

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

DIVISION OF HOUSING POLICY DEVELOPMENT

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February 28, 2023

Tracey Ferguson, Director
Plumas County Planning Department
Department 555 Main Street
Quincy, CA 95971

Dear Tracey Ferguson:

RE: Final Regional Housing Need Determination and Draft Plan

This letter provides Plumas County its final Regional Housing Need Determination. Pursuant to state housing element law (Government Code section 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 and a draft Regional Housing Need Allocation (RHNA) plan to countywide regions not represented by a council of governments (COG). In assessing Plumas County's regional housing need, HCD consulted with local government staff and Walter Schwarm and Doug Kuczynski of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **191** total units among four income categories. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01. In determining the region's housing need, HCD considered all the information specified in state housing law (Gov. Code section 65584.01(c)). Attachment 3 displays HCD's methodology and draft RHNA Plan for the region, for the *projection* period beginning June 30, 2024, and ending June 30, 2029.

Gov. 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. For 5-year cycle counties, the planning period end date is five years following the housing element due date.

Plumas County local governments are responsible for updating their housing elements for the *planning* period beginning June 30, 2024 and ending June 30, 2029 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, 2024).

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION Plumas County: June 30, 2024 through June 30, 2029

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	23.3%	44
Low	16.4%	31
Moderate	18.1%	35
Above-Moderate	42.2%	81
Total	100.0%	191
* Extremely-Low	13.1%	Included in Very-Low Category

Notes:

Income Distribution:

Income categories are prescribed by California Health and Safety Code (Section 50093, et. seq.). Percentages are derived based on Census/ACS reported household income brackets and county median income. Extremely low-income percentage provided for informational purposes.

housing market cannot be less than 5%. Data is from the 2017-2021 ACS.

7. Overcrowding Adjustment: In regions where overcrowding is greater than the U.S. overcrowding rate, HCD applies an adjustment based on the amount the region's overcrowding rate (3.05%) exceeds the U.S. overcrowding rate. Data is from the 2017-2021 ACS. For Plumas, the region's overcrowding rate of 3.05% is lower than the national overcrowding rate (3.33%), resulting in no adjustment.
8. Replacement Adjustment: HCD applies a replacement adjustment between .5% and 5% to the total housing stock based on the current 10-year average of demolitions in the region's local government annual reports to Department of Finance (DOF), excluding units lost due to a state of emergency. For Plumas the 10-year average is .03%, therefore a .1% adjustment was applied.
9. Jobs Housing Relationship Adjustment: HCD applies an adjustment to account for any imbalances between jobs and housing within the region. To apply the adjustment, HCD uses 2019 LEHD Origin-Destination Employment Statistics to calculate the net number of workers commuting to Plumas County from outside the region. HCD then divides the number of workers by the healthy jobs housing balance ratio of 1.5 to calculate the number of housing units that would be needed to house these workers within the region. For Plumas, this results in no adjustment to the RHNA.
10. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2024).
11. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden for the region to the cost-burden in the nation. The cost burden rate in Plumas is lower than the cost burden rate for households in the nation, resulting in no increase to the RHNA. Data is from 2017-2021 ACS.
12. State of Emergency Adjustment: HCD used data provided by the California Governor's Office of Emergency Services (CalOES) pursuant to Government Code 65584.01(b)(1)(I) to adjust for units lost due to a declared state of emergency. Data is from 2019-2022. It includes units lost during Beckwourth, Dixie, and North Complex fires.
13. 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 Section 65584.01). After applying the adjustments noted above, HCD compared the 7th cycle RHNA determination and the region's total occupied housing units to Caltrans employment projections for Plumas County to determine whether a feasible balance was achieved. This analysis resulted in a jobs housing balance of .82 (100 housing units for every 82 projected jobs). Because this is below the healthy rate of 1.5, no additional adjustment is needed.

(MONTH DATE YEAR).

RHNA Plan Methodology

HCD considers three factors when distributing the regional housing need to local governments. HCD applies a weighting to each factor that determines how much of the total regional housing need is distributed based on this factor. The individual factors and example of their weighting is shown below for a hypothetical regional determination of 1000 units.

