

**FINAL**

**Mendocino County**  
**Regional Housing Needs Plan**

Prepared by

**Mendocino Council of Governments**

Nephele Barrett  
Executive Director



For submittal to

**State of California**  
Business, Housing & Transportation Agency  
**Department of Housing & Community Development**  
Division of Housing Policy Development

Adopted

**August 20, 2018**

## Introduction

This housing needs allocation plan has been prepared by the Mendocino Council of Governments (MCOG) in response to statutory requirements, policy direction from the State of California Department of Housing and Community Development (HCD), and mandated deadlines for delivery of housing need allocation numbers to local jurisdictions within Mendocino County.

Although MCOG does not typically deal with housing issues, they have been designated by HCD as the appropriate regional agency to coordinate the housing need allocation process. The political jurisdictions that comprise the region consist of the Mendocino County unincorporated area and the Cities of Ukiah, Fort Bragg, Willits and Point Arena. Pertinent Government codes and legislation include Government Code Section 65584 and Chapter 85, Statutes of 2001.

Development of this plan began in early 2018. The process has included consultation with HCD, adoption of a methodology, forming a Methodology Committee, and consulting with other local governments, including tribal governments.

## HCD Regional Housing Need Determination

The RHNA process has been based on a total housing need assigned to the Mendocino County region by HCD. The anticipated housing need from HCD is derived using population projections from the Department of Finance. The projected population is analyzed in relation to a detailed demographic breakdown of the population to arrive at a “headship rate” for the region. The housing need is then adjusted by HCD to correct for high rates of overcrowding and low vacancy rates. MCOG received this draft Regional Housing Need Determination from HCD in March of 2018:

**Table 1**  
Draft Regional Housing Needs Determination  
December 31, 2018 through August 31, 2027

	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
Total Number	985	640	560	1660	<b>3,845</b>
Percentage	25.7%	16.7%	14.6%	43%	<b>100%</b>

The initial determination was concerning to local agencies as it was a dramatic increase from the determination for the 2013 RHNA of only 250. Although this cycle is longer than previous cycles (8.7 years compared to the previous 5.5 years), it is still an astronomical increase. Looking at the numbers on an average annual basis, the last RHNA called for approximately 45 units per year, while this draft determination calls for 442 units per year—a nearly 900% increase.

Even under typical conditions, this rate of growth would be unlikely for Mendocino County, but it is nearly impossible during the current period of fire recovery. During the tragic fires of

October 2017, about 349 homes were lost in Mendocino County. Unfortunately, the need to clean up and rebuild after the fire further limits the potential for creation of additional housing units in the region. In our rural area, there are few construction and development companies able to build homes. These resources will likely be fully utilized during rebuilding. Construction of the magnitude called for in the draft determination would require additional resources from outside areas. However, because Sonoma and Napa Counties to the south experienced a much greater loss in the fires (approximately 7000 structures lost), resources are likely to be focused in those areas which have better access to labor and materials. Given the great demand for contractors, labor and materials after the fires, Mendocino County will be challenged just to complete replacement of the destroyed homes during this RHNA cycle.

According to the DOF projections, the age groups that are expected to have the most significant growth are those 75 years and over. Unfortunately, Mendocino County does not have services that would support such a large population increase in those age categories. The region lacks the medical services that are needed by older populations, even in our more populated areas. According to the May 2016 Community Health Survey, which examined health factors across the entire county, lack of providers was the second most significant barrier to healthcare (cost being the first), with 36% of respondents citing this as a problem. As people age and become more dependent on easily accessible medical care, it is unlikely that they would choose to locate in Mendocino County. Older people also are more likely to have mobility limitations. The land that is available for development of new units tends to be outside of the few areas in which transit is available, making healthcare even less accessible. In fact, older people in our local communities often find that it is necessary to relocate outside of the county as they age in order to have better access to healthcare.

With these issues in mind, MCOG submitted an appeal of HCD's draft Regional Housing Need Determination in May 2018. In response, HCD revised the regional determination, removing the adjustments for overcrowding and low vacancy rates which had significantly affected the draft determination. In particular, HCD recognized the large differential in the 5th and 6th cycle projections as well as the struggles the region will face during fire recovery. The revised and final determination, received on July 9, 2018, is shown below:

**Table 2**  
Final Regional Housing Needs Determination  
December 31, 2018 through August 31, 2027

	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
Total Number	474	308	269	794	<b>1,845</b>
Percentage	25.7%	16.7%	14.6%	43%	<b>100%</b>

## Methodology – Background

Before moving into the methodology and process for determining the housing needs by income category, it will be instructive to review the environment within which the allocation process has been implemented.

Regulations are contained in state law that specify the development of housing needs estimates by both HCD and the responsible regional agency. These laws are updated from time to time by the State Legislature, and the response of local agencies often depends on economic and demographic statewide conditions.

The Mendocino County Regional Housing Needs Plan has been developed in accordance with Section 66584 a. of the California Government Code which reads in part... “The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, the loss of units contained in assisted housing developments, change to non low-income use through mortgage pre-payment, subsidy contract expirations, or terminations of use restrictions, and the housing needs of farm workers.”

## Forces Impacting Housing Needs in Mendocino County

### Market Demand for Housing

The housing market in Mendocino County and areas to the south have largely recovered from the housing market crash. Although housing costs in Mendocino County are not low, they remain considerably lower than those in neighboring Sonoma County, making Mendocino County a more affordable option.

### Employment Opportunities

According to the California Employment Development Department, the labor force in Mendocino County as of June 2018 is estimated at 39,430. Of that number, approximately 37,850 individuals are employed, with an unemployment rate of 4%. This is an improvement since the last RHNA cycle, at which time the unemployment rate was 9%, although the labor force for the county has declined. Areas with the highest anticipated growth for the north coast region (Lake, Del Norte, Humboldt and Mendocino Counties) through 2024 are earth drillers, roofers, dry wall installers, heating/air/refrigeration workers, and construction trade helpers. The Service Industry currently provides the largest number of jobs.

### The Availability of Suitable Sites and Public Facilities

In order to develop housing, the availability of suitable sites and public facilities plays a key role. Given the rural nature of Mendocino County, there is a significant amount of vacant land. Much of this land is constrained by a number of factors, including public ownership, zoning, lack of access or public infrastructure, environmental factors such as steep slopes or flooding, isolation/proximity to urban centers, and other factors. In those areas of the County that are urbanized, suitable sites and public facilities are more available. However, within city limits, available land is very limited. In some cases, although services and infrastructure may be

present, systems have reached their capacity and are in need of expansion. The housing elements from each of the three jurisdictions contain information and detail concerning site suitability and public facilities.

