LAKE COUNTY/CITY AREA PLANNING COUNCIL

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Final Lake County Regional Housing Needs Assessment Methodology March 2026 ***CORRECTED COPY (July 2026)***

RHNA Overview

The Regional Housing Needs Allocation (RHNA) process is a State requirement that seeks to ensure cities and counties are planning for enough housing to accommodate all economic segments of the community. The process is split into three steps:

1. Regional Determination: The State Department of Housing and Community Development (HCD) provides each region a Regional Determination of housing need, which includes a total number of units split into six income categories. Lake APC received the Final Regional Housing Need Determination of 2,498 in August 2025 for the upcoming 7th Cycle of RHNA (2027-2035).

2. RHNA Methodology: Councils of Governments are responsible for developing a RHNA Methodology for allocating the Regional Determination to each jurisdiction in the region. This methodology must further a series of State objectives.

3. Housing Element Updates: Each jurisdiction must then adopt a housing element that demonstrates, among other things, how the jurisdiction can accommodate its assigned RHNA number through its zoning. The State reviews each jurisdiction's housing element for compliance.

The purpose of the RHNA process is to allocate a share of the housing need to the region's jurisdictions such that each plays a role in meeting the overall need and knows the clear, quantified amount it must accommodate. The process is also used to guide where housing is built throughout the region, moving away from a development pattern reflective of local zoning constraints and toward a growth pattern reflective of regional and state equity, environmental, and socioeconomic objectives.

The methodology is itself developed in three phases: first, a proposed methodology is prepared and undergoes a public hearing. The methodology may be revised based on any input received, then a draft methodology is submitted to HCD for a 60-day review. Finally, the methodology may be revised to respond to HCD's findings, and a final methodology is adopted by resolution. Following adoption, the final methodology is incorporated into a RHNA Plan document.

Housing need is allocated to jurisdictions across several income levels to provide a mix of household affordability. These include:

Acutely Low:	15% of Area Median Income (AMI)
Extremely Low:	15-30% of AMI
Very Low:	30-50% of AMI
Low:	50-80% of AMI
Moderate:	80-120% of AMI
Above Moderate	120%+

Allocation to Local Jurisdictions

While the RHNA process affects zoning, it does not directly mandate or fund the construction of the assigned housing need. However, it is the intent of Housing Element law that it prompts jurisdictions to prepare for their full housing need via zoning, as well as through adjacent actions such as accommodating affordable housing development or analyzing construction feasibility during the Housing Element stage. In developing the allocation methodology, Lake APC formed a "RHNA Methodology Committee" made up of community development representatives from the County of Lake and the cities of Clearlake and Lakeport, as a means of determining an equitable distribution among the region's member agencies. The following is a result of several of these committee meetings held between September and November 2025.

Population

A baseline figure was used as a hypothetical means of distribution to each of the region's three jurisdictions based on percentages derived from population estimates found in the California Department of Finance (DOF) as of January 1, 2025 (see Table 1 below).

Table 1

2025 DOF Population Estimates		
Jurisdiction	**Pop.**	**% of Pop.**
Clearlake	16,533	24.58%
Lakeport	5,026	7.47%
Unincorporated	45,695	67.94%
Total	67,254	100%

This baseline was helpful in determining a general proportionality of the region's jurisdictions by providing a starting point in which to evaluate the appropriate allocation of units. The percentages were applied to each of the household affordability categories (as established by HCD in its regional needs determination). Tables 2 and 3 illustrate the original HCD determination as well as the proportional breakdown for the three jurisdictions.

Table 2

Original HCD Housing Need Determination		
Income Category (% of Area Median Income)	**%**	**Housing Unit Need**
Acutely Low (15%)	9.5%	237
Extremely Low (15-30%)	14.8%	370
Very Low (30-50%)	11.3%	283
Low (50-80%)	20.6%	514
Moderate (80-120%)	16.1%	403
Above Moderate (120%+)	27.7%	691
Total	100%	2,498

Table 3

Distribution Using Population				
Income Category (% of Area Median Income)	**Housing Unit Need per Population**	**Clearlake**	**Lakeport**	**Unincorporated**
Acutely Low (15%)	237	58	18	161
Extremely Low (15-30%)	370	91	28	251
Very Low (30-50%)	283	70	21	192
Low (50-80%)	514	126	38	349
Moderate (80-120%)	403	99	30	274
Above Moderate (120%+)	691	170	52	469
Total	2,498	614	187	1,697

