

FERNDALE HOUSING ELEMENT

2019-2027

HOUSING PLAN

City of Ferndale

HOUSING ELEMENT

2019-2027

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Executive Summary

The Goals, Policies, and Programs contained in this Housing Element of the Ferndale General Plan will guide the City of Ferndale, stakeholders, and residents toward the preservation, improvement and development of housing for all economic levels. It is the City's intent to encourage quality, varied, affordable housing development by both the public and private sectors. This plan includes goals, policies and programs for specific activities.

The Housing Element consists of the following sections: (1) Purpose and Statutory Requirements; (2) Context and Strategies; (3) Goals and Policies; (4) Housing Programs; and (5) Technical Appendix. The Technical Appendix (**bound separately**) provides a detailed assessment of the City's existing and projected housing needs, constraints and opportunities for addressing those needs, and an evaluation of City achievements under the prior 2014-2019 Housing Element.

The Technical Appendix contains specific information on the community's housing needs, constraints to housing development, and resources available for the delivery of housing services and affordable housing. Included in the Technical Background Report is also the City's ability to provide adequate sites to meet its share of the regional housing needs assigned to the City by the Humboldt County Association of Governments (HCAOG).

The 2017 Legislative Housing Package provided a renewed focus on one of the most basic needs for every Californian--a home--and offered an injection of new regulatory and financial resources. This legislative push has encouraged jurisdictions to promote better quality of life for all Californians through better housing choices. Ferndale is a small town and not a regional job or transit hub; however, there are still realistic goals, policies, and programs that "fit" Ferndale.

Through this Element, the City is working to revisit development standards, infrastructure needs, and community partnerships, in the hope that this document will assist in the creation of Housing that supports the health, safety, and stability of all Ferndale residents.

Part One: Purpose and Statutory Requirements

Purpose of the Element

Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. California's local governments meet this requirement by adopting housing plans as part of their "general plan" (also required by the state). General plans serve as the local government's "blueprint" for how the city and/or county will grow and develop and include seven elements: land use, transportation, conservation, noise, open space, safety, and housing. The law mandating that housing be included as an element of each jurisdiction's general plan is known as "housing-element law." The rules regarding Housing Elements are stated in California Government Code §65580-65589.

California's housing-element law acknowledges that, in order for the private market to adequately address the housing needs and demand of Californians, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain), housing development. As a result, housing policy in California rests largely on the effective implementation of local general plans and, in particular, local housing elements. The statewide goal is given as "decent housing and a suitable living environment for every California family."

The primary purpose of the Housing Element is to:

- Preserve and improve housing and neighborhoods,
- Provide adequate housing sites,
- Assist in the provision of affordable housing,
- Remove governmental constraints to housing investment, and
- Promote fair and equal housing opportunities.

Further, State Housing Element law requires "An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs." The law requires:

- An analysis of population and employment trends,
- An analysis of the City's fair share of the regional housing needs,
- An analysis of household characteristics,
- An inventory of suitable land for residential development, and
- An analysis of the governmental and non-governmental constraints on the improvement, maintenance and development of housing.

The City of Ferndale last prepared a Housing Element in 2014 with prior updates in 2012, 1989 and 1992. The most recent City adopted and HCD certified Housing Element for the City of Ferndale is from 2014.

This updated Housing Element includes information from earlier documents, including Ferndale’s 2014 and 2012 updates, and incorporating updated state guidance and available census data.

Updated State Guidance

California’s housing affordability crisis was a primary focus of the California Legislature in 2017, culminating with Governor Brown signing into law a historic “housing package” of 15 bills. All of the housing package bills are designed to increase the housing supply in California, including the number of affordable homes. This new set of bills represents the most significant state-level action addressing housing since the elimination of redevelopment agencies in 2011. Though in recent years state policymakers have frequently discussed the urgent problem of rising housing costs, they had previously failed to reach agreement on how the state should respond, making this year’s success noteworthy.

This suite of housing-related legislation offers an injection of new regulatory and financial resources, and with it, an opportunity to innovate in the way we deliver housing throughout the state of California by:

Providing critical funding for new affordable homes

- Imposes a \$75 fee on recording of real estate documents (excluding sales) for investment in affordable-home development (**SB2: Building Jobs and Homes Act**).
- Placed a \$4 billion general obligation bond on November 2018 general election ballot for veterans and affordable housing programs (**SB 3: Veterans and Affordable Housing Bond Act**).

Accelerating development to increase housing supply

- Creates a streamlined approval process for certain developments in cities/counties that have not yet met their legally mandated housing targets (**SB 35: Streamline Approval Process**).
- Authorizes HCD to provide one-time planning funds and technical assistance to cities/counties to help streamline housing production (**SB2: Building Jobs and Homes Act**).
- Authorizes financial incentives for cities/counties that streamline development of housing in specific areas of their jurisdiction (**SB 540: Workforce Housing Opportunity Zones**).

Holding cities/counties accountable for addressing housing needs in their communities

- Authorizes increased enforcement of state housing-planning ("housing element") law and enables HCD to refer violations to the Attorney General (**AB 72: Enforce Housing Element Law**).
- Strengthens housing-planning law to ensure appropriate land is available for new development and increases transparency on local government progress in meeting legally mandated housing targets (**SB 1397: Adequate Housing Element Sites**).

- Creates a \$10,000 per unit penalty on cities/counties that deny (for unjustified reasons) approval of new homes affordable to low or moderate income Californians (**AB 678/SB 167: Strengthen the Housing Accountability Act**).

Creating opportunities for new affordable homes and preserves existing affordable homes

- Makes California's "farmworker housing tax credit" more attractive to developers (AB 571).
- Creates additional tracking and enforcement responsibilities to ensure compliance with state housing-preservation laws (**AB 879 and Related Reporting Bills**).
- Allows the legislative body of a city/county the option to require a certain amount of low-income housing in any new residential rental developments (**AB 1505: Inclusionary Ordinances**).

This Housing Element is the first to incorporate these regulatory updates and emphasizes laws relating to governmental accountability, specifically in the analysis of potentially developable sites in Ferndale.

Public Participation

Public participation ~~will be~~is encouraged throughout Housing Element update development and implementation, and ~~will occur~~s in several ways. The primary public participation method is noticed Planning Commission and Council study sessions. The first study session was exploratory and primarily to educate Council and the Planning Commission; the Housing Element discussion was held during a regularly scheduled council meeting as a discussion item, and was meant for the public at large. This meeting included a twenty-minute presentation of Ferndale's current housing needs, construction trends, and vacant sites inventory. Roughly fifteen community members attended, and information about the Housing Element was made available in English and in Spanish. This study session announcement was posted on the City's website, at City Hall and advertised in the Ferndale Enterprise.

To promote public participation and comment on the Draft Housing Element, a news release in English and Spanish summarizing key matters and inviting the public to review the Draft and attend the Planning Commission public hearing ~~will be~~was published and posted on the City's website ~~once the draft is reviewed by HCD~~. The Planning Commission ~~will forward~~ed their comments and recommendations to the City Council, who ~~will hold~~held an additional hearing prior to adoption. Both the Planning Commission and City Council hearings ~~will be~~were advertised in the local newspaper, as well as on the City's Online News Page, inviting the public to review the Draft Housing Element and attend the hearings. Public input received and how it is addressed in the Housing Element is included in Technical Appendix Section Five: Community Engagement.

Copies of the Draft Housing Element ~~will be~~were made available at several locations to facilitate public review and comment, including Ferndale City Hall, 834 Main Street and the Ferndale Library, 807 Main Street. Electronic versions and or hard copies will be provided for the public convenience. The draft will also be distributed to the Redwood Community Action Agency, El

Centro Del Pueblo, the local Portuguese Hall, Bear River Rancheria, the Ferndale Enterprise, El Llenador newspaper, and local water and sewer providers.