### **Commuting Patterns**

Although they do not have an impact of the same magnitude as commute patterns in more urban areas, commute patterns still play a role in shaping growth in Mendocino County. The cities of Ukiah, Fort Bragg and Willits are the primary employment centers and produce commuting patterns to and from the surrounding residential communities. In addition to commute patterns within the county, commuters from within Mendocino County are also traveling to Sonoma County and areas further south for employment. These cross county commute patterns were more carefully examined in the Wine Country Interregional Partnership Phase II Origin and Destination Study final report. The most common trip purpose identified through this report for these cross county trips was work/commute. In addition to individuals commuting from Mendocino County to Lake, there are also a considerable number that commute into Mendocino County from Lake County due to relative housing affordability in Lake County, which highlights the need for more affordable housing options within Mendocino County. Commuting patterns are influenced by other factors such as the presence of service facilities, education, and commercial shopping opportunities, which will also lead to out of county travel.

### **Type and Tenure of Housing Need**

The distribution of housing within Mendocino County is to some degree influenced by the type and tenure of housing need and is defined regionally. More agricultural areas, such as Anderson Valley, have a higher incidence of farm worker housing need than do areas along the US 101 corridor.

According to the Department of Finance *Report E-5 City/County Population & Housing Estimates*, multi-family units make up approximately 13% of the county's housing units, with the largest concentration of those units in the Ukiah area.

Mendocino County has a large senior (65 and older) population (18.9% based on 2016 data from the American Community Survey Demographic and Housing Estimates) that also significantly impacts the need for housing, as older people form households with fewer people per home. Many seniors need affordable housing due to the high cost of housing and the impact on fixed incomes. Some also need special services that can be provided in affordable housing developments. People with disabilities or special needs require safe, decent, and affordable housing. Very low income individuals rely on government assistance in order to access affordable housing, and those with large families also have unique needs.

### **Potential Loss of Units in Assisted Housing Projects**

A significant statewide housing problem is the potential loss of affordability restrictions on a substantial portion of the government assisted rental housing stock. These privately owned, multi-family rental developments provide housing for low income individuals, elderly people, and families with children. The rent restrictions and use periods for these developments vary, but there are a number of these projects which are considered to be at risk for conversion from affordable, below market rents financed with tax exempt bonds to market rate rents. Such a

change would pose a hardship for lower income households in Mendocino County as well as statewide.

### Housing Needs of Farm Workers

According to Economic Development Department data, an annual average of 1,380 farm workers were employed in Mendocino County in 2017, with a high of 1,620 during peak season. In 2007, the County of Mendocino conducted a housing and transportation needs assessment for agricultural workers. In a survey conducted as part of the assessment, 90% of respondents cited Mendocino County as their permanent place of residence, while the other 10% traveled from into the County from other jurisdictions. Nearly 1 in 3 responding households (31%) reported the presence of children under the age of 18. Nearly half (46%) of households reported three or more children. There is a clear need for safe, decent, convenient farm worker housing, both for individuals and families, within Mendocino County.

### Population

Table 2 presents the population change for each of the five jurisdictions between 2000 and 2018.

**Table 3**  
Population Change 2000-2018

Jurisdiction	2000 Pop.	2010 Pop.	2018 Pop. Estimate
Ukiah	15,497	16,075	16,226
Fort Bragg	7,026	7,273	7,512
Willits	5,073	4,888	5,128
Point Arena	474	449	448
Unincorporated County	58,195	59,156	59,985
<b>TOTALS</b>	<b>86,265</b>	<b>87,841</b>	<b>89,299</b>

*US Census Bureau and California Department of Finance Demographic Research Unit E-1 Report*

Previous growth rates are not precise indicators of growth over the next planning period, but they do show a trend. Growth over this period has slowed considerably from the historic growth rates. Over the last 8 year period (2010-2018), the region has experienced a total of only 1.7% growth. However, housing need is not related only to population growth, but also changes in the demographics of the population.

### Wildfire

Over the last few years, Mendocino County has been severely impacted by fires. Both lives and homes have been tragically lost. While the loss of lives in these fires far outweighs the loss of property, the impact to housing cannot be ignored. On October 9, 2017, at the same time that fires raged in the neighboring counties of Lake, Napa and Sonoma, Mendocino County was hit by the Redwood Complex fires, resulting in the loss of over 600 structures, including 349 residences. To date, about 50 permits have been issued to replace homes that were lost. Unfortunately, the need to clean up and rebuild after the fire further limits the potential for creation of additional housing units in the region. Due to the fire damage in neighboring counties, it is anticipated that resources available for cleanup and rebuilding will be limited.

At the time of this writing (August 2018), two fires—the River Fire and Ranch Fire, collectively the Mendocino Complex —are burning and have now become the largest fire in modern California history. The extent of the damage caused by these fires is not fully known at this time.

### **Regulatory, Internal & External Forces**

External forces also have an impact on the demand for housing. The type of external issues and the timing and nature of this impact is impossible to define precisely or to predict. The information and facts regarding economic growth, population growth, state in-migration patterns, market demand, housing prices, and California development patterns have been studied and trends identified. The California Department of Finance (DOF) provides annual population growth estimates. These projections show a very modest population growth for Mendocino County, reaching 93,452 by 2030. Other external forces include global economics, credit availability, fuel and raw material prices, decisions by corporate employers, and interregional shifts in housing supply from surrounding counties and the Bay Area. While these forces are of interest and need to be tracked, there is little that Mendocino County can do to alter their impact.

In summary, regulatory requirements that currently shape the housing need allocation process, and the subsequent preparation of Housing Elements of General Plans, are fairly clear in communicating the general approach and timetable as determined by HCD. The external forces cannot, for the most part, be changed or altered by any actions by the local jurisdictions. The decisions of private sector builders, investors, and property owners in response to these forces is outside of the control of local government.

Internal structure is the one factor by which local government can take some initiative in shaping future housing demand. The housing constraints found in Appendix B can be addressed by each local jurisdiction as a precursor to the preparation of their Housing Element updates in balancing housing need with ability to create housing supply. Each jurisdiction will look at zoning, building/subdivision requirements, possible annexations, water and sewer treatment capacities, and other creative ways to meet housing demand that are within local jurisdiction administrative responsibility. The challenge will be to meet the regional housing needs with a coordinated and cooperative effort.

## **Constraints**

There are a variety of issues that may potentially constrain growth and the ability of each local agency to provide for the development of housing. Potential constraints include water availability, infrastructure availability, and zoning/land use designations. Not only do these factors play a crucial role in the supply of housing, but they also influence the location of new employment centers.

Detailed descriptions of each agency's constraints to development can be found in Appendix B of this document.

## Methodology – Allocation Process

The previous regional housing allocation plan was prepared by MCOG in 2013. The total housing demand for Mendocino County has been calculated by HCD staff. Appendix A outlines the general methodology used by HCD in projecting regional housing needs for 2019 through 2027. The task remaining for MCOG and local agencies is to arrive at a methodology for allocating the total housing need among the five jurisdictions, across the identified income levels.