Median Household Income Adjustment

Another set of data deemed important by the Methodology Committee was a breakdown by income category of existing median household incomes for each of the three jurisdictions (*HCD RHNA Final Workbook*). The City of Clearlake was found to have a disproportionate share of units available for acutely-, extremely-, and very-low income residents when compared to regional averages, combined with a significant lack of above-moderate units. Table 4 shows income levels by jurisdiction with regional totals found in the two right hand columns. Table 5 provides the comparisons between jurisdictions and regional averages.

Table 4

Household Income Levels								
	Clearlake		**Lakeport**		**Unincorporated**		**Total**	
Category	**Households**	**%**	**Households**	**%**	**Households**	**%**	**Households**	**%**
Acutely Low	835	14.8%	177	8.2%	1,484	8.0%	2,497	9.5%
Extremely Low	1,105	19.6%	364	16.7%	2,440	13.2%	3,908	14.8%
Very Low	891	15.8%	171	7.9%	1,926	10.4%	2,988	11.3%
Low	1,306	23.1%	480	22.1%	3,635	19.6%	5,421	20.6%
Moderate	748	13.2%	409	18.8%	3,098	16.7%	4,256	16.1%
Above Moderate	763	13.5%	572	26.3%	5,958	32.1%	7,294	27.7%
Total	5,649	100%	2,173	100%	18,542	100%	26,364	100%

Table 5

% Adjustment from MHI			
Categories	**Clearlake**	**Lakeport**	**Unincorporated**
Acutely Low	5.3%	-1.3%	-1.5%
Extremely Low	4.7%	1.9%	-1.7%
Very Low	4.4%	-3.5%	-0.9%
Low	2.6%	1.5%	-1.0%
Moderate	-2.9%	2.7%	0.6%
Above Moderate	-14.2%	-1.3%	4.5%

The resulting percentage adjustments would be added/subtracted from the baseline (population) figures as a means of balancing the current shares by income category within each jurisdiction. This addresses Objectives (1) and (4) of Government Code Section 65584(d), which seek an increase in housing supply and mix of "housing types, tenure, and affordability in all cities and counties within the region in an equitable manner," as well as the proportionate allocation of housing need by income category.

Overcrowding and Cost Burden Adjustments

The Methodology Committee next evaluated overcrowding and cost burden data for the region. Similar to the regional averages and jurisdictional deviations for the MHI adjustments above, both "overcrowding" and "cost burden" percentage for each jurisdiction were identified and compared to the region as a whole (*HCD RHNA Final Workbook*). The differences in percentage terms were then applied to the same household income breakdown used above (see Table 4) to arrive at a further adjustment by jurisdiction as shown in the three tables below.

Table 6

Additional % Adjustment Factors			
Categories	**Clearlake**	**Lakeport**	**Unincorporated**
Overcrowding	3.5%	-2.5%	-0.8%
Cost Burden	8.2%	-5.5%	-1.7%

Table 7

% Adjustment from Overcrowding			
Categories	**Clearlake**	**Lakeport**	**Unincorporated**
Acutely Low	0.5%	-0.2%	-0.1%
Extremely Low	0.7%	-0.4%	-0.1%
Very Low	0.6%	-0.2%	-0.1%
Low	0.8%	-0.5%	-0.2%
Moderate	0.5%	-0.5%	-0.1%
Above Moderate	0.5%	-0.6%	-0.3%

Table 8

% Adjustment from Cost Burden			
Categories	**Clearlake**	**Lakeport**	**Unincorporated**
Acutely Low	1.2%	-0.5%	-0.1%
Extremely Low	1.6%	-0.9%	-0.2%
Very Low	1.3%	-0.4%	-0.2%
Low	1.9%	-1.2%	-0.3%
Moderate	1.1%	-1.0%	-0.3%
Above Moderate	1.1%	-1.5%	-0.6%

Overcrowding and Cost Burden metrics can both be used as measures of affordability. An increase in the housing supply as well as a healthy mix of housing types can work to alleviate these dual barriers, consistent with Government Code Section 65584(d) Objective (1), as well as speaking to "factors" discussed under Section 65584.04(e)(6)(cost burden) and (7)(overcrowding).