General Plan Consistency

Ferndale's General Plan serves as a policy document prepared to guide City growth and development and provides a framework for guiding the area toward orderly growth. The goals of the General Plan address a variety of issues, including: health, public safety, land use, circulation, provision of services and facilities, environmental protection, and open space preservation. The Housing Element is one of the eight elements mandated by State law which comprise the City's General Plan. The other seven mandated Plan elements are Land Use, Conservation, Circulation, Noise, Safety, Open Space, and Air Quality. The Housing Element includes policies for growth and residential land uses. Among other things, it establishes housing goals, policies, and objectives; identifies sites for new construction; and addresses governmental constraints. The goals, policies, and objectives should be reviewed in the context of the land-use, circulation, open-space elements, zoning, and/or redevelopment and capital improvement plans, especially if these plans or elements have not recently been updated.

The general plan is required to be "internally consistent" meaning any and all conflicts between general plan elements should be acknowledged and resolved. Jurisdictions must ensure programs and policies in other elements do not conflict with those of the housing element; in particular the land-use, circulation, or conservation elements. For example, circulation standards as discussed in the Transportation Element may need to be updated to reflect potential build out capacities proposed in the housing element. Also, realistic development capacity could be impacted by the conservation element policies that require new residential projects to provide large, open-space corridors or buffer areas.

The City of Ferndale has undertaken a multi-year, multi-element General Plan Update, and is in the process of updating the Safety and Noise & Air Quality Elements, with expected adoption by 2020. In addition, the City is proposing to update the Land Use Element in conjunction with the Housing Element with the assistance of SB2 funds. The revised Housing Element along with the adopted elements of the General Plan will act as a guide for municipal decisions which affect the quality and quantity of housing; and will work to maintain Ferndale's present quality of life by balancing the availability of housing with other environmental considerations.

The Housing Element update must be submitted to the California Department of Housing and Community Development (HCD) for review. HCD will determine if the update is in compliance with State Housing Element law and may require applicable revisions. Once determined acceptable, HCD will certify the document.

Part Two: Context and Strategies (“Framing the Challenge”)

The City of Ferndale is known as a small community with a strong agricultural and historic identity. Demographics and construction trends have remained relatively static over time but increasing housing costs have made housing stability and homeownership more and more challenging for low-and moderate-income households. The following section summarizes the City’s housing needs based on review of population and housing stock characteristics contained in the Technical Appendix.

Changing Housing Needs

Ferndale is a small community that changes slowly, but demographic trends suggest there is potential for gentrification if relatively affluent retired people continue to move from other areas, driving up the cost of limited housing. Seniors and long-time Ferndale residents still comprise a significant portion of the City’s population; however, these residents often have more limited incomes than individuals moving to the area and are therefore less equipped to compete in the market for decent housing. Providing affordable housing and alternative housing arrangements (e.g., assisted living, residential care) for the seniors to age in place and for others to remain in the community is an important goal of the City. Providing suitable housing for families is another City priority and requires housing stock diversification. Through new construction, the City will work to facilitate a range of housing options to meet the varied needs of all residents, and this Element reflects the community’s desire to create a better balance of housing, both in its affordability (rental and ownership) and in the range of housing options available to different households, diverse income ranges, family sizes, formats, settings and lifestyles.

Aging Housing Stock

Almost 90 percent of the City’s housing stock is 30 years of age or older, a threshold when housing generally shows signs of aging, requiring major upgrades to the physical structures and systems (such as electrical and plumbing). Specifically, approximately half of the housing stock was constructed before 1939, and almost 80 percent of Ferndale’s housing stock is at least 50 years old. Ferndale is known for its Victorian architecture, and the majority of households have maintained their historic homes in good condition; however, certain architectural features prone to deteriorating, including windows and roofs, require continued maintenance. In addition to maintenance and upkeep issues, the age of the housing stock and high seismic activity of the area also means that the City has a large number of structures that would present safety concerns in the event of an earthquake, and seismic improvements to upgrade these structures can be costly. Accordingly, programs that focus on mechanisms to encourage repairs and rehabilitation are included in this Housing Element.

Rising Housing Prices and Lack of Deed-Restricted Affordable Housing

As of 2019, Ferndale has the highest home prices in the region, and the greatest rate in increased value in the past two years. According to recent census data, the median home price is \$444,000 but median annual income is \$49,185, leading to a situation in which only above-moderate income households can afford to purchase a home in the City. Additionally, Ferndale has 52 rent-

stabilized units contained in one development (the former Navy Base Housing development). The rental restriction on these units will be lifted in 2031. With rising housing costs in the region, the City must make all feasible efforts to protect its affordable housing stock and explore further options for encouraging the development of deed-restricted and non-restricted affordable units.

Community Integrity and City Buildout

The City is approaching residential buildout in many areas, including its downtown, and many of the specific areas that have historically accommodated affordable housing are reaching their cap. Yet City residents want to preserve lower density character in existing neighborhoods. These factors underscore the importance of targeting growth to selected areas best suited to accommodate housing, and the City must balance the need for new housing with the need to protect the quality and integrity of existing neighborhoods. As a strategy to facilitate new construction, the City will direct some of its future housing development away from the existing residential neighborhoods by exploring zone reclassifications in areas that currently cannot support multifamily housing. Higher-density developments in commercial areas will be encouraged through land use updates and incentives.

Relationship to Jobs and Transit

Housing options are not always available to the City's workforce, and lower income families remains limited in their housing choices. Ownership of housing is beyond the reach of many lower- and moderate-income households. However, it is acknowledged that housing in the community does not have a single solution, nor is it an isolated issue. There is an accepted link between long term, enduring housing solutions and other related policies such as alternative transportation, community health, green building, and economic vitality. As such, current State priorities are moving towards prioritizing infill in areas with high concentrations of jobs and transit to increase walkability and reduce greenhouse gas emissions. Ferndale's economy currently revolves around its thriving tourism industry, but suffers from a lack of economic diversity and living-wage jobs. In addition, Ferndale is not currently served by public transit. This has led to an interest from Ferndale's Planning Commission and City Council in exploring what Ferndale's niche should be in the greater scheme of Housing Needs in the region, and what appropriate strategies should be for smaller jurisdictions in rural counties.

Flooding and Drainage Constraints

The City of Ferndale is located within the Eel River Valley. The City and surrounding area are within the Salt River watershed, which in turn flows into the Eel River near its mouth. Ferndale and the surrounding areas have historically had problems with storm water and drainage. Storm runoff associated with heavy winter rains has caused chronic flooding and sedimentation problems in the relatively flat terrain in the City, and in the rural areas north of the City near the Salt River. The City of Ferndale has recognized that continued growth can only take place in or adjacent to those portions of the city experiencing chronic flooding, and that storm water runoff management is in the public interest and a significant factor in planning future development.

Protection of Ferndale's Unique Resources

Ferndale's Land Use Element and Historical and Cultural Resources Element outline Areas of Special Concern and Unique Resources, which include: the Francis Creek Watershed and other drainage courses; regional ecology in Russ Park and the surrounding areas; aesthetic areas and viewsheds; and the large number of individual Victorian Structures, and Main Street as a Historic District. Unique Resources Goals include: retain the scenic aspect of the City and its surrounding open countryside; preserve and protect existing architectural and historic features; and protect the Francis Creek watershed from Land Use and development activities which could degrade its quality. Ferndale residents and officials acknowledge the value of these resources and understand the importance of ensuring General Plan consistency; therefore, the Element Goals, Policies, and Programs have been drafted with these considerations in mind.

