DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
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August 31, 2021   **CORRECTED**

Ahron Akimi, Executive Director
Kern Council of Governments
1401 19th Street, Suite 300
Bakersfield, CA 93301

Dear Ahron Hakimi:

RE: Final Regional Housing Need Determination

This letter provides the Kern Council of Governments (Kern COG) with a Final Regional Housing Need Determination. Pursuant to state housing element law (Government Code section 65584, et seq.), the Department of Housing and Community Development (HCD) is required to provide the determination of Kern COG's existing and projected housing need. In assessing Kern COG's regional housing need, HCD and Kern COG staff completed a consultation process from September 2018 through August 2021 that included the methodology, data sources, and timeline for HCD's determination of the regional housing need. To inform this process, HCD also consulted with Walter Schwarm and Doug Kuczynski of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **57,650** total units across four income categories. Kern COG is to distribute the units amongst the region's local governments. Attachment 2 explains the methodology applied pursuant to Government Code section 65584.01. In determining Kern COGs housing need, HCD considered all the information specified in state housing law (Government Code section 65584.01(c)).

Kern COG is responsible for adopting a methodology for RHNA and RHNA Plan for the projection period beginning June 30, 2023, and ending December 31, 2031. Pursuant to Government Code section 65584(d), the methodology to prepare Kern COG's RHNA plan must further 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 patters
(3)   Promoting an improved intraregional relationship between jobs and housing
(4)   Balancing disproportionate household income distributions

(5)   Affirmatively furthering fair housing

Pursuant to Government Code section 65584.04(d), to the extent data is available, Kern COG shall include the factors listed in Government Code section 65584.04(d)(1-13) to develop its RHNA plan. Also, pursuant to Government Code section 65584.04(f), Kern COG must explain in writing how each of these factors was incorporated into the RHNA plan methodology and how the methodology furthers the statutory objectives described above.

HCD encourages all of Kern COG's jurisdictions to consider the many other affordable housing and community development resources available to local governments. HCD's programs can be found at https://www.hcd.ca.gov/grants-funding/nofas.shtml.

HCD commends Kern COG leadership in fulfilling their important role in advancing the state's housing, transportation, and environmental goals. HCD looks forward to continued partnership with Kern COG and member jurisdictions and assisting Kern COG in planning efforts to accommodate the region's share of housing need.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Tom Brinkhuis, Senior Housing Policy Specialist at (916) 263-6651 or tom.brinkhuis@hcd.ca.gov.

Sincerely,

Tyrone Buckley
Assistant Deputy Director of Fair Housing

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION
Kern COG: June 30, 2023 through December 31, 2031

Income Category	Percent	Housing Unit Need
Very-Low*	25.4%	14,658
Low	16.2%	9,328
Moderate	16.1%	9,299
Above-Moderate	42.3%	24,365
Total	**100.0%**	**57,650**
* Extremely-Low	13.1%	Included in Very-Low Category

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.

HCD REGIONAL HOUSING NEED DETERMINATION:
June 30, 2023 through December 31, 2031

Methodology

Reference No.	Step Taken to Calculate Regional Housing Need	Amount
Kern COG: PROJECTION PERIOD (8.5 years) **HCD Determined Population, Households, & Housing Unit Need**		
1.	**Population: December 31 (DOF June 30 2031 projection adjusted + 6 months to December 31, 2031)**	1,033,630
2.	*- Group Quarters Population: December 31 (DOF June 30 2031 projection adjusted + 6 months to December 31, 2031)*	-38,045
3.	**Household (HH) Population**	995,590
4.	**Projected Households**	311,675
5.	+ Vacancy Adjustment (1.65%)	+5,140
6.	+ Overcrowding Adjustment (5.86%)	+18,277
7.	+ Replacement Adjustment (.5%)	+1,558
8.	*- Occupied Units (HHs) estimated June 30, 2023*	-281,559
9.	+ Cost-burden Adjustment	+2,536
Total	**6th Cycle Regional Housing Need Assessment (RHNA)**	57,650

Detailed background data for this chart available upon request.

Explanation and Data Sources

1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Gov. Code Section 65584.01, projections were extrapolated from DOF projections. <u>Population</u> reflects total persons. <u>Group Quarter Population</u> reflects persons in a dormitory, group home, institute, military, etc. that do not require residential housing. <u>Household Population</u> reflects persons requiring residential housing. <u>Projected Households</u> reflect the propensity of persons within the Household Population to form households at different rates based on American Community Survey (ACS) trends.

5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and the region's current "for rent and sale" vacancy percentage to determine healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% vacancy rate and the region's current vacancy rate (**3.35%**) is based on the 2015-2019 ACS data. For Kern COG, that difference is **1.65%.**

6. Overcrowding Adjustment: In regions where overcrowding is greater than the U.S. overcrowding rate of 3.35%, HCD applies an adjustment based on the amount that the region's overcrowding rate exceeds the U.S. overcrowding rate. Data is from the 2015-2019 ACS. For Kern COG, the region's overcrowding rate (**9.21%**) is higher than the national average (3.35%), resulting in a **5.86%** adjustment.

7. Replacement Adjustment: HCD applies a replacement adjustment from between .5% and 5% to the total housing stock based on the current 10-year average of demolitions in the region's local government annual reports to Department of Finance

(DOF). For Kern COG, the 10-year average is **.34%,** therefore a minimum **.5%** adjustment was applied.

8. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2023).

9. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group for the nation. The cost burden rate for lower income households in Kern COG is **7.28%** higher than the cost burden rate for lower income households in the nation, resulting in a **1,628** unit increase to the lower income RHNA. The cost burden rate for moderate and above-moderate income households is **2.85%** higher than the cost burden rate for those households in the nation, resulting in a **931** unit increase to the moderate and above-moderate RHNA.