The local process began with formation of a Methodology Committee made up of planning representatives from each of the local agencies. This committee worked together to develop a methodology statement, which was adopted by the MCOG Board in June of 2018.

### ***RHNA Methodology Statement June 4, 2018***

*As part of the regional housing needs assessment, the Mendocino Council of Governments will allocate the housing need among its member agencies—the Cities of Ukiah, Fort Bragg, Willits and Point Arena and County of Mendocino—using the following methodology:*

*A Regional Housing Needs Allocation Methodology Committee will be formed and made up of representatives from each of the cities and the county. Tribal governments within the region will also be invited to participate in the process. MCOG will work cooperatively with this committee to determine an allocation based on the following factors:*

- *Current population distribution and trends*
- *Past development trends*
- *Availability of appropriately zoned land*
- *Annexation opportunities*
- *Zoning change and General Plan amendment impacts*
- *Availability of resources and infrastructure services*
- *2013 housing allocation*
- *Vacancy rates*
- *Tribal population and housing development*
- *Limitations and challenges to housing and land resulting from recent wildfires*
- *Potential impacts of recent housing related legislation, including SB 35*

Following development of the methodology, the same committee was convened to develop the allocation. These representatives are those responsible for planning and preparation of the Housing Element for each of the local jurisdictions. Each of the tribal governments within Mendocino County was also provided consultation and invited to participate in the process.

#### Committee Members:

Jesse Davis, County of Mendocino  
 Craig Schlatter, City of Ukiah  
 Marie Jones, City of Fort Bragg  
 Scott Perkins, City of Fort Bragg



Natalie Gregory, City of Fort Bragg  
 Dusty Duley, City of Willits  
 Richard Shoemaker, City of Point Arena  
 Paul Anderson, City of Point Arena  
 Nephele Barrett, MCOG

A series of meetings was held with the Committee. Although an appeal of the Regional Housing Need Determination had been submitted, the group moved forward with developing an allocation using the draft determination. Following initial discussions, two trial allocations were developed for consideration by the committee. The First Trial Allocation was proportionate to current population estimates. The Second Trial Allocation used the percentages in each income category that were used in the 2008 RHNA, which was similar to the draft regional determination of the current cycle in terms of total units. At the time of the 2008 RHNA, the allocation was developed using a number of different factors, including availability of land, infrastructure, availability of appropriate services, and equitability. Tables 4 and 5 show the First and Second Trial Allocations.

**Table 4**  
 First Trial Allocation  
 Proportionate to Population

		Very Low	Low	Moderate	Above Moderate	Total
	<b>% Population</b>	<b>985.00</b>	<b>640.00</b>	<b>560.00</b>	<b>1660.00</b>	
County	67.00%	660	429	375	1112	2576
Ukiah	18.30%	180	117	102	304	703
Fort Bragg	8.72%	86	56	49	145	335
Willits	5.53%	54	35	31	92	212
Point Arena	0.50%	5	3	3	7	18
<b>Total</b>	<b>100%</b>	<b>985</b>	<b>640</b>	<b>560</b>	<b>1660</b>	<b>3845</b>

**Table 5**  
 Second Trial Allocation  
 Proportionate to 2008 RHNA

	Very Low		Low		Moderate		Above Moderate		Total
County	64.3%	633	62.2%	398	69.5%	389	83.8%	1392	2812
Ukiah	16.8%	165	22.1%	141	18.1%	102	5.2%	86	494
Fort Bragg	11.5%	114	8.3%	53	6.0%	34	5.2%	86	287
Willits	6.8%	67	6.8%	44	5.7%	32	5.3%	88	231
Point Arena	0.6%	6	0.5%	3	0.6%	3	0.5%	8	21
<b>Total</b>		<b>985</b>		<b>640</b>		<b>560</b>		<b>1660</b>	<b>3845</b>

The committee met on May 23, 2018, and reviewed the two trial allocations. There was concern about the ability to provide for moderate and above moderate housing, which tends to be lower density, within the boundaries of the incorporated cities. Available land tends to be limited within cities. In addition, the incorporated areas tend to have the services and infrastructure that

is better suited to higher density, lower income housing. Available land within the county tends to be zoned and have infrastructure better suited for lower density development. Based on these concerns, a Third Trial Allocation was developed which shifted more of the low and very low income housing to the cities and more moderate and above moderate housing to the County. The committee reached consensus on the Third Trial Allocation, and on June 15, 2018, a notice was subsequently distributed advising of the draft allocation and establishing an appeal period.

**Table 6**  
Third Trial/Draft Allocation Approved by Committee  
May 29, 2018

	Very Low	Low	Moderate	Above Moderate	Total
Mendocino County	607	372	368	1465	2812
City of Ukiah	178	150	102	65	495
City of Fort Bragg	124	65	48	50	287
City of Willits	70	50	36	75	231
City of Point Arena	6	3	6	5	20
	<b>985</b>	<b>640</b>	<b>560</b>	<b>1660</b>	<b>3845</b>

Following the release of the Draft Allocation and the beginning of the appeal period, MCOG received a response of the appeal of the regional determination from HCD. The Regional Determination was reduced by approximately 52%, with no change in the distribution of housing need across income levels. A Revised Draft Allocation was developed using the same percentages from the previously approved Draft Allocation. This Revised Draft Allocation was distributed to agencies.

**Table 7**  
Revised Draft Allocation - July 16, 2018  
Housing Unit Needs - December 2018 through August 2027  
Based on Revised HCD Regional Housing Determination

	Very Low	Low	Moderate	Above Moderate	Total	Total %
Mendocino County	291	179	177	702	1349	73.1%
City of Ukiah	86	72	49	32	239	13.0%
City of Fort Bragg	60	31	23	23	137	7.4%
City of Willits	34	25	17	35	111	6.0%
City of Point Arena	3	1	3	2	9	0.5%
	<b>474</b>	<b>308</b>	<b>269</b>	<b>794</b>	<b>1845</b>	

It should be noted that this allocation does not establish a precedent for allocation of housing units during future RHNA cycles. This methodology and allocation were specific and appropriate to this particular cycle, and may not be appropriate for future cycles, particularly when and if the overall allocation is higher. If in the future Mendocino sees an increase in housing need, it will be important to carefully examine a variety of factors.

## Determination of Final Housing Allocation

### Agency Notification

On June 15, 2018, MCOG provided notices to each of the local agencies notifying them of the proposed draft allocation that would be used in preparation of the RHNA Plan. An appeal period was established and set to end on August 17, 2018.

