

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

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February 12, 2025

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

Dear Lisa Davey-Bates,

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

Thank you for submitting the draft Lake Area Planning Council (Lake APC) Seventh Cycle 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 Lake APC RHNA methodology begins with the total regional determination provided by HCD, which is 2,498 units. The methodology first allocates units to each jurisdiction based on its share of Lake County's population across the six income categories. Next, the base allocation is adjusted according to each jurisdiction's existing distribution of population by median household income levels. Additional adjustments are made by comparing regional cost burden and overcrowding data with jurisdiction-specific cost burden and overcrowding data. Finally, the methodology applies a small manual adjustment to the low-income category based on each jurisdiction's opportunity score, as identified in the 2025 COG Geography TCAC/HCD Opportunity Map. As a result, the City of Clearlake received a downward adjustment in its low-income category, while the City of Lakeport and the unincorporated County received an upward adjustment in its low-income category.

**HCD has completed its review of the methodology and finds that the draft Lake APC RHNA Methodology does not further the statutory objectives described in Government Code section 65584(d).** Specifically, HCD finds that Lake APC's methodology does not further statutory objectives two, three, and five, which require the promotion of infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns and achievement of the region's greenhouse gas reductions; improved intraregional relationship between jobs and housing, improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers; and affirmatively furthering fair housing (AFFH).

Below is a summary of HCD's findings related to each of the five statutory objectives described within Government Code Section 65584(d), and explanation of HCD's determination that draft methodology fails to address and further objectives two, three and five:

*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 need for very low income households.*

The draft methodology on a per-household basis, allocates a similar share of units to each jurisdiction for both lower-income and total RHNA. Jurisdictions with a higher percentage of single-family homes and a greater proportion of owner-occupied households received proportionally more lower-income RHNA. Additionally, jurisdictions with higher gross median rents received 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 needs 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 fails to further statutorily require objective two. The methodology as submitted, does not direct higher allocations to areas of the region in infill areas with greater access to jobs and lower rates of vehicle miles traveled (VMT). Specifically, the City of Lakeport has lower annual and daily VMT compared to the City of Clearlake and the unincorporated County, yet it receives the lowest share of regional RHNA relative to its population and households. Additionally, the City of Lakeport is the jurisdiction in the region with the largest number of jobs accessible within a 60-minute commute via transit and automobile. Furthermore, the City of Lakeport has a jobs-to-housing ratio that is 2-3 times larger than that of the unincorporated County and the City of Clearlake. To promote infill development and encourage efficient development patterns, the draft methodology should be updated so that the City of Lakeport receives a proportionally larger share of the regional RHNA allocation while the City of Clearlake and the unincorporated County receive proportionally smaller allocations.

*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.*

The draft methodology fails to further statutorily required objective three. In its submitted form, Lake APC jurisdictions with a higher share of regional jobs do not receive a correspondingly higher share of the regional RHNA. The City of Lakeport has a ratio of regional jobs to regional RHNA of 2.94 (meaning 2.94 jobs per unit of RHNA allocated to the City of Lakeport), while the City of Clearlake and the unincorporated County have ratios of 0.83 and 0.85, respectively. While the City of Lakeport is a small jurisdiction when measured by the number of regional households (around 8 percent of Lake County households) it has approximately 20 percent of the regional lower income jobs and roughly 22 percent of the total regional jobs. This means that the City of Lakeport functions as a regional job center, but under Lake APC's methodology does not receive a proportional share of the allocated units. The ratios indicate that the City of Lakeport's RHNA allocation is not proportional to its share of regional jobs and that the draft methodology does not promote an improved relationship between jobs and housing commensurate with and in furtherance of objective three.

Moreover, jurisdictions in Lake APC with a higher share of regional lower-income jobs do not receive a correspondingly higher share of the regional lower-income RHNA. For example, the City of Lakeport's ratio of lower-income RHNA to jobs earning less than \$3,333 per month (a proxy for lower-income households) is 0.38 while the City of Clearlake and the unincorporated County have ratios of 0.98 and 1.23, respectively. In the current draft methodology, the City of Lakeport would receive disproportionately fewer lower-income RHNA units compared to its share of lower-income jobs. This must be corrected to provide the correct balance between jobs and housing to reflect an increase in affordable housing units in the areas with lower wage jobs.

*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<sup>1</sup> receive a greater portion of the lower-income RHNA compared to those with fewer higher-income households. Similarly, jurisdictions with a smaller share of lower-income households<sup>2</sup> tend to receive a higher portion of the lower-income RHNA than jurisdictions with more lower-income households. The methodology ensures that jurisdictions with a higher concentration of lower-income households do not receive a larger proportion of 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.*

The draft methodology fails to further statutorily require objective five. While the draft allocation methodology includes a manual adjustment that slightly increases the City of Lakeport's share of lower-income RHNA, this adjustment is minimal (six units, or roughly 0.43 percent of the total lower-income RHNA allocation to Lake APC) and insufficient to meaningfully advance AFFH within the existing draft methodology. The City of Lakeport is the jurisdiction with the highest access to opportunity and accordingly, and access to that opportunity must be furthered by increasing the number of housing units in that part of the region. Indeed, affirmatively furthering fair housing requires that the draft methodology increase access to opportunity in the region.<sup>3</sup> The draft methodology submitted proposes the opposite of what the statute requires - it allocates a proportionally larger share of the total and lower-income RHNA to the jurisdiction with the lowest access to opportunity. This must be corrected to increase the number of units in the City of Lakeport to meaningfully increase access to opportunity.

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<sup>1</sup> Higher-income household is defined as households with incomes greater than 80% of Area Median Income.

<sup>2</sup> Lower-income households is defined as households with incomes less than 80% of Area Median Income.

<sup>3</sup> Government Code section 65584(d)(5) & 65584(e)

In summary, HCD finds that pursuant to Government Code section 65584.04(i) the draft allocation methodology proposed by Lake APC fails to further statutory objectives two, three and five of RHNA and is therefore not consistent with the RHNA objectives, Government Code section 65584(d). Pursuant to Government Code section 65584.04(i)(1), Lake APC must work in consultation with HCD over the next 45 days to revise the draft methodology to further the statutory objectives to the satisfaction of HCD. Once the methodology has been satisfactorily revised, HCD will provide an acceptance letter to Lake APC pursuant to Government Code section 65584.04(i)(2). Accordingly, the revised methodology must be found to further the five statutory objectives of RHNA as outlined in Government Code section 65584(d).

HCD appreciates the dedication, responsiveness, and attentiveness of Lake APC's team during the RHNA process. We are committed to assisting Lake APC to correct the deficiencies in its methodology so that all statutory requirements of State RHNA law are fulfilled. 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](mailto:taylor.price@hcd.ca.gov) or Balaji Balaganesan, Senior Specialist at [Balaji.balaganesan@hcd.ca.gov](mailto:Balaji.balaganesan@hcd.ca.gov).

Sincerely,

Marisa Prasse



Fair Housing Section Chief

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