Manual Adjustments

Discussions among Methodology Committee members also considered the potential for further "manual" adjustments to be made in order for additional acutely low-, extremely low-, very low-, and low-income units to be assigned to jurisdictions having higher levels of "opportunity" for lower resourced residents. Measurements of educational, economic, and environmental "opportunities" are provided in the 2025 Opportunity Map (*CTAC/HCD*), which identifies Census Block Groups with higher or lower resources associated with positive economic, educational, and health outcomes for low-income families.

"Neighborhood Opportunity" scores among the three jurisdictions show the City of Lakeport to be the most accommodating of the three with an average of 7.5, compared to the unincorporated County at 5.5, and the City of Clearlake at 1.5. Given the MHI disparities described earlier, representatives from both the City of Lakeport and the County of Lake were comfortable in having additional adjustments made to accommodate more low-income households relative to the City of Clearlake, where opportunity resources are more limited. This targeted adjustment aligns with and advances the State's Affirmatively Furthering Fair Housing (AFFH) objectives by directing more lower-income capacity toward higher-opportunity neighborhoods, while avoiding unjustified concentration in lower-opportunity areas. Any adjustments made with regard to extremely- and acutely-low income units will remain within an approximate range of 3% of those assigned for very-low income households, consistent with language found in Objective (1).

Applying the above criteria, the Committee was able to arrive at a proposed distribution as illustrated below in Table 9.

Table 9

Distribution with MHI, Overcrowding, Cost Burden, and Manual Adjustments				
Categories	**HCD Determination**	**Clearlake**	**Lakeport**	**Unincorporated**
Acutely Low	237	56	18	163
Extremely Low	370	88	27	255
Very Low	283	67	22	194
Low	514	119	41	354
Moderate	403	103	29	271
Above Moderate	691	197	51	443
Total	2,498	630	188	1,680

"Jobs-to-Housing" Ratio Adjustment

After an initial review by HCD of the potential allocation figures, additional consultation followed with Lake APC staff concerning available employment/housing opportunities within the City of Lakeport. (City officials were included in these discussions given the potential impact on its RHNA allocation that would result from further revisions). Based on the proposed totals in Table 9, the City of Lakeport was determined to have a ratio of regional jobs to proposed RHNA allocation of 2.94 to 1, while the City of Clearlake and unincorporated County communities were considerably lower at 0.83 and 0.85, respectively. Tables 10 and 11 below show calculations reflecting both the existing ratios as well as what an allocation would look like were the ratios to conform at 1:1.

Table 10

Existing Jobs/RHNA			
Jurisdiction	**Jobs/RHNA Ratio**	**RHNA**	**Jobs**
Lakeport	2.94	188	553
Clearlake	0.83	630	523
Unincorporated	0.85	1,680	1,428

Table 11

1:1 Jobs/RHNA			
Jurisdiction	**Jobs/RHNA Ratio**	**RHNA**	**Jobs**
Lakeport	1.0	551	553
Clearlake	1.0	521	523
Unincorporated	1.0	1,426	1,428

As the region's smallest jurisdiction in both area and population, the City of Lakeport's ability to accommodate an additional RHNA allocation based on the 1:1 ratio did not appear to be realistic. However, it was agreed that the disparity of available employment opportunities between jurisdictions would warrant an increase of units for Lakeport. By dividing the totals in half, a compromise was arrived at in which 369 units would be allocated to Lakeport (adding 181 units to the initial 188), with corresponding reductions to Clearlake (-54) and the unincorporated County (-127). These revised numbers (along with rounding adjustments) were then distributed among the different income levels utilizing the same percentages found in earlier calculations under the "MHI, Overcrowding, Cost Burden, and Manual Adjustments" heading (Table 9), as illustrated in Table 12 below.

