CalOES) and the California Department of Forestry and Fire Protection (CAL FIRE) pursuant to Government Code section 65584.01(b)(1)(I) to adjust for units lost due to a declared state of emergency during the previous Planning Period (since 2019). Data is from 2025. To estimate the percentage of units lost that were originally occupied, HCD uses 2019-2023 ACS data to calculate the percentage of units in the region that are temporarily occupied by persons with a usual residence elsewhere. HCD then multiplies the occupancy rate by the units lost due to a state of emergency, resulting in an adjustment of 79-unit increase to the RHNA. HCD uses the California Franchise Tax Board and CalOES list of disasters and emergency proclamations data to ensure that only units destroyed by a Governor-declared State of Emergency are utilized when calculating this adjustment.
14. Occupied Units: Reflects DOF's projected occupied units at the start of the projection period (June 30, 2027).
15. Preliminary Regional Housing Need Determination: Housing need calculated after applying factors described in Government Code section 65584.01(b). This preliminary Regional Housing Need Determination is used to evaluate feasible balance between jobs and housing and the Replacement Adjustment (Seasonal, Recreational, and Occasional Use).
16. Feasible Jobs/Housing Balance Adjustment: According to statute, the "region's existing and projected housing need shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan" (Gov. Code, § 65584.01(c)(1)). After applying the adjustments noted above, HCD compared the 7th cycle RHNA determination and the region's total occupied housing units to the Caltrans employment projections for Lake APC to determine whether a feasible balance was achieved. This analysis resulted in a jobs housing balance of 0.61 (1.64 housing units for every projected job). Because this is below the healthy rate of 1.5, no additional adjustment is needed. Data is from the 2019-2023 5-Year ACS data, US Census Bureau LEHD Origin-Destination Employment Statistics, 2022, and Caltrans, Long-Term Socio-Economic Forecasts by County, 2023.