Ferndale's 6th Cycle Housing Strategies

For the 6th Housing Element cycle, Ferndale has worked to refine goals and programs in order to clarify the City's vision, and to ensure programs are implemented efficiently. As a result of review and analysis of Technical Appendix information and feedback from the community and elected officials, specific areas of focus for the 2019-2027 cycle include the following:

- Undertake Land Use Element/Zoning Code Updates and revisit intensity and location of housing density and address governmental constraints to housing production
- Explore ways to encourage Accessory Dwelling Unit (ADU) production as prioritized low-impact infill housing
- Use this planning period to diligently evaluate staff capacity to apply for and administer state and federal grants for low income housing creation/rehabilitation, and/or enter into partnerships with non-profit entities to pursue funding and support for low-and moderate-income individuals
- Prioritize drainage analyses and pursuing drainage funds in areas that have greatest potential to support future housing, such as 5th Street

As a result of these considerations, the following goals have been set for the 6th Housing Cycle:

- 1. Designate sufficient land at appropriate densities with development standards to support appropriate housing creation for all income groups and household types***
- 2. Maintain and Improve Public Infrastructure***
- 3. Support Housing Equity for All Ferndale Residents***
- 4. Preserve and Improve Affordable and Market Rate Housing***

Part Three: Goals and Policies

The purpose of this section is to formulate a housing plan for the next eight years that will guide the City of Ferndale and all of its housing stakeholders toward the preservation, improvement and development of housing for all economic levels. It is the City's intent to encourage quality, varied, affordable housing development by both the public and private sectors. The following are goals, policies and programs for specific activities.

- **Goals** are general statements of values or aspirations held by the community in relation to each issue area. They are the ends toward which the jurisdiction will address its efforts.
- **Policies** are more precise expressions of the community's position on particular issues, or how particular goals will be interpreted or implemented. Policies may include guidelines, standards, objectives, maps, diagrams, or a combination of these components.
- **Programs** present specific actions that the city or other identified entity will undertake to address policy issues and move closer to the community's goals. These might include ongoing programs sponsored by the city (e.g. a rehabilitation loan program), discrete time-specific actions (e.g. adopt an ordinance or establish a housing trust fund), or further planning action (e.g. develop a specific plan).
- **Quantified Objectives** establish short-range targets to achieve the goals by identifying the maximum number of housing units by income category that can be constructed, rehabilitated and conserved over the five-year period. They should represent "realistic yet aggressive targets that will guide program implementation and serve as the basis for ongoing monitoring and evaluation."

GOAL 1: Designate sufficient land at appropriate densities with development standards to support appropriate housing creation for all income groups and household types.

Intent: Analyze and where appropriate remove governmental constraints to permanent housing creation for all levels of household income.

POLICIES:

1-1 Continue to Review and Revise Ordinances to increase housing creation.

1-2 Explore methods available to encourage infill development.

1-3 Explore methods available to promote affordable housing in new development projects.

1-4 Explore methods available to encourage senior housing developments.

GOAL 2: Maintain and Improve Public Infrastructure

Intent: Address infrastructure needs that affect housing creation and community safety.

POLICIES:

2-1 Continue to maintain the Wastewater Treatment Facility.

2-2 Minimize housing construction in environmentally hazardous areas.

2-3 Seek Federal and State funding for sewer and drainage improvements and expansion.

2-4 Periodically review and update the city-wide drainage master plan and drainage fee ordinance.

2-5 Pursue Transportation Funding for public transit and road improvement projects.

GOAL 3: Promote Housing Equity for All Ferndale Residents

Intent: Address accessibility to safe, sanitary and affordable housing for all City residents regardless of race, color, religion, sex, marital status, familial status, national origin, ancestry, sexual orientation or disability, including developmental disability.

POLICIES:

3-1 Explore methods available to support the needs of special groups, including the handicapped, large families, the elderly, and individuals and families with low incomes.

3-2 Promote ADA accessibility in new housing development.

3-3 Encourage equal housing opportunities per GC Section 65583(c)(5).

GOAL 4: Preserve and Improve Affordable and Market Rate Housing

Intent: Encourage the preservation, rehabilitation, and improvement of housing units in the City.

POLICIES:

4-1 Apply for federal and state financing and subsidies for rehabilitation of housing for lower income households and subsidies for affordable housing development.

4-2 Explore partnerships with existing local non-profit housing sponsors to make maximum use of federal and state programs for new housing construction and rehabilitation.

4-3 Promote energy efficiency and weatherization programs for existing residential units, including Pacific Gas and Electric, Redwood Coast Energy Authority, and Redwood Community Action Agency programs.

Part Four: Implementation Programs

The goals and policies presented in the previous section are implemented through a series of housing programs. Housing programs define the specific actions the City will undertake to achieve the stated goals and policies. Many of the programs related to regulatory updates are anticipated to be funded through SB2 funds for this planning cycle; as the grant term for SB2 is through June 30, 2022, this timeframe is commonly used throughout.

Program 1. Ensure adequate sites are available and/or zoned to allow owner-occupied and rental multifamily residential uses by right.

Providing zoning for a variety of Housing Types in Ferndale is an identified area of improvement for the 6th cycle. Specifically, City staff and elected officials will need to continue to work on revisiting the R3 and R4 zoning designations, but the intent of this program is to ensure that all designated zone classifications are 1) adequately represented on the Zoning Map and 2) allow for a variety of housing types without an overly rigorous review process.

Objectives:

- Revisit the “Character” and “Primary and Compatible Uses”, and “Density Range” sections of each zone in the Land Use Element. Update as appropriate to ensure both single-family and multifamily uses are anticipated uses in multiple zones.
- Update the Zoning Ordinance to allow multifamily development of up to 4 units in the R4 zone without a use permit.
- Update the Zoning Ordinance to allow multifamily development of more than 4 units in the R4 zone with a use permit.
- Update the Zoning Ordinance to allow multifamily development of more than 4 units in the R3 zone with a use permit.
- Evaluate and identify sites with potential for rezoning to allow for multifamily uses without a use permit (i.e., R3 and/or R4 zones).
- Implement rezoning on identified sites to R-3 and/or R-4 by 2025.
- Review existing City processes for compliance with AB 2162. Revise zoning codes/processes to allow supportive housing by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses. Complete review of existing City processes by August 1, 2020.

Funding Sources: General Fund, SB2 funds

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2022

Program 2. Adopt incentives for consolidation of smaller sites, including priority processing, modification of development standards and ministerial lot line adjustments.

Updated State requirements related to identification of suitable affordable housing development sites highlight the fact that small sites are unlikely to be suitable for affordable housing due to economies of scale. The program intent is to attempt to reduce affordable housing production barriers by streamlining processes related to development-related land consolidation.

Objectives:

- Update the Zoning Ordinance to make Mergers and Lot Line Adjustments staff-level processes.
- Consider waiving Lot Line Adjustment and Merger processing fees for projects that propose to create an ADU or 20% deed-restricted affordable units (20 year term).

Funding Sources: General Fund, SB2 funds

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2022

Program 3. Analyze parking regulations to assess whether they facilitate or restrict mixed-use development.

Parking is commonly discussed as being a barrier to housing development, specifically if parking standards require one or more spaces per unit. The program intent is to revisit existing regulations and ensure they are adequately permissive to facilitate multifamily housing creation.

Objectives:

- Compare with Government Code (§65852.2) ADU provisions to see if regulations can be made to match ADU parking requirements permissiveness (e.g. proximity to transit, location in a significant historic district, etc.)
- Evaluate current parking requirements and discuss separating parking requirements for single-family and multiple-family developments.
- Evaluate current parking requirements and discuss allowing a minimum of one parking space per two units of multifamily housing.
- Consider allowing required parking spaces to be provided as tandem spaces.
- Revise parking standards as identified by 2025.

Funding Sources: General Fund, SB2 Funds

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2022

Program 4. Analyze Ferndale's Vacancy Rate to better understand its causes, and develop potential solutions.