Table 12

Jobs/RHNA Combined with MHI, Overcrowding, Cost Burden, and Manual Adjustments				
Categories	**HCD Determination**	**Clearlake**	**Lakeport**	**Unincorporated**
Acutely Low	237	51	35	151
Extremely Low	370	80	54	236
Very Low	283	61	43	179
Low	514	108	80	326
Moderate	403	95	57	251
Above Moderate	691	181	100	410
Total	2,498	576	369	1,553

Finally, manual adjustments were again made between jurisdictions to correct for income level disparity. This entailed shifting acutely low-, extremely low-, very low-, and low-income units from Clearlake and the unincorporated County to Lakeport, which has a higher degree of opportunity (especially with respect to employment). Conversely, moderate- and above moderate-income units were taken from Lakeport and added to Clearlake and County totals. These final adjustments should ensure compliance with state objectives (2), (3), and (5) under Government Code Section 65584(d).

Table 13 shows the noted additions/subtractions, which will also be proposed as the final allocation for the region.

Table 13

Proposed RHNA Allocation				
Categories	**HCD Determination**	**Clearlake**	**Lakeport**	**Unincorporated**
Acutely Low	237	46	45	146
Extremely Low	370	75	67	228
Very Low	283	55	54	174
Low	514	104	95	315
Moderate	403	101	42	260
Above Moderate	691	191	75	425
Total	2,498	572	378	1,548

Given the revised allocation proposal, the Jobs-to-RHNA allocation ratio for Lakeport has been reduced from the initial 2.94:1, to 1.46:1, while the original ratios for Clearlake (0.83:1) and the Unincorporated County (0.85:1) have been increased to 0.91:1 and 0.92:1, respectively.

Consistency with State Housing Law

California Government Code Section 65584.04(b) requires that each Council of Government "survey" its member jurisdictions for information in its development of a RHNA methodology. Accordingly, a Methodology Committee was formed from representatives of the Lake region's three community development agencies: the County of Lake, and the cities of Lakeport and Clearlake. Several meetings were held to discuss various requirements and other issues involved in formulating an appropriate methodology. These discussions resulted in the methodology discussed herein, incorporating additional information to demonstrate compliance with State objectives and aims with respect to housing policy.

RHNA Objectives

State Housing Law also requires a RHNA methodology to further five specific "objectives," per Government Code Section 65584(d). The objectives listed below include a brief discussion of how they have been addressed within the methodology:

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.

As previously discussed, the methodology includes several adjustment factors designed to consider equitable distribution of units for various income specific categories. For instance, data on the median household income (MHI) of existing units will be used to adjust the final allocation in order to bring local housing markets into balance with respect to the six income levels. In addition, jurisdictional deviation over or below average Overcrowding and Cost Burden factors will also be used to "level the playing field," along with manual adjustments used to address other factors such as Jobs/Housing disparities, etc.

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.

Equity, efficiency, and environmental matters were included in developing the methodology by considering "opportunity" scores in the final allocation. The City of Lakeport currently enjoys more general amenities (e.g. job concentration, services, educational opportunities, etc.) than the County or the City of Clearlake, and City representatives have expressed a willingness to take a larger share of acutely-, extremely-, and very-low income units via "manual adjustments" which were applied at the end of the process. Conversely, with the City of Clearlake seeking a larger share of above-moderate units, higher skilled, better paid professionals may be able to locate within the City shortening commute times and reducing vehicle miles traveled or greenhouse gas (GHG) emissions related impacts.

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.

Similar to the discussion under objective (2) above, the methodology includes efforts to balance jobs and housing within the region. As noted earlier, the jurisdiction with the highest "neighborhood opportunity" score in the online 2025 Opportunity Mapping Tool was Lakeport by a fair amount (7.5, compared to the County and Clearlake scores of 5.5 and 1.5, respectively). Lakeport is additionally known as the region's "job center." Its willingness to consider accommodating higher shares of lower income household units helps to advance this objective.

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.

Median household income levels for existing households in each jurisdiction were analyzed finding the City of Clearlake to hold smaller shares of above-moderate units and a disproportionately large percentages of acutely-, extremely-, very-, and low-income units. The methodology supports this objective by aiming to correct noted imbalances (assigning more/fewer units of each income category between Clearlake, Lakeport and the County), where deemed appropriate.