### Public Participation

In addition to interagency coordination with local agencies and tribal governments, an effort was also made to involve the public in the allocation process. Notices were published in the county wide newspapers alerting the public of both the intent to adopt the methodology statement as well as the final allocation and RHNA plan. Additional information, including the proposed methodology statement, draft allocation, and revised draft allocation, was available for the public on the MCOG website. Public comments will also be accepted at the public hearing at the time of adoption.

### Annexation Policy

This policy, adopted by MCOG November 4, 2002, establishes a process for the redistribution of the housing needs allocation set forth in the adopted Regional Housing Needs Plan (RHNP) in the event of annexation, detachment, incorporation or other change of organization between the county and any member city during the planning period.

1. Pre-Application Process

Prior to filing an application with the Local Agency Formation Commission (LAFCo) for a change of organization between the county and any member city, such as an annexation, detachment, incorporation or any combination thereof, the applicant is encouraged to file a pre-application with the county and subject city. The county and subject city are encouraged to engage in a pre-application process to review the RHNP allocations for potential redistribution. The proposed reallocation and any conditions thereof shall be submitted to the Mendocino Council of Governments (MCOG). A copy shall be submitted to LAFCo.

2. Filing of Application for Annexation, Detachment or Incorporation

If a pre-application has not been undertaken, upon receipt of the LAFCo notice of filing of a proposed change of organization, the county or subject city may submit to the other and MCOG a request for redistribution of the RHNP allocations. A copy shall be submitted to LAFCo.

3. County/City Negotiations

The county and subject city shall negotiate in good faith to redistribute the RHNP allocations. The redistribution shall not result in a net reduction in the regional housing and population totals set forth in the RHNP adopted by MCOG, nor in the allocation assigned to any other member city. The subject city and county may otherwise negotiate any redistribution and conditions thereof that are mutually agreeable.

4. MCOG Mediation

If the county and subject city cannot reach a mutually acceptable agreement for redistribution within 60 days from the date of LAFCo filing, one or both jurisdictions may request MCOG to mediate the redistribution of RHNP allocations. The mediation period should not exceed an additional 30 days unless a longer period is mutually agreed to. The purpose of mediation is to achieve a mutually acceptable redistribution.

**Final Proposed Allocation**

**Table 8**  
Proposed Final Allocation – County of Mendocino

<b>Income Level</b>	<b>Housing Units Needed</b>
Very Low	291
Low	179
Moderate	177
Above Moderate	702
<b>Total Units</b>	<b>1349</b>

**Table 9**  
Proposed Final Allocation – City of Ukiah

<b>Income Level</b>	<b>Housing Units Needed</b>
Very Low	86
Low	72
Moderate	49
Above Moderate	32
<b>Total Units</b>	<b>239</b>

**Table 10**  
Proposed Final Allocation – City of Fort Bragg

<b>Income Level</b>	<b>Housing Units Needed</b>
Very Low	60
Low	31
Moderate	23
Above Moderate	23
<b>Total Units</b>	<b>137</b>

**Table 11**  
Proposed Final Allocation – City of Willits

<b>Income Level</b>	<b>Housing Units Needed</b>
Very Low	34
Low	25
Moderate	17
Above Moderate	35
<b>Total Units</b>	<b>111</b>

**Table 12**  
Proposed Final Allocation – City of Point Arena

<b>Income Level</b>	<b>Housing Units Needed</b>
Very Low	3
Low	1
Moderate	3
Above Moderate	2
<b>Total Units</b>	<b>9</b>

Upon adoption of this plan by the Mendocino Council of Governments, the numbers will be utilized by the cities and County in preparation of updates to their housing elements, as required by law. The local agencies will have approximately one year to complete the housing elements, per the requirements of SB 375. Adoption of the Regional Transportation Plan (RTP), which occurred February 5, 2018, triggered the due date for the next Housing Element. Housing Elements are due 18 months from the RTP adoption date, making them due in August of 2019. Subsequent RHNA Plans and Housing Elements will then be due every eight years.

## **Appendices**

- A Housing & Community Development Regional Housing Need Assignment & Methodology
- B Member Jurisdictions' Statements of Constraints to Housing Development

# **APPENDIX A**

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

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



July 5, 2018

Phillip J. Dow  
Executive Director  
Mendocino Council of Governments  
367 North State Street  
Ukiah, CA 95482-4442

Dear Phillip J. Dow:

**RE: Final Regional Housing Need Determination**

Thank you for your letter regarding Mendocino Council of Government's (Mendocino COG) Regional Housing Needs Determination. Pursuant to state housing element law (Government Code (Gov. Code) section 65584, et seq.), the Department of Housing and Community Development (Department) is reporting the results of its review.

As a reminder, there are several reasons for the increase in Mendocino COG's 6<sup>th</sup> cycle Regional Housing Needs Determination as compared to the 5<sup>th</sup> cycle. First, as your letter noted, this cycle's projection period is 3.2 years longer than the previous cycle's projection period. Second, the California Department of Finance (DOF) Demographic Research Unit estimates substantial growth in the region in the upcoming years. Finally, the 5<sup>th</sup> cycle's Regional Housing Needs Allocation (RHNA) was much anomalously low at 250, compared to the 4<sup>th</sup> cycle's RHNA at 3,495.

However, based on many of the points raised in the letter – including the large differential in DOF's projections between the 5<sup>th</sup> and 6<sup>th</sup> cycles, and the challenges the county will likely face in planning and permitting housing post-fire – the Department is providing Mendocino COG with a Regional Housing Needs Determination that includes no adjustment factors and solely includes the projected households that DOF estimates the county will have at the end of the 6<sup>th</sup> cycle minus the existing housing stock. While this Regional Housing Needs Determination is still significantly higher than the 5<sup>th</sup> cycle's determination, it is almost a 50% decrease from the 4<sup>th</sup> cycle's determination.

Attachment 1 displays the minimum regional housing need determination of **1,845** total units among four income categories for Mendocino COG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01. In determining Mendocino COG's housing need, the Department considered all the information specified in state housing law (Gov. Code section 65584.01(c)).

As you know, Mendocino COG is responsible for adopting a methodology and RHNA Plan for the *projection* period beginning December 31, 2018 and ending August 15, 2027. Within 30 days from the adoption date, Mendocino COG must submit the RHNA Plan to the Department for approval. Local governments are in turn responsible for updating their housing element for



the *planning* period beginning August 15, 2019 and ending August 15, 2027 to accommodate their share of new housing need for each income category.

Pursuant to Gov. Code section 65584(d), the methodology to prepare Mendocino COG's RHNA plan must be consistent with 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

Pursuant to Gov. Code section 65584.04(d), to the extent data is available, Mendocino COG should include the factors listed in Gov. Code section 65584.04(d)(1-10) to develop its RHNA plan, and pursuant to Gov. Code section 65584.04(e), Mendocino COG must explain in writing how each of these factors was incorporated into the RHNA plan methodology.