HUD standards indicate that a vacancy rate of five percent is sufficient to provide choice and mobility. According to the 2016 Census, the vacancy rate in Ferndale was 16.8%. A total of 129 units are noted as vacant, with 49 of those units being "seasonally occupied". The intent of this Program is to analyze if and why so many units in Ferndale are vacant, and attempt to fill them with individuals in need of housing.

Objectives:

- Research methods available to get more information on Census numbers, e.g. reaching out to census bureau, County Assessor, etc. and determine realistic vacancy numbers
- Hold study session with Planning Commission and Council to discuss potential mechanisms to lower this number, if applicable based on results of analysis.

Funding Sources: General Fund

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2027

Program 5. Offer incentives such as density bonuses, permit streamlining and/or permit fee reductions/ waivers to developers to build senior and affordable housing.

The City of Ferndale has limited land available that could realistically support affordable housing. The intent of this program is to create incentives that would encourage private developers and homeowners to invest in development of a variety of housing types affordable to low-and low-moderate income households in Ferndale. This program is anticipated to provide incentives to a project(s) that would result in the creation of four affordable units in the planning period.

Objectives:

- Consider waiving Use Permit fees for development projects in R3 or R4 proposing to create more units than allowed by right, if 20% of proposed units will be deed-restricted for a minimum 20-year term.
- Consider waiving Use Permit fees for development projects in all zones that propose to rent to seniors (defined as 70 years of age or older).
- Consider allowing up to 2 more units by right in R2, R3, and R4 zones for development projects that propose to rent to seniors (defined as 70 years of age or older).
- Explore financial methods available for City to assist in the creation of ADUs, including limited secured guarantees during construction, partnering with local banks/lenders to

help facilitate the lending and financing process for ADUs, property tax moratoriums, City distribution of pre-approved floorplans, etc.

- Two parcels (APNs 031-032-007 and 030-181-008) have been identified as available for lower income RHNA development in the last two Housing Element Cycles; therefore, as required by Government Code §65583.2 (c), proposed residential developments at these two sites within the C-2 and R-2 designations must be allowed by right if at least twenty percent of units are proposed to be deed restricted affordable to lower-income households.

Funding Sources: General Fund, SB2 funds

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2022

Program 6. Prioritize regulatory concessions to encourage Single Room Occupancy (SRO) units.

A single-room occupancy (SRO) unit usually is small, between 200 to 350 square feet. These units provide a valuable source of affordable housing for individuals and can serve as an entry point into the housing market for people who previously experienced homelessness. Many older SROs have been lost due to deterioration, hotel conversions, and demolition. The intent of this programs is to identify zoning and development standards that will allow and encourage the construction of new SROs. This program will assist people in extremely low-income (ELI) households.

Objectives:

- Update the Zoning Ordinance to specifically allow SRO units by right in R3 and R4 zones.
- Consider altering procedures to make existing hotels and multifamily structure demolition discretionary, such as requiring City Council review, to address the potential of converting to SRO rooms.

Funding Sources: General Fund, SB2 funds

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2022

Program 7. Amend the Zoning Ordinance to allow agricultural employee housing ~~by right, without a conditional use permit (CUP), in single-family zones~~ for six or fewer persons to be treated the same as single family units in all zones (Health & Safety Code §17021.5); and in agricultural zones allow bunkhouses of 36 or fewer beds with or no more than 12 units or 36 beds the same as an agricultural use in zones allowing agricultural uses, as required by Health and Safety Code §17021.6.

The housing element must include an analysis of farmworker housing needs (Government Code Section 65583(a)(6)) and if the sites inventory does not identify adequate sites to accommodate the housing need for farmworkers the housing element must include one or more programs to provide sufficient sites to accommodate the need for farmworker housing “by-right” (Government Code Section 65583(c)(1)(C)). The intent of the program is to bring the City’s Zoning Ordinance into compliance with State law.

Objectives:

- Update the Zoning Ordinance to be consistent with Health and Safety Code §17021.5 and §17021.6 ~~allow regarding~~ agricultural employee housing ~~by right, without a conditional use permit (CUP), in R1 and RS for six or fewer persons and in AE with no more than 12 units or 36 beds.~~

Funding Sources: General Fund, SB2 funds

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2022

Program 8. Complete CEQA and Certify the Safety Element Update to minimize housing construction in environmentally hazardous areas and for compliance with Government Code §65032.

The Safety Element Update has been completed but is awaiting CEQA review before it can be finalized and certified by the Council. The intent of this program is to 1) ensure General Plan consistency and 2) finalize a multiple year long process so that the Element may be applied to future projects.

Objectives:

- Complete CEQA and Certify Housing and Safety Element Updates to minimize housing construction in environmentally hazardous areas, for Government Code § 65032 compliance.

Funding Sources: General Fund, SB2 funds

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2022

Program 9. Continue to apply for Federal and State funding for infrastructure improvements and expansion throughout the City as outlined in the Drainage Master Plan and other Planning Documents.

Drainage continues to be an issue for the City and surrounding area. Addressing drainage issues is therefore a main priority for Ferndale. Ferndale has a Drainage Master Plan that outlines prioritized projects and project costs; the majority of the proposed infrastructure projects are prohibitively expensive to undertake without grant funding. The intent of this program is to both 1) continue to analyze how drainage may affect development, and 2) pursue funds to address these drainage issues.

Objectives:

- Apply for Federal and State Funding for Sewer and Drainage facility improvements.
- Continue to note drainage improvement projects in the Local Hazard Mitigation Plan and Local Streets and Roads project list.
- Periodically review and update the city-wide drainage master plan and drainage fee ordinance.
- Pursue Transportation Funding for public transit and road improvement projects in the proximity of Main Street and other core areas of Ferndale with potential for increased Housing development.
- The City plans to apply for funding opportunities three times during the planning period.

Funding Sources: General Fund; other State and Federal funds

Responsible Agencies: City Planner, City Engineer, and City Manager

Timeframe: 2019-2027

Program 10. Give sewer hookup priority to developments that include housing units affordable to lower income households (GC §65589.7).

Chapter 727, Statutes of 2005 (SB 1087) establishes processes to ensure effective Government Code §65589.7 implementation. This statute requires local governments to provide the adopted housing element to water and sewer providers. In addition, water and sewer providers must grant service allocations priority to proposed developments that include housing units affordable to lower-income households. Chapter 727 was enacted to improve the effectiveness of facilitating housing development for lower-income families and workers. The intent of this program is to ensure compliance with State law.

Objectives:

- Give sewer hookup priority to developments that include housing units affordable to lower income households.
- Provide a copy of the adopted Housing Element to Del Oro Water Company within 30 days of adoption of adoption.

Funding Sources: General Fund

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2021

Program 11. Support and coordinate with the efforts of affordable housing providers and other social service and non-profit tenant and landlord rights advocacy groups. Promote reasonable accommodation procedures to support people with disabilities, including persons with developmental disabilities.

Ferndale's full-time administrative staff is the City Manager, City Clerk, and Finance Manager, limiting staff capacity to implement a wide variety of Housing support programs. The program intent is to 1) ensure staff is aware of other services already underway in Humboldt County, and 2) provide information and support to Ferndale residents to the greatest degree feasible.

Objectives:

- Inform the public of their responsibilities and rights under the law and improve access to landlord/tenant mediation services to resolve fair housing complaints through informational material available at Ferndale City Hall.
- Maintain State compliant forms and refer fair housing complaints to appropriate agencies such as California Department of Fair Employment and Housing.
- Provide County social services directory to residents at City Hall and on City website.
- Explore setting up quarterly meetings with the City Manager and local housing providers and support groups, such as Redwood Community Action Agency (RCAA), Area One Agency on Aging, and others to share information and provide support.
- Make reasonable accommodation and fair housing information available throughout the City in a variety of public locations (e.g. City Hall, City website, library, and post office).
- Review and revise the City's process to comply with AB 101 that requires when a Low Barrier Navigation Center meets specified criteria, it must be allowed by-right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses. Review and revise city processes as necessary by August 1, 2020.