	Factor 1: Distribution by Household Population (-10 percent from unincorporated county)	Factor 2: Jobs/Housing Balance	Factor 3: Affirmatively Furthering Fair Housing	Total
Weighting	33%	20%	47%	100%
Units	330	200	470	1000

Once weighting of each factor is applied, HCD uses a five-step approach in distributing RHNA to local governments within the county.

First, DOF's January 1, 2022 estimates (E-5 reports available on DOF's website) were used to determine each jurisdiction's percentage of household population in the county. The RHNA for each jurisdiction was derived by multiplying the jurisdiction's percentage of household population against the total countywide RHNA. This approach is aligned with the first statutory objective, and also considers market demand for housing consistent with Gov. Code section 65584.06(b).

Second, a policy adjustment of 10 percent was applied to the unincorporated county RHNA total to decrease the unincorporated share and increase city shares to address the second statutory objective to protect agricultural resources and encourage efficient development patterns.

Below is hypothetical example of results after completing the first and second steps:

Factor 1 - Explanation	HH Population	Share	Weighted Share of RHNA	Adjustment (10%)	Weighted Share of RHNA
County	50,000	100%	330		330
City A	10,000	20%	66	+26	92
Unincorporated County	40,000	80%	264 x (.10)	-26	238

The third step applies the jobs/housing adjustment factor and is consistent with the third statutory objective. This step also takes into consideration employment opportunities and commuting patterns per Gov. Code section 65584.06(b). Data on the number of primary jobs in each jurisdiction is determined from Longitudinal Employer-Household Dynamic data from the US Census Bureau. This is compared with the total number of housing units in each jurisdiction to calculate a ratio of jobs to housing. This ratio is normalized on a scale of 1.5 to .5, with the jurisdiction with the highest jobs/housing ratio assigned a ratio of 1.5 and the jurisdiction with the lowest ratio assigned a ratio of .5. The normalized ratio is divided by the number of housing units assigned after the first and second step, then converted to a percentage. This ensures the size of the adjustment is proportional to the size of the jurisdiction.

2022 General Plan Annual Progress Report
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started on July 4, 2021 and burned 105,670 acres (over 60 structures destroyed). Perimeter containment of the Dixie Fire was achieved on October 25, 2021, and on the Beckwourth Complex on September 22, 2021.

2019-2024 Regional Housing Needs Allocation

Appendix C provides the Annual Housing Element Progress Report, as reported to HCD. The total proposed units with building permits issued in 2022 for unincorporated Plumas County was seventy-four (74), which equates to the following affordability by household income level:¹

- Very-Low Income 0
- Low Income 8
- Moderate Income 37
- Above-Moderate Income 29

The table below is an accounting of the 6th cycle planning period (December 31, 2018 – August 31, 2024) RHNA, and dwelling unit permits issued to-date, toward achieving the regional housing needs allocation, which also equates to the County's new construction quantified objective under the 2019-2024 Housing Element. Overall, and with two years left in the planning period, Plumas County has exceeded its 6th cycle housing allocation, with the exception of extremely low income.

Income Category	6th Cycle Planning Period RHNA	2019 Permits Issued	2020 Permits Issued	2021 Permits Issued	2022 Permits Issued	Total Permits Issued
Extremely Low	2	0	0	0	0	0
Very Low	3	0	0	13	0	13
Low	3	1	2	4	8	15
Moderate	2	12	13	26	37	88
Above Moderate	6	30	30	27	29	116
Total	16	43	45	70	74	232

Growth Rate

The 2020 U.S. Census reported 19,790 in total population for the unincorporated Plumas County area. This 2020 population number is a 217-person reduction from the 2010 Census, which reported a Plumas County unincorporated population of 20,007.

The County's growth rate over the past decade has been static. Largely, the California Department of Finance projects Plumas County's unincorporated area population is expected to remain static or decline by a few thousand people through 2060, lagging behind the projected positive growth rate of the state as a whole adding a few million people.

¹ Based on 2022 HCD income limits the area median income (AMI) for a family of four (4) in Plumas County was \$82,400 with Very Low Income 1–50 percent of AMI (\$40,850 or less); Low Income 51–80 percent of AMI (\$40,851–\$65,350); Moderate Income 81–120 percent of AMI (\$65,351–\$98,900); and Above Moderate Income is above 120 percent of AMI (\$98,901 or more).