The Department commends Mendocino COG for its leadership in fulfilling its important role in advancing the state's housing, transportation, and environmental goals. Mendocino COG is also recognized for its actions in proactively educating and engaging jurisdiction members on the RHNA process. The Department especially thanks Nephele Barrett for her significant efforts and assistance. The Department looks forward to its continued partnership with Mendocino COG and its member jurisdictions and assisting Mendocino COG in its planning efforts to accommodate the region's share of housing need.

If the Department can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, at (916) 263-7428 or [megan.kirkeby@hcd.ca.gov](mailto:megan.kirkeby@hcd.ca.gov).

Sincerely,



Zachary Olmstead  
Deputy Director

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION

Mendocino County Governments: December 31, 2018 through August 31, 2027

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	25.7%	474
Low	16.7%	308
Moderate	14.6%	269
Above-Moderate	43.0%	794
<b>Total</b>	<b>100.0%</b>	<b>1,845</b>

Notes:

Income Distribution:

Income categories are prescribed by California Health and Safety Code (Section 50093, et. seq.). Percents are derived based on Census/ACS reported household income brackets and County median income.

## ATTACHMENT 2

### HCD REGIONAL HOUSING NEED DETERMINATION: Mendocino County December 31, 2018 – August 31, 2027

#### Methodology

1.	<b>Mendocino County: December 31, 2018 – August 31, 2027 (8.8 years) HCD Determined Population, Households, &amp; Housing Unit Need</b>			
2.	<b>Population: August 31, 2027 (DOF June 30, 2028 projection adjusted minus 10 months back to August 31, 2027)</b>			<b>92,815</b>
3.	<i>- Group Quarters Population (DOF June 30, 2028 projection adjusted minus 10 months back to August 31, 2027)</i>			-2,145
4.	<b>Household (HH) Population</b>			<b>90,670</b>
	<b>Household Formation Groups</b>	<b>HCD Adjusted DOF Projected HH Population</b>	<b>DOF HH Formation Rates</b>	<b>HCD Adjusted DOF Projected Households</b>
		<b>90,670</b>		<b>36,715</b>
	under 15 years	15,150	n/a	n/a
	15 – 24 years	10,730	9.46%	1,015
	25 – 34 years	10,850	37.46%	4,065
	35 – 44 years	10,505	45.60%	4,790
	45 – 54 years	10,160	54.15%	5,500
	55 – 64 years	9,745	58.61%	5,710
	65 – 74 years	11,420	62.61%	7,150
	75 – 84 years	9,350	69.80%	6,525
	85+	2,760	71.01%	1,960
5.	<b>Projected Households (Occupied Unit Stock)</b>			<b>36,715</b>
6.	<i>- Occupied Units (HHs) estimated January 1, 2019 (from DOF data)</i>			-34,870
<b>6<sup>th</sup> Cycle Regional Housing Need Assessment (RHNA)</b>				<b>1,845</b>

#### Explanation and Data Sources

1. Projection period: Gov. Code 65588(f) specifies RHNA projection period start is December 31 or June 30, whichever date most closely precedes end of previous RHNA projection period end date. RHNA projection period end date is set to align with planning period end date. The planning period end date is eight years following the Housing Element due date, which is 18 months following the Regional Transportation Plan adoption rounded to the 15<sup>th</sup> or end of the month.
- 2-5. 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, institute, 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.
6. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the January closest to the projection period start date, per DOF E-5 report.

# **APPENDIX B**



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## MEMORANDUM

**TO:** Nephele Barrett, Senior Planner, MCOG  
**FROM:** Ignacio Gonzalez, Interim Director, Planning and Building Services  
**SUBJECT:** Regional Housing Needs Assessment (RHNA) Allocation: Statement of Constraints for Mendocino County  
**DATE:** August 10, 2018

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The Mendocino Council of Governments' (MCOG) process for distributing its Regional Housing Needs Assessment (RHNA) has resulted in an allocation of 1,349 housing units to the unincorporated areas of Mendocino County. After collaborative and cooperative discussion with MCOG partners, this figure is reflects the County's "fair share" proportion for the upcoming 2018 Regional Housing Needs Determination as conveyed by the California Department of Housing and Community Development (HCD).

This determination, however, is incompatible with regional planning doctrine and impractical given the land-constraints that challenge residential development in unincorporated Mendocino County. Housing an increasingly diverse population requires strategies more innovative than simply assigning units based upon a formulaic assessment. From a regional planning perspective, housing strategies must do more than guarantee people a place to live; they must also ensure that where people live reflects sound principles of growth and social equity. The impractical nature of this assigned determination preempts the County's ability to plan a practical solution with our regional partners. The Department of Planning and Building Services can provide the necessary analysis, the requisite communitywide reflection and education, as well as the momentum required to respond to these housing challenges, but not when forced to adhere to such a rigid time-line.

While it is recognized that this allocation is significantly lower than the originally assigned distribution, we implore MCOG, as well as HCD, to recognize the limitations that continue to impede the County's efforts in complying with its apportionment. Anticipated constraints are discussed in greater detail below:

**Water Infrastructure:** Compared to other parts of California, major development of water resources has not occurred in Mendocino County. Normally, the County receives substantial wintertime precipitation, but relies on groundwater during the hot summer months. A number of unincorporated communities are built over "fractured hard rock," which stores groundwater in limited amounts, making residents especially susceptible to water shortages in dry years.

There are many water service providers in Mendocino County, including the cities, special districts, and private water purveyors. Many, however, have limited additional capacity, and some have maintained moratoriums in the past to restrict access. The Redwood Valley County Water District exemplifies many of these infrastructure limitations. Presently, when developing accessory residential structures, Redwood Valley applicants cannot obtain a domestic water connection for an accessory dwelling unit, due to a moratorium on second-residential connections.<sup>1</sup>

In 2018, it is expected that the Brooktrails Township Communities Services District, one of the County's larger unincorporated communities, will offer only two dozen new connections. Additionally, Brooktrails is further challenged by the lack of adequate transportation access in the event of an evacuation or disaster. Therefore, while opportunities for limited in-fill development exist, large-scale residential construction as

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<sup>1</sup> Redwood Valley County Water District. (Water Rates) Domestic Water Rates. 06.10.18: <http://www.rvcwd.org/html/rates.html>

required by HCD would necessitate substantial improvements to numerous water supply and distribution systems.

**Sewer Infrastructure:** Public sewer systems in Mendocino County are provided by cities, special districts, and some private water purveyors. There are 13 major wastewater systems in the county, four of which primarily serve the incorporated cities, but also serve some unincorporated areas. Sewage disposal in the remainder of the county is generally handled by private onsite facilities, primarily septic tank and leach field systems, although alternative engineered wastewater systems may be used. In past planning documents, the County Division of Environmental Health cites the lack of sites for disposal of wastewater pumped from onsite systems as a countywide issue that constrains residential development.