5. Affirmatively furthering fair housing.

Government Code Section 65584(e) defines "affirmatively furthering fair housing" (AFFH) as

> 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 2025 Opportunity Mapping Tool discussed within this methodology was used to evaluate "disparities in housing needs and in access to opportunity" for all residents of the region, regardless of race or ethnicity, in an effort to equalize the allocation of income tiered units among the subject jurisdictions. The intention is to incorporate AFFH concepts into its overall distribution.

<u>Factors Included in Development of Methodology</u>

Government Code Section 65584.04 includes language requiring a council of governments (Lake APC) to consider 13 factors in developing an allocation methodology for regional housing needs. The following list provides a brief summary of these considerations, based on information received from the region's three jurisdictions:

1. Relationship between existing and projected jobs and housing affordability.
While it is broadly assumed (and accepted) that the City of Lakeport is a "job hub" for the region, reliable data was difficult to come by on local "jobs/housing affordability" balances. An "On the Map-Longitudinal Employer-Household Dynamics (LEHD)" tool (2022), showed Lakeport to have a disproportionately large share of the region's jobs. However, more recent data sources such as the American Community Survey (2023 5-year averages) and the California Economic Development Department (2025) both contradicted this 2022 assessment, instead showing the breakdown to be roughly in line with relative population percentages of the jurisdictions. Manual adjustments can be made to ensure that assumed employment opportunities in Lakeport are reflected in the regional allocation throughout the various income levels.

2. Constraints due to the availability of sewer, water, developable land, land preservation policies, emergency evacuation route capabilities or other climate change risks.
Data was not available, nor provided by local community development agencies with respect to constraints based on infrastructure availability or development policy. Given the hypothetical distribution of units from factors that were used, Committee members did not feel these to be significant obstacles to overcome in determining the final allocations.

3. Distribution of household growth as a means of maximizing public transportation or existing transportation infrastructure.
Infill development is emphasized in policy language found within the current housing elements of the region's local agencies, and will continue to be a consideration when determining residential zoning objectives within each jurisdiction. However, growth rates overall are expected to remain flat over the next decade, and the existing transportation infrastructure will be able to accommodate housing production scenarios over this span.

4. Agreements between jurisdictions directing growth toward incorporated areas and away from areas used for agricultural purposes.
While no official growth boundary agreements exist between jurisdictions, policies within current housing elements, as well those in the recently (August 2025) adopted "Housing Action and Implementation Plan (HAIP)," contain language directing growth inward, towards established communities and away from agricultural or rural areas.

5. Loss of units contained in assisted housing developments.
Data was not available regarding assisted housing developments and Methodology Committee members did not consider this a significant factor in determining the allocation of housing units.

6. Housing cost burdens at each relevant income level.
While information was not available from local agencies with respect to housing cost burden, data used by HCD to calculate the initial housing needs of the region found this to be a significant factor in its overall assessment. Relative cost burdens for homeowners and renters were considered and adjustments will be made to the number of units assigned to the three jurisdictions as broken down by household income category for each.

7. Rate of overcrowding.

Similar to cost burden factors, relative rates of overcrowding were considered and adjustments will be made to the number of units assigned to the three jurisdictions as broken down by household income category for each.

8. Housing needs of farmworkers.
Data was not available regarding farmworker housing and Methodology Committee members did not consider this a significant factor in determining the allocation of housing units.

9. Housing needs of college students at private schools, state schools, or universities.
Woodland Community College (Lake County campus) in Clearlake, and Mendocino College (Lake Center) in Lakeport are largely considered to be "commuter" schools and these student populations are not expected to have a large impact on housing needs within the region.

10. Housing needs of individuals and families experiencing homelessness.
Data was not available regarding homelessness and Methodology Committee members did not consider this a significant factor in determining the allocation of housing units.

11. Loss of units during a state emergency during the previous (current) planning period that have yet to be rebuilt.
Data was not available regarding wildfire or other natural disasters and Methodology Committee members did not consider this a significant factor in determining the allocation of housing units.

12. Consideration of the region's greenhouse gas emission targets.
Information was not received by local agencies. Greenhouse Gas emissions aren't expected to reach a level of significance in the Lake County region given the flat growth rates and smaller existing population numbers.

13. Other factors adopted by the Lake APC.
No other policy factors have been adopted by Lake APC with respect to housing needs allocation.