



HUMBOLDT ASSOCIATION OF REALTORS® INC.

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Spencer Clifton, Executive Director
HCAOG RHNA Methodology Committee
Humboldt County Association of Governments
427 F Street, Ste. 220
Eureka, California 95501

Re: Regional Housing Needs Allocation Process – Methodology Factors

Dear Mr. Clifton and HCAOG RHNA Methodology Committee:

The Humboldt Association of REALTORS® would like to submit the following comments for your review as you develop the methodology to be utilized in the eventual creation of the Regional Housing Needs Allocation numbers. In addition to the factors which appeared to be emphasized at the January 21, 2009 HCAOG meeting, we urge you to consider the following four additional factors found in the "HCAOG Regional Housing Needs Allocation (RHNA) Plan, Entity Planning Survey":

- a. Development opportunities and constraints – capacity for sewer or water service (Survey Factor #2a)

The most serious constraint is sewer. High density housing requires sewer capacity. There are limitations to that capacity. This was identified in the County commissioned 2007 Winzler and Kelly engineering technical report. To improve the state of the sewer systems in the county and cities requires long lead times to plan, fund and build. This typically takes years. These lead times exceed this HCAOG planning period. It is impractical to assume that sewer capacities will be increased in time for enough new housing to be built to meet the RHNA numbers. (What this also means is that "non-sewered" housing, i.e. housing with septic tanks, will have to make up some of the difference.) For this reason, the sewer constraint factor should be included in your modeling.

- b. Development opportunities and constraints – availability of land suitable for urban development (Survey Factor #2b)

We note that this factor rated high among the survey responses from the jurisdictions but it appears to have been discounted at the January 21 meeting. Land availability is critical to housing. However, urban land availability is constrained by sewer capacity limitations as discussed above. If the amount of available land is limited, then land costs go up. Land is the

single largest component of housing costs. As land prices increase, housing costs increase and affordability decreases. For this reason, the availability of land factor should be included in your modeling.

c. Market demand for housing (Survey Factor #4)

It is our experience that there is high market demand for non-urban, rural and suburban housing, i.e. detached, single-family housing on individual lots. It is difficult for the cities to accommodate this type of demand due to lack of land availability. Of all the types of residential properties sold through the Humboldt Association of REALTORS® Multiple Listing Service (MLS), the detached single-family home is by far the largest category. For this reason, the market demand factor should be included in your modeling.


d. High housing costs burdens (Survey Factor #7)

Housing is expensive. This is due, in large part, to limited land availability. This applies to cities which are approaching build out and are limited by sewer capacities as mentioned previously. Strategies which require that virtually all new housing be constructed in the cities, with their limited land supply, will therefore limit housing supply. Limited supply increases costs. This burdens the public with more expensive housing. For this reason, the high housing costs burdens factor should be included in your modeling.

We would appreciate your considering the inclusion of these four factors as the RHNA methodology is developed.

Sincerely,


Victoria Copeland
Co-chairman, General Plan Subcommittee


Debbie Provolt
Co-chairman, General Plan Subcommittee

cc: HCAOG Board of Directors
Humboldt County Board of Supervisors
Humboldt County Planning Commission
Kirk Girard, Director
Michael Richardson, Planner