Wastewater infrastructure, or lack thereof, has also imposed potential limits on development in some areas. Septic system constraints are an issue in the Anderson Valley, as well as the community of Laytonville. The community of Laytonville is currently served by individual septic systems, but a high water table and high annual rainfall are contributing to septic system problems, which has led to the community studying the feasibility of a waste water treatment plant. Similar to water constraints, opportunities for limited in-fill development do exist, but large-scale residential construction as required by HCD will necessitate substantial improvements to wastewater systems and sewer infrastructure.

**MCOG Allocation Methodology:** The overall breakdown for the County based on unit affordability and household income was “very low” (607), “low” (372), “moderate” (368) and “above moderate” (1465). While there was collaborative and cooperative discussion between MCOG partners, the methodology statement and assigned breakdown still creates an unrealizable burden for the County.

We believe that conventional planning principles require a reconsideration of the methodology used to allocate these numbers in the future, and that a much higher percentage of “very low” (607), and “low” (372) be assigned to our incorporated partners, who are better able to facilitate this form of residential development.

Funding constraints typically dictate that new stock of “low” and “very low” income housing units be produced at higher residential densities and where public services and infrastructure exist. By contrast, limited services and infrastructure in unincorporated areas substantially prohibit higher density residential development. Commonly, grants needed to construct these housing opportunities require proximity to a myriad of services, including public transportation.

Additionally, a portion of this RHNA determination is based on the expected increase of elderly-households in Mendocino County. It is agreed that elderly households may have special housing needs due to fixed or limited incomes, increased health care costs, or physical limitations. Many elderly persons have limited funds for housing, housing repairs or modifications, or assistance for everyday living. As some elderly may require proximity to health care or supportive services, Mendocino County prioritizes housing opportunities in more urbanized areas, where those services and transportation opportunities are more readily available. As of 2015, no assisted senior complexes are located in the unincorporated area, though several, such as Duncan Place and Lenore Senior Housing, are located in Fort Bragg, Willits, and Ukiah.

From a sound planning perspective, it would thus seem appropriate to have a greater proportion of “low” or “very low” income units allocated to the incorporated, or urbanized, areas of the County. While it is understood that the County and regional partners have a shared obligation to provide housing commiserate with anticipated countywide population growth, the MCOG allocation should take these development constraints with regard to services and infrastructure into account.

**Coastal Zone Constraints:** Residential communities which lie within the Coastal Zone are subject to an additional layer of constraints due to development restrictions found within the County’s Local Coastal Program (LCP) and maintaining overall compliance with the California Coastal Act. On top of the noted water and sewer constraints, a restriction on “second units” within the Coastal Zone adds to the difficulties of “low” and “very low” income households in finding affordable housing opportunities in these areas.

Another of the factors listed within the adopted RHNA Methodology was “availability of appropriately zoned land,” which is also an issue along the coastal regions of the County. Extensive areas along the County’s coast consist of Environmentally Sensitive Habitat Areas (ESHA) which dramatically impact the County’s ability to rezone additional land for increased density. For appropriately zoned land, the highly discretionary nature of coastal development, in general, and permitting requirements that would likely accompany multi-family type development, in particular, only adds to the challenge of increasing housing stocks within these areas.

**Flood & Other Hazards:** Unfortunately, substantial proportions of vacant or underutilized lands surrounding Willits and Ukiah, perhaps the most conducive areas for higher density residential development, are located either in a flood zone or situated near a fault zone. The combining zones created by these environmental settings require special conditions or building requirements, which must be satisfied before a structure can be built or substantially remodeled.

In general, major floods within Mendocino County have resulted from extended periods of winter rainfall produced by winter storms from the Pacific Ocean. Generally, these storms affect the region from early November until the end of March. From a sound planning perspective, it would seem appropriate to recognize the constraints created by flood plains as identified by the Federal Emergency Management Agency (FEMA). Several areas within the County are particularly prone to flooding. These include:

- State Route 128 at State Route 1, Navarro River
- State Route 175 at the Russian River Bridge
- State Route 1 at the Garcia River
- Talmage Court - east side of the Ukiah Valley
- City of Ukiah - eastern side along/near the Russian River
- Little Lake Valley near the City of Willits sewage treatment plant

The County has established a "Flood Plain Combining District" (FP) in its Inland and Coastal Zoning Ordinances. The FP zone applies to floodplain areas as delineated on Flood Insurance Rate Maps prepared by Federal Emergency Management Agency (FEMA). Certain development within the combining district is prohibited, while other development is subject to standards designed to reduce flood hazards. While the cost of housing in these areas may be increased and subsequently limited, these measures are necessary to protect life and property.

The County’s Zoning Ordinances also includes special districts for seismically active areas. Mendocino County is also subject to seismic safety standards for the design and construction of buildings within *Seismic Zone 4* as identified in the Uniform Building Code (UBC). The County’s Building Division ensures that structures in the County comply with the UBC and the zoning ordinances. The San Andreas Fault traverses the southwest corner of the County and continues offshore north of Manchester. The Maacama fault extends from northern Sonoma County to north of Laytonville in Mendocino County. Both of these faults have established Earthquake Fault Zones. In total, five active or potentially active faults traverse Mendocino County.

**Fire Hazards and Recovery:** Forests and grasslands are located throughout the County, along with residences and unincorporated small communities. Widespread areas of the County have high fire risk, and many areas can be classified as wildland/urban interfaces (WUI). Wildland fires are a major risk to housing development and pose a substantial constraint with regard to new housing development. The State Board of Forestry has adopted "fire safe" regulations that apply to State Responsibility Areas (SRAs) as a means of reducing pre-fire fuel loads. Within SRAs, the State has the primary financial responsibility for preventing and suppressing fires. Much of the unincorporated County is within SRAs.

The statewide fire safe regulations include:

- Road standards for emergency access and evacuation, including width, surface, and grade
- Standards for signs identifying streets, roads, and buildings
- Minimum water supply reserves for emergency fire use

- Fuel breaks (i.e., "defensible space") around structures and greenbelts around new subdivisions

All new construction and subdivisions within SRA's must meet State Board of Forestry standards as set out in Title 14 of the California Code of Regulations. Only within the County's limited valley areas which are also served by local districts are the State fire regulations not applicable.

During the tragic fires of October 2017, approximately 349 homes were lost within Mendocino County. To date, only 80 building permits have been issued to replace destroyed homes. Unfortunately, the need to clean-up and rebuild, further limits potential housing development within the region, and creates a challenge meeting our assigned determination. In our rural area, there are few construction and development entities able to accommodate complex residential construction activities. Construction of the magnitude required by the Department of Housing and Community Development would require support from regional neighbors.