Funding Sources: General Fund

Responsible Agencies: City Manager and City Clerk

Timeframe: 2019-2027

Program 12. Seek State and Federal grants, as funding becomes available, in support of housing construction and rehabilitation targeted for low-income and low-moderate income persons and persons with disabilities.

As mentioned above, Ferndale does not currently have the staff capacity to implement a wide variety of Housing support programs, but can prioritize applying for grants that come with set-asides for grant administration. This program will be evaluated during this cycle for feasibility given staffing constraints. The intent of this program is to encourage staff to continue to remain vigilant for any and all feasible opportunities related to housing targeted for low- and moderate-income persons.

Objectives:

- Consider applying for CDBG funding. Make official determination on feasibility by next housing cycle; if not feasible, remove from list of Implementation Programs.
- Consider implementing the Federal HOME First Time Homebuyers Assistance Program. Make official determination by next housing cycle; if not feasible, remove from the list.
- Explore the potential to apply for Federal and State grants to address housing rehabilitation needs and adopt a rehabilitation loan program to correct Health and Safety Code violations and make essential repairs. Make official determination on feasibility by next housing cycle; if not feasible, remove from the list.
- Seek State and Federal grants, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with disabilities, including persons with developmental disabilities. Delegate application preparation to City Planner or others as deemed appropriate.
- If above listed avenues are determined infeasible, spend last year of 6th cycle researching other grant/loan programs that may fit with the City's specific needs and constraints, for inclusion in the 7th cycle Housing Element.

Funding Sources: General Fund

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2026; last year of cycle reserved for further programs exploration, as necessary.

Program 13. Explore a partnership with RCAA to take advantage of their Housing Rehabilitation program. Make official determination on feasibility by next housing cycle; if not feasible, remove from list of Implementation Programs.

The RCAA is a local non-profit with a mission to enable low-income and/or disadvantaged persons to gain the necessary skills, education, and motivation to become self-sufficient in a healthy, sustainable environment. In the past, RCAA has partnered with the City of Fortuna and other local agencies to implement a Housing Rehabilitation Program. This model is attractive to the City of Ferndale, as such a partnership with required financial support but little administrative time.

Objectives:

- Explore a partnership with RCAA to take advantage of their Housing Rehabilitation program. Make official determination on feasibility by next housing cycle; if not feasible, remove from list of Implementation Programs.
- Meet with RCAA Senior Staff to review other services offered that the City of Ferndale may be able to undertake in partnership.

Funding Sources: General Fund

Responsible Agencies: City Planner and City Manager

Timeframe: 2019-2026; last year of cycle reserved for further programs exploration, as necessary.

Program 14. Support local residential energy conservation efforts and provide weatherization and energy conservation techniques information at City Hall and the Ferndale Public Library.

Aging housing stock is a major housing concern in the City. Preserving the City's existing housing requires an understanding of the extent of the issues and the feasibility and costs of preservation, and then devising an appropriate strategy to address the issues. The intent of this program is to educate the public on energy-saving programs and support efforts already underway in the area, as well as updates to Title 24 Standards that will affect residential housing development.

Objectives:

- Develop and update a master weatherization and energy conservation techniques handout. Include a referral listing of public and private grant/loan assistance programs for weatherization, including RCAA and Redwood Coast Energy Authority (RCEA).
- Promote energy conservation educational programs and sustainable building techniques such as construction waste recycling and energy efficient retrofits.
- Pursue financial resources to assist in upgrading the City's housing stock with green building improvements. Conduct a study in 2020 to explore historic buildings upgrade incentives.
- Support the Redwood Coast Energy Authority's efforts to provide community education on energy issues, including reduced energy consumption and increased energy efficiency benefits.

Funding Sources: General Fund

Responsible Agencies: City Planner, City Clerk, and City Manager

Timeframe: 2019-2027

Program 15. Monitor residential capacity (no net loss)

To ensure adequate sites are available throughout the planning period to meet the City's RHNA, the City will continue to update an inventory that details the amount, type, and size of vacant and underutilized parcels. Should residential capacity fall below the remaining need for lower income housing, the City will identify and if necessary rezone sufficient sites to accommodate the shortfall and ensure "no net loss" in capacity to accommodate the RHNA.

Objectives:

- Proactively monitor the consumption of residential acreage to ensure an adequate inventory is maintained for the City's RHNA obligations.
- If the inventory indicates a shortage of available sites, the City shall rezone sufficient sites to accommodate the City's RHNA.
- Develop and implement a project evaluation procedure pursuant to Government Code 65863, by August 1, 2020.

Funding Sources: General Fund

Responsible Agencies: City Planner, City Clerk, and City Manager

Timeframe: 2019-2027

Part Five: Quantified Objectives

Under State law, the Housing Element must include quantified objectives which estimate the number of units likely to be constructed, rehabilitated conserved, or preserved by income level during the planning period. While ideally the housing objectives will equal the housing needs identified in the Housing Element, the identified needs in many cases exceed available resources. Realistically, most of the factors are beyond the control of local government. However, this Housing Element addresses regional housing needs by setting City housing allocations based on needs, resources and constraints.

The Humboldt County Association of Governments (HCAOG) new construction estimates under the Housing Needs Plan call for the development of 33 new housing units in Ferndale within the next eight years. This projection is based on Ferndale's share of the County's estimated housing needs. This projection does not account for economic and market trends. The projected rate of construction necessary to meet this allocation (approximately 4 units per year) exceeds the units per year average for the last decade. The housing construction trend in Ferndale has been declining; between 2001 and 2008, 37 units were constructed in Ferndale, for an average of 7.4 houses per year. Between 2009 and 2014, 15 units were constructed, for an average of 3 per year; in the last cycle, 10 units were constructed, for an average of two per year. Ferndale does

not have many residentially zoned parcels left to develop, and the majority of the remaining developable land does not facilitate streamlined affordable housing production, due to land size and costs as well as Land Use Controls. Given current trends, it is anticipated one unit of single-family housing and two ADUs will be constructed per year on sites not currently under review by City staff.

On the other hand, although only 10 housing units have been approved/constructed in the last five years, 6 of those 10 units were ADUs or JADUs, which are more affordable to low-moderate income individuals, and diversify Ferndale's housing stock. The last two years have been especially active in ADU creation (Four of those ADUs have been approved since December 30, 2018 and will count towards the 6th Cycle RHNA); it is anticipated that the City's new ADU regulations in conjunction with methods to facilitate ADU production to be undertaken with SB2 finds will further facilitate ADU development. In addition, in the past year, the City has approved tentative maps for two subdivisions that propose to create lots for another eight single family homes and four ADUs. An additional subdivision for four single family lots is currently under review, and ten duplexes have been proposed to be added to the Navy Housing Development, but these units will not be counted in the Quantified Objectives calculation, as entitlements have not yet been granted for these fourteen units.

Given Ferndale's housing options and ADU pricing, staff is anticipating the single-family dwellings to be above-moderate income units, the ADUs and duplexes to be moderate-income, and the JADUs to be low income, resulting in a total of nine new above-moderate income units, four new moderate-income units, and one new low-income unit based purely on approved building permits and subdivision maps. Therefore, it is anticipated that under current conditions, future projections of housing units constructed will be greater than the City's RHNA allocation; however, low, very-low, and extremely low units are unlikely to be constructed under current conditions, but are more likely to be constructed with the proposed Programs, particularly those related to Zoning Updates. If these programs are successfully implemented, low- and very-low income housing development is still likely to be slow given past construction trends, and therefore staff projects a conservative number of one unit every two years for these income categories.