Given the damage sustained in Sonoma, Napa and Lake Counties, however, resources are likely to be limited for the foreseeable future. Given that the County's stated priority is to expeditiously focus on the reconstruction of houses lost by fire, the demand for contracts, labor and materials, will be challenged just to complete replacement of the destroyed homes during this RHNA cycle. The high risk of fires in rural Mendocino County, create the probability that additional structures will be lost in the years to come.

Moving forward, an expected constraint includes the difficulty of obtaining home-owner insurance for fire damage and destruction. Most major insurance companies require a home to be located within five miles or less of a fire station in order to qualify for homeowner's insurance. For homes located outside this range or with a high Insurance Services Office (ISO) rating (8 or 9), homeowner insurance may not be available or may be prohibitively expensive. In order to address this concern, the County, should encourage residential uses in areas with adequate water infrastructure and fire service, and unburdened by seismic or flood constraints, which as described by this memorandum are limited.

**Conclusion:** As it moves forward, we strongly recommend that MCOG reexamine its methodology and allocation with particular regard to "low" and "very low" income housing units for unincorporated Mendocino County. Additionally, we hope that the constraints presented in this memorandum, alongside those prepared by our regional partners, are considered by the California Department of Housing and Community Development (HCD), resulting in another reduction of required units.

*Cc: Carmel Angelo, County Executive Officer (CEO)  
Steve Dunncliff, Deputy CEO*





## Draft Regional Housing Needs Assessment (RHNA) Allocation Statement of Constraints

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Under California law, every city and county has a legal obligation to respond to its fair share of the projected future housing needs in the region in which it is located. For Ukiah and other Mendocino County jurisdictions, the regional housing need is determined by the Mendocino Council of Governments (MCOG), based upon an overall regional need number established by the State. The fair share numbers establish goals to guide local planning and development decision making.

### How much housing is needed?

In 2018, the MCOG in partnership with representatives from local City and County jurisdictions met and agreed upon the local fair share housing needs. The City of Ukiah has developed this “statement of constraints” to describe impediments to development of housing in Ukiah city limits. This constraints statement includes excerpts and data from the City’s 2014-2019 certified housing element, updated with analysis from recent housing trends.

**Table 15 – 2013 Mendocino Council of Governments Regional Housing Needs for Ukiah  
City of Ukiah 2014-2019 Housing Element**

Years	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
2004-2008	N/A	131	113	101	249	594
2009-2014	65	134	65	120	75	459
2015-2019	9 (50% of VL and L and not included in RHNA goals)	11	7	7	20	45

**Limited Population Growth.** There has been little population growth over the past five years. However, housing needs remain. Over the past two years, prices have increased for both units for rent and units for purchase. This, coupled with a very low vacancy rate, has increased the demand for affordable units citywide.

**Housing Production since 2009.** Even with a reduction of regulatory constraints and continued City incentives and funding, in the period of 2009-2015 housing production remained slow with production of 21 affordable housing units. However, other factors have contributed to this limited production level, including a limited amount of land physically suited for development, high land values, diverse community perspectives on growth, and no annexations completed in 25 years.



The City Council adopted a Housing Strategy in 2017 and is working to address housing constraints. Additional tools and resources the City approved should further assist in increasing production, but these tools are only so effective when constrained by other limiting factors mentioned in this report.

**Table 16 – 2015 Housing Production  
City of Ukiah 2014-2019 Housing Element**

Year	Extremely Low	Very Low	Low	Moderate
2009	0	0	0	3
2010	22 (transitional)	34	0	1
2011	0	0	0	0
2012	0	0	0	0
2013	0	0	0	0
2014	0	0	0	0
2015	21	21	0	28

Please note: Extremely Low Income housing unit production numbers are contained within the Very Low Income housing production numbers (not in addition to those numbers).

## Where can new housing be located?

The 2009 Vacant and Underutilized Land Map was last updated in January 2014 (Appendix 3 of City of Ukiah Housing Element, pages 85-91). Over the past few years there has been a minor reduction in vacant and underutilized land available for housing development (3 acres\*).

**Table 17 – Vacant and Underutilized Land  
City of Ukiah 2014-2019 Housing Element**

Year	Total Vacant and Underutilized Land
2004	122 acres
2009	108 acres
[2014	105 acres*]

The vacant and underutilized land continues to be spread out in the City with a very limited amount of large vacant parcels. Of the last remaining larger properties, most can be developed with residential land uses, but because of location (prime commercial) it is not probable. However, the enabling zoning and regulatory framework for the development of these parcels will continue to permit residential development.

The primary opportunity sites for very low, low and moderate priced rental and ownership housing are vacant infill parcels, underutilized land, and parcels ripe for redevelopment. To successfully develop these sites, traffic, design compatibility, infrastructure, neighborhood compatibility, and other issues must be analyzed.



- **Infill Parcels.** The Vacant and Underutilized Land Map updated in 2014 shows a number of important infill opportunity sites within the City Limits. These parcels are close to existing infrastructure and situated along transportation corridors, and are close to the downtown, retail opportunities, medical services, and professional offices. Development of these parcels will promote increased pedestrian activities and will lower the City’s overall carbon footprint.
- **Underutilized Land.** There is underutilized land throughout the City which provides opportunity for all types of needed housing.

## Are there constraints to housing production in Ukiah?

The City has regulatory constraints (fees/exactions and zoning standards), as well as environmental constraints just like every other community in California. The environmental constraints include traffic, drainage/flood zones, mature trees, and airport compatibility. All of these constraints affect future development to varying degrees, and each site listed in the Vacant and Underutilized Land Survey (Appendix 3), was examined not only for the presence of constraints, but to what degree the constraints would impact the future development of housing units.

The following table provides a listing and details of constraints to housing development.

**Excerpts from Table 19 – Constraints  
2014-2019 City of Ukiah Housing Element**

Constraint	Detail
Airport	There are density limitations in the Airport Master Plan Compatibility Zoning Map/Table, and 3-story buildings (other than for public facilities) are generally not allowable in the B2 Infill compatibility zoning area north of the airport per the Airport Master Plan.
Drainage	The City adopted <i>Low Impact Development</i> drainage requirements which could result in higher costs for housing projects.
Parking	The Ukiah City Code requires one parking space for 1-bedroom apartment units and 2 spaces for 2-bedroom apartment units. However, the Planned Development zoning tool can be used to relax this standard if a proposed development can demonstrate that less parking would be needed.
Costs of Construction	According to PEP Housing, a local affordable housing builder, the cost of construction in Ukiah is comparable to that of neighboring counties of Sonoma and Lake.



**CITY OF FORT BRAGG**

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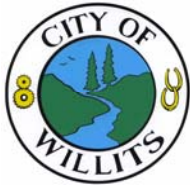
**MEMO**

**MEETING DATE:** August 13, 2018  
**TO:** Nephele Barrett, Senior Planner, MCOG  
**FROM:** Marie Jones, Community Development Director  
**AGENDA ITEM TITLE:** Regional Housing Needs Allocation – Housing Production Limitation Factors

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The development of new units is constrained in the Fort Bragg by four significant issues: 1) Coastal Zone regulatory requirements; 2) single-family development on parcels with higher density zoning designations, which are unlikely to be demolished to maximize development density of parcels; 3) lack of developers and contractors with multi-family development experience; and 4) location and economic factors.

- 1. Coastal Zone Regulatory Constraints.** Approximately 1/3 of the city is in the Coastal Zone and is subject to the protection of Coastal Act resource which include environmentally sensitive habitat areas, cultural resources, coastal access and visual resources. Projects within the Coastal Zone are subject to the requirements of the coastal act and require the issuance of a Coastal Development permit in order to proceed. Many of the remaining vacant parcels in the Coastal Zone include some coastal resources and protection of these coastal resources means that full development potential of these parcels is rarely realized.
- 2. Lack of Vacant Residentially Zoned Land and Underutilized of Residential Land.** The majority of Fort Bragg's Very High Density and other high density zoned parcels contain single- family dwellings. Given Fort Bragg's market and the small size of the parcels involved, these single family homes are unlikely to be demolished to achieve the maximum density allowed under the zoning code. Therefore, the City is unlikely to achieve maximum build-out as defined in the General Plan. The City has a limited number of residentially zoned vacant parcels. Most of the remaining vacant parcels with residential zoning are located in the Coastal Zone, and many include significant development constraints such as being located on a bluff top or having wetland and riparian corridors through the parcel.
- 3. Lack of Multifamily Developers & Contractors.** Fort Bragg is home to many single family residential contractors, but there no contractors with experience building multi-family projects. Additionally, the City does not as yet have any multifamily developers. Many of the larger remaining vacant parcels in Fort Bragg or zoned for multifamily development. The City is working with out of area developers to build multi-family projects.
- 4. Location and Economics.** The City of Fort Bragg is located in a remote coastal area, accessible by twisty two-lane roads. Its relative inaccessibility continues to result in a slow growth rate (below 1% annually) for housing, residential and job growth. Typically the City adds from ten to 15 new units of housing per year. The real estate market has recently heated up in Fort Bragg, particularly as people retire from the Bay Area to the Mendocino Coast. This has resulted in higher home prices, but not significantly more development of new residential projects.



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## MEMORANDUM

To: Nephele Barrett, Executive Director MCOG  
Subject: RHNA; Constraints Statement  
Date: 8/9/2018

Anticipated constraints associated with the development of new housing within the City limits are described below.

Seismic Hazards: The Alquist-Priolo Earthquake Fault Zone extends the full length of the City of Willits. The zone is located in the center of Willits and impacts two significant areas with development potential for new residences. Formal geotechnical studies have concluded that approximately 50 acres of R-1 zoned vacant or underutilized land in the northwest segment of the City are impacted by issues of seismicity and slope stability. Also, approximately 23 acres of land zoned R-2 in the area east of Baechtal Road in the southeast quadrant of the City are subject to the Alquist-Priolo Earthquake Fault Zone Act which requires costly geotechnical studies prior to construction in

Flood Hazards: Approximately 26 acres of vacant or underutilized residential lands in Willits are located in the 100-year flood plain identified by the Federal Emergency Management Agency (FEMA). The City's zoning code has established combining districts identifying these areas as being located in the Floodway Combining (-FW) Zone or the Floodplain Combining (-FP) Zone. Both of these combining zones require special conditions or building requirements which must be satisfied before a structure can be built or substantially remodeled.

Economic Development: Subsequent to the decline of the timber industry which was the backbone of the local economy, Willits has experienced minimal economic and population growth. This trend appears to be continuing into the foreseeable future, which is reflected in the development of limited new residential units.

Summary: The state of the local economy, as well as environmental limitations of flood and seismic hazards, continue to limit the development of new residential units within the City of Willits.

If you have any questions or need additional information, please call me at (707) 459-7124 or email at [dduley@cityofwillits.org](mailto:dduley@cityofwillits.org).

Sincerely,

Dusty Duley  
City Planner

**CITY OF POINT ARENA**

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Mayor Scott Ignacio  
Vice-Mayor Barbara Burkey  
Councilmember Richey Wasserman  
Councilmember Anna Dobbins  
Councilmember Jonathan Torrez  
Richard Shoemaker, City Manager  
Terry Gross, City Attorney

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**To:** Nephela Barrett, Executive Director - Mendocino Council of Governments  
**From:** Richard Shoemaker, City Manager  
**Subject:** RHNA; constraints statement  
**Date:** 08/15/18

**Water and Sewer Capacity:** The problems in our sewer system infrastructure mentioned in our last constraints statement has had minimal correction since 2008. The City has not been able to secure the funds to do the necessary upgrades needed in the system.

The City's buildout could result in a maximum total of 436 connections. After a past detailed study was done, it was determined that the capacity for both sewer and water was 314 hook-ups. Since 2008 six residential structures have been built in Point Arena. That gives us 203 hook-ups, leaving a balance of 111 available. The water system (a privately-held company) currently has 241 connections, leaving a balance of 73 available.

**Economic Development:** There is no industry to speak of in Point Arena, and the major source of income is tourism. Though on the rise this industry results in low paying jobs and does generate very much capital to be reinvested into housing.

The fishing industry continues to decline and logging and other resource extraction in the area has ceased.

There has been less than 1% population growth in the City since the last census period. In the years 2008-2018 YTD the City has received 6 building permits for Single family residences. These units have all been built.

**Interested Builders:** In 2012 a subsidized 22-unit senior residential development went through the local Coastal Development Permit Process but was never taken to the building permit stage due to a number of issues. That CDP expired.

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Many people believe the Coastal Development Permit process is a severe disincentive to constructing housing in the Coastal Zone, especially rental type of housing.

We do have a project that will build 8 single family homes in the Coastal Development Permit process. It is an owner builder type of project that is unusual for the area.

Point Arena is a severely disadvantaged community with minimal opportunity for living wages, no industry, few commercial operations and very few public services. Coupled with Coastal Development Permit restrictions, the high cost of acquiring materials and labor in this isolated area, there has been little interest in building housing here. It is just not profitable.

When individual property owners in Point Arena decide to build they will. When builders from outside the area believe they can make money building housing here they will come and build it.

**Government Constraints:** Point Arena needs affordable housing for its residents but with a General Fund budget of under \$450,000 (four hundred-fifty-thousand dollars) there is little that can be done to offer incentives for home building. It is highly unlikely that we will be able to fulfill the housing numbers that are being considered for assignment to Point Arena in the RHNA.