The City anticipates new construction of eight new units of housing through approved subdivisions, and another one single-family dwelling unit and two ADUs per year based on current construction trends; rehabilitation assistance with no units; and conservation/preservation of no units over the next planning period. The projected rehabilitation is 0 because no rehabilitation projects have been identified in the City to date; however, this Element includes programs to apply for funding and assist homeowners with redevelopment projects should any be identified. The projected unit conservation/ preservation is 0 because no dwellings are at threat of being converted during the planning period.

Table 1: Quantified Objectives for 6th Cycle (8 years) - City of Ferndale

Income Group	New Construction*	Rehabilitation	Conservation and Preservation
Extremely Low	0+4=4	0	0
Very Low	0+4=4	0	0
Low	1+4=5	0	0
Moderate	8+16=24	0	0
Above Moderate	9+8=17	0	0
TOTAL	54	0	0

*calculations factor in approved building permits for residential units since December 30, 2018 and proposed units per approved subdivision maps, plus yearly estimates.

FERNDALE HOUSING ELEMENT

2019-2027

TECHNICAL APPENDIX

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Part One: Needs Assessment

This section includes an analysis of demographic, economic, housing, and special needs characteristics and trends in the City of Ferndale. The analysis is intended to identify issues that affect the City's existing and future housing needs.

Housing Needs Summary

The table below summarizes conclusions drawn from an analysis of housing and population trends in Ferndale since the last planning period. The combination of the housing needs summary synthesized with what was learned from the past planning period provides a meaningful framework for developing the housing program strategy for the current planning period. As Ferndale's demographic and construction trends tend to be relatively stable, this cycle's general trends and challenges are similar to last cycle. Highlights for this planning period will include developing responses to the following conditions:

- Aging Population
- Aging housing stock with significant historic structures
- Higher housing cost than County Average
- Rising housing prices
- Greater percentage of population overpaying for housing since last cycle
- Fewer jobs than other Humboldt County population centers and no public transit

The table below summarizes housing needs, resources and constraints and incorporates what was learned from the prior Housing Element review. The combination of the housing needs summary synthesized with what was learned from the past planning period provides a meaningful framework for developing the housing program strategy for the current planning period. Data is taken from the U.S Census data from 2010-2016 and Census ACS Industry categories. The 2019-2027 Housing Programs have been developed and examined through the lens of these challenges.

Table 1. 1 Summary of Housing Needs

Category	Statement	Need
Population	Ferndale population proportions are very close to Statewide numbers. The biggest different is with age 75+ where Ferndale is 8.5% higher than California. 42% of Ferndale residents are elderly. Because of the cost of real estate in Ferndale, younger families might be less able to afford to live here. Ferndale's ethnic makeup is predominantly white (~93%).	Help for First Time Homeowners. Supply fair housing information throughout the City in English and Spanish.

Category	Statement	Need
Employment	The largest job sector growth was Retail Trade (12.6%), followed by Construction (7.5%), and Arts, entertainment...(5.0%). The largest decline was Educational services...(-7.4%).	Support for Home Based Businesses and Long Distance work offices. Preservation of prime agricultural land.
Income	Relative to Humboldt County or the State of California, fewer Ferndale residents fall within the two lowest income categories. Ferndale has one of the highest median incomes in the region and the highest number of residents in the highest income category.	Housing affordable to families with lower income.
Seniors	Seniors in Ferndale make up 42 percent of the population, higher than the Humboldt County percentage (16%).	Senior Housing for when our Seniors can no longer live in their homes.
Female-headed Households	In Ferndale, there were 75 female-headed households, according to the 2016 Census. Of these, two were below the poverty level.	Housing affordable to families with lower income.
Persons with Disabilities	Residential parking standards for persons with disabilities are the same as other parking standards. The Reasonable Accommodation Ordinance provides a process for the reduction of parking requirements for special needs housing if a project proponent can demonstrate a reduced need for parking.	None
Group Homes	The Zoning Ordinance addresses housing needs for persons with disabilities.	None
Households Overpaying	In 2016, approximately 277 households (42.6 percent) were considered overpaying for housing. This incidence of overpayment occurs more for renters households (owner (36.6%) and renter (51.1%)). Based on affordability projections, there is a higher barrier to both rental and homeownership in Ferndale than in neighboring jurisdictions.	Rental Assistance, additional low to moderate income houses.
Housing Units by Type	Single family homes remain the predominant housing type. The Navy Housing Complex remains Ferndale's only deed-restricted affordable housing.	Additional multi-unit, mobile/manufactured home and single family attached construction.
Government Constraints	Ferndale's Zoning Ordinance has been amended to allow for persons with disabilities, emergency	Zoning Ordinance Amendments to

Category	Statement	Need
	shelters, and transitional housing. A Density Bonus Ordinance has been adopted to increase the availability of permanent housing for all community residents. Although the R4 zone is named Apartment-Professional, neither the principal or conditionally permitted uses include multifamily development. There are no R3-zoned parcel in Ferndale, although the zone exists in the Land Use Element and Zoning Code.	include apartment dwellings by right in R4 zones and a Rezone to include R3 zones.
Vacancy	HUD standards indicate that a vacancy rate of five percent is sufficient to provide choice and mobility. According to the 2016 Census, the vacancy rate in Ferndale was 16.8%. 129 units are vacant; 49 of those units are “seasonally occupied”.	Explore reasons for high vacancy rate and potential solutions.
Housing Condition	Many Housing Elements use age of housing stock to infer condition and need for rehabilitation. This approach is not totally valid in Ferndale, which is noted for its historic architecture. However, minor to substantial rehabilitation is needed in less than 5% of the housing stock.	Explore partnerships with local non-profits to encourage rehabilitation and preservation of aging elements of historic housing stock (e.g. windows, roofs)
Land Use Controls	In Ferndale, land use designations provide for a range of residential densities ranging from one residence per acre to 21 residences per acre.	Encourage multi-family dwellings through Land Use Updates.
Realistic Capacity	The City constructed a new wastewater treatment plant and the development cease-and-desist order has been rescinded. Drainage issues continue to concern residents and create property damage.	Review of buildable areas and drainage analyses in areas that may support housing
Land Costs	The median home price in Ferndale is \$444,000, the highest in the region. Cost factors are the primary non-governmental constraint upon development of housing in Ferndale. This is particularly true in the case of housing for low- and moderate-income households, where the basic development cost factors such as the cost of land, required site improvements, and basic construction are critical in determining the income a household must have in order to afford housing.	Work with/ offer incentives to developers / contractors to build multifamily dwellings.
Financing Availability	Mortgage interest rates for new home purchases range from 4% to 6% for a fixed-rate 30-year loan.	Look into CDBG and HOME funding and

Category	Statement	Need
	Housing prices in the City remain too high for persons of lower incomes, even with the low interest rate. ADUs are an attractive option for many homeowners but securing financing with traditional lenders can be challenging.	development of a First Time Buyer program. Explore City programs to support ADU financing.

1.1 Population Characteristics and Trends

Demographic characteristics of a community have direct impact upon housing needs. Characteristics such as race and ethnicity, population age structure, as well as income determine the type of housing needed and ability to afford housing. This section outlines the major population characteristics in Ferndale.

POPULATION GROWTH

The City of Ferndale is a relatively small jurisdiction, encompassing approximately 1.18 square miles, located centrally near the coast in Humboldt County. According to the U.S. Census, in 1990 the population of Ferndale was approximately 1,331 residents. Over the last two decades the City's population has remained relatively stable, experiencing a slight dip in population in the year 2010 to 1,371 residents, followed by a comparable increase to 1,419 residents by 2016. Overall, in the last few decades, the City experienced a slight increase (6.6 Percent) in population, which may be related to the limited land available for development, limited employment opportunities, and high real estate prices.

As mentioned previously, since 1990, the City has generally maintained its size as the population has minimally fluctuated, experiencing an overall increase of approximately 6.6 percent, from 1990 to 2016. **Table 2** indicates population growth trends for Ferndale and surrounding communities. With a few exceptions, Ferndale is well below the overall growth trend of Humboldt County and surrounding cities -- most of which have seen an increase of greater than 12% since 1990.

Table 1. 2 Population Trends – Ferndale and the Region

Table 2. Population Trends - Ferndale and the Region					
	1990	2000	2010	2016	% Change 1990-2016
Arcata	15,197	16,651	17,231	17,775	17.0%
Blue Lake	1,235	1,135	1,253	1,147	-7.1%
Eureka	27,025	26,128	27,191	27,002	-0.1%
Ferndale	1,331	1,382	1,371	1,419	6.6%
Fortuna	8,788	10,497	11,926	11,917	35.6%
Rio Dell	3,012	3,174	3,368	3,372	12.0%
Humboldt County	119,118	126,518	134,623	135,182	13.5%

Sources: Bureau of the Census, 1990, 2000, and 2010 Census, 2012-16 ACS 5-year estimates.

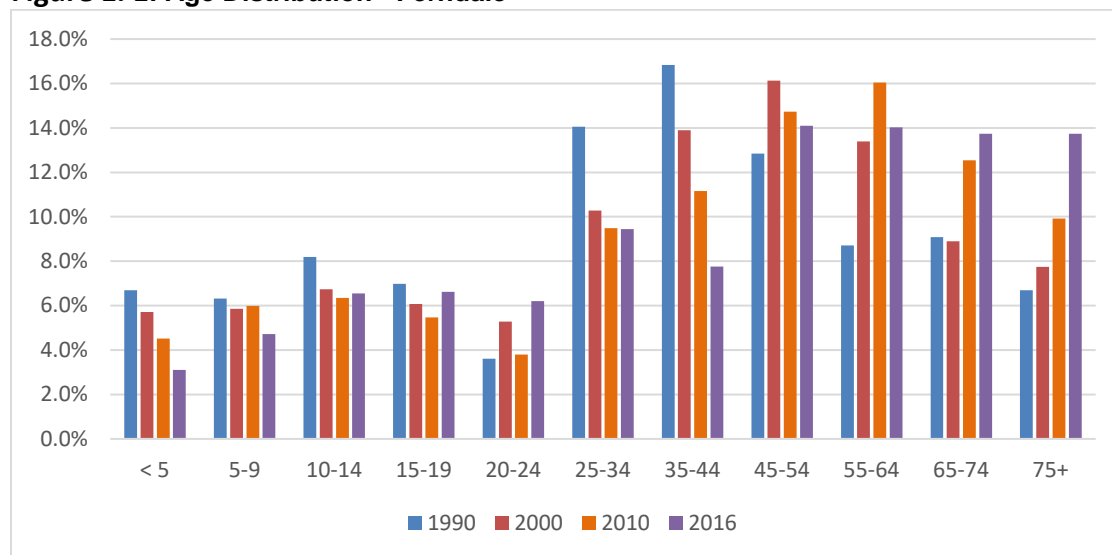
POPULATION AGE STRUCTURE

Housing need in a community is largely determined by population age structure and the life cycle of households, because people require different types of housing at different stages in their life. For example, while younger single adults (20-34) prefer smaller rentals, partners and families (35-65) may prefer larger dwellings and those with children may desire homes with an open space. However, as children leave home, seniors may begin to trade in their larger dwellings for smaller and more accessible homes.

Figure 1 shows that the largest age group in Ferndale in 2016 was adults between the ages of 45 and 54 (at 14 percent). The second largest group, adults between 55 and 64 years old, also made up 14 percent of the population. Adults between 35 and 44 years old typically comprise the majority of a community's families with children. The proportion and number of this group has declined steadily since 1990 most significantly compared to other age groups. Correspondingly, the number and proportion of children between five and nineteen also declined in the City since 1990.

Although the population in Ferndale remained mostly stable throughout the previous few decades, the City has seen a shift in age distribution in that time. The largest increase since 1990 has been in the senior population 75 years and older (7.1 percent). In fact, all age groups above 45 have seen an increase in population since 1990, while populations 19 and below have been decreasing. As noted above, the largest change has been in ages between 35-44 (-9.1%). Populations between 25-44 used to make up around 31% of the population in 1990, now only comprise of about 17%. These trends clearly show an increase in older populations within the City and declining family aged and younger populations.

Figure 1. 1: Age Distribution - Ferndale



Source: Bureau of the Census, 1990, 2000, and 2010 Census. 2016 ACS.

RACE AND ETHNICITY

Race and ethnicity of residents in a community can affect their housing needs and preferences. Different people may have different household characteristics, such as family structure or linguistic ability, which affect their housing needs and/or their ability to earn sufficient income to afford suitable housing. This section details the diversity of Ferndale's residents and its impact on housing needs.

According to the Census, Ferndale had the highest proportion of White residents compared to other cities and Humboldt County, hovering around 93% since 2000. In 2017, Whites comprised the majority of the population (93 percent) in Ferndale, followed by Asians at 2 percent, and Blacks (one percent). The ethnic and racial mix in the City has changed only marginally since 2000, with the largest change in the Asian population that has increased from .6% percent to almost two percent since 2000 (**Table 3**). Overall, the City's racial and ethnic distribution was similar to that of the County, albeit Ferndale had a slightly lower share of all populations except for Whites.

Table 1. 3 Race and Ethnicity – Ferndale and the Region

Table 3. Race and Ethnicity - Ferndale and the Region					
	2000				
	% White	% Black	% Asian	% American Indian	% Hispanic*
Arcata	84.5%	1.6%	2.3%	2.7%	7.2%
Eureka	82.5%	1.6%	3.6%	4.2%	7.8%
Ferndale	93.3%	0.3%	0.6%	0.5%	4.3%
Fortuna	88.4%	0.4%	1.0%	2.9%	10.5%
Humboldt County	84.7%	0.9%	1.7%	5.7%	6.5%
	2010				
	% White	% Black	% Asian	% American Indian	% Hispanic*
Arcata	81.8%	2.0%	2.6%	2.3%	11.6%
Eureka	79.3%	1.9%	4.2%	3.7%	11.6%
Ferndale	93.4%	0.1%	1.5%	1.6%	5.6%
Fortuna	81.2%	0.6%	0.9%	3.7%	17.0%
Humboldt County	81.7%	1.1%	2.2%	5.7%	9.8%
	2017				
	% White	% Black	% Asian	% American Indian	% Hispanic*
Arcata	80.0%	2.5%	2.1%	2.1%	16.8%
Eureka	77.8%	1.8%	5.9%	2.8%	10.2%
Ferndale	92.7%	1.1%	1.9%	0.0%	4.8%
Fortuna	82.9%	0.3%	1.3%	2.9%	18.9%

Humboldt County	81.2%	1.1%	2.7%	5.0%	10.7%
*Hispanic or Latino refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race. Sources: Bureau of the Census, 2000, 2010 Census, ACS 2013-2017.					

FOREIGN-BORN POPULATION

Although Ferndale's population is relatively homogenous with respect to race and ethnicity, a small share of the population is comprised of foreign-born persons and recent immigrants. According to the 2013-2017 American Community Survey (ACS), about five percent were foreign-born, with representation from around 10 countries (**Table 4**). Regardless of the City's relatively small foreign-born population, it is still an important factor affecting housing needs, especially with respect to linguistic isolation.

A couple decades ago the foreign-born resident population in Ferndale was quite small. Of the immigration population in Ferndale in 2000, the most significant were European born residents. In 2000, Europeans accounted for over 70 percent of the foreign-born population and just over one percent of the total population in Ferndale. There were no Asian or Oceania immigrants identified in the 2000 census, while those born in Latin and Northern America made up .2% and .1% of the population respectively. The total immigrant population in Ferndale in 2000 was just under two percent.

More recently, the foreign-born population in Ferndale is growing. According to the 2013-2017 ACS, the immigrant population has grown to almost five percent. Latin Americans were the largest immigration group, making up 44 percent of the City's foreign-born population and an estimated two percent of the total population in Ferndale. Asian born residents have increased by 25% since 2000, while European and Latin American born populations have remained the same. Foreign born residents from Europe have been a stable population in the City over the last two decades. This population, which speaks various languages, seems to be aging in place.

Compared to Humboldt County, Ferndale has a relatively analogous concentration of foreign-born residents, with the biggest difference being European immigrants (11 percent). Proportions of immigrants from Asia, Latin America, North America, Africa, and Oceania were four percent or less difference between Ferndale and Humboldt County.

Table 1. 4 Place of Birth of Immigrants – Ferndale and Humboldt County

Table 4. Place of Birth Immigrants - Ferndale & Humboldt County					
Place of Birth	Number Ferndale	% of Foreign Born Population (Ferndale)	% of Total Population	Number Humboldt	% of Foreign Born Population (Humboldt)
Europe	18	26.5%	1.2%	1,092	15.2%
Asia	17	25.0%	1.2%	1,977	27.5%
Latin America	30	44.1%	2.1%	3,458	48.1%

Northern America	3	4.4%	0.2%	443	6.2%
Africa	0	0.0%	0.0%	79	1.1%
Oceania	0	0.0%	0.0%	147	2.0%
Total Foreign Born	68	100.0%	4.7%	7,196	100.0%
City Population	1,458	--	--	--	--
% Foreign Born	4.7%	--	--	--	5.3%

Source: American Community Survey, 2013-2017.

Linguistic ability influences a person's ability to secure employment and housing. Linguistic isolation can prevent immigrants from accessing social services, health care, and public assistance. A person who struggles to communicate in English will likely depend on personal connections within their ethnic or cultural enclave to acquire housing which may ultimately limit their housing opportunities.

Table 1. 5 Non-English Language Spoken at Home - Ferndale

Table 5. Non-English Language Spoken at Home - Ferndale						
Language Spoken at Home	2000			2017		
	Persons	Percent	% of Total Population	Persons	Percent	% of Total Population
Spanish or Spanish Creole	29	33.7	2.1	47	74.6	3.2
French (incl. Patois, Cajun)	3	3.5	0.2		0.0	0.0
Italian	4	4.7	0.3		--	--
Portuguese	21	24.4	1.5		--	--
German	15	17.4	1.1		0.0	0.0
Scandinavian languages	9	10.5	0.7		--	--
Other Indo-European		0.0	0.0	16	25.4	1.1
Other Pacific Island	5	5.8	0.4		0.0	0.0
Total	86	100.0	6.2	63	100.0	4.3
Total Population	1,382	--	--	1,458	--	--
% Not English	--	6.2	--	--	4.3	--

Source: Bureau of the Census, 2000; American Community Survey, 2013-2017.

Note: ACS language categories differ from the 2000 Census and not all languages from 2000 are included in the 2013-2017 ACS.

According to the 2013-2017 ACS, four percent of all persons age five and over in Ferndale spoke a language other than English at home. As shown in **Table 5**, in 2017 the most prevalent foreign language spoken at home by far in was Spanish (75 percent), followed by "Other Indo-European" (25 percent). The proportion of Ferndale residents who spoke a language other than English at home has decreased slightly since 2000. However, because the language categories differed so greatly between the 2000 Census and the 2013- 2017 ACS, it is difficult to ascertain whether there were any significant changes in the prevalence of certain languages.

1.2 Household Characteristics and Trends

A household is defined as all persons occupying a housing unit. Families are one or more persons living together in a dwelling unit, which common access to, and common use of all living, kitchen, and eating areas within the dwelling unit ~~a subset of households, and include all persons living together who are related by blood, marriage, or adoption~~. Single households include persons living alone in housing units, but do not include persons in group quarters such as convalescent homes or dormitories. Other households are unrelated people living together, such as roommates.

HOUSEHOLD TYPE

Table 6 shows the makeup of households in Ferndale between 2000 and 2017. Some changes in household type were fairly minor between 2000 and 2010, however, some were quite large with the largest changes occurring in the categories of other non-families (17.1%), and families with children (-10.2%). Changes in the age of householders were also evident. A slight increase (6.8%) in the proportion of householders ages 35 to 64 years can be seen between 2000-2010, while the largest shift can be seen in under 35 (-43.9 percent).

Between 2010 and 2017, other non-family households had the largest change in household type with a decrease of 29%. Proportion of under 35 households had a significant increase in 2017 (56%), which is a dramatic change from the prior decade. Households 65 and over also had a substantial increase from 2010 to 2017 (27 percent) while 35 to 64 households had a decrease of over 20%. Most household sizes remained relatively unchanged, except those with 5 people and over with a significant decrease of over 20%. Since senior and younger households tend to be smaller in household size, this increase is consistent with the drop in large household sizes.

Table 1. 6 Household Characteristics - Ferndale

Table 6. Household Characteristics - Ferndale								
Household	2000		2010		2017		Percent Change	
	# of Families/ HH	Percent	# of Families/ HH	Percent	# of Families/ HH	Percent	2000-2010	2010-2017
Household Type								
Families with Children	157	25.7%	141	23.1%	138	22.6%	-10.2%	-2.1%
Families without Children	235	38.5%	235	38.5%	230	37.6%	0.0%	-2.1%
Non-Family Single	184	30.1%	194	31.8%	214	35.0%	5.4%	10.3%
Non-Family Other	35	5.7%	41	6.7%	29	4.7%	17.1%	-29.3%
Householder Age								
Under 35	123	19.9%	69	11.3%	108	16.9%	-43.9%	56.5%
35 to 64 years	311	50.2%	332	54.3%	264	41.3%	6.8%	-20.5%
65+	185	29.9%	210	34.4%	267	41.8%	13.5%	27.1%
Household Size								

1 person	184	30.1%	194	31.8%	214	33.5%	5.4%	10.3%
2 person	243	39.8%	234	38.3%	236	36.9%	-3.7%	0.9%
3 to 4 person	147	24.1%	146	23.9%	160	25.0%	-0.7%	9.6%
5+	37	6.1%	37	6.1%	29	4.5%	0.0%	-21.6%

Source: Bureau of the Census 2000 and 2010 Census, 2013-2017 ACS

The majority of households in Ferndale in 2017 are two-person family households without children, while one-person senior households are also very common. These two types of households made up over 70 percent of all households in the City in 2017, consistent with both 2000, and 2010. Over the past couple of decades, small household sizes with age 35 and up have been the predominant household makeup within Ferndale.

POPULATION IN HOUSEHOLDS

Population distribution by household type has remained quite static since 2000 (**Table 7**). Population within families, the largest group, has remained around 75%. Single households have held the second highest population household type between 2000 and 2017, staying around 15%. Resident populations in non-family (other) households have also remained static since 2000 (7%). Consistent with the household type population, average household size has remained constant since 2000, staying around 2.3%.

Table 1. 7 Population in Households - Ferndale

Table 7. Population in Households - Ferndale						
Household Type	2000		2010		2017	
	Number ¹	Percent	Number ¹	Percent	Number ¹	Percent
Families	1,104	77.7%	1,088	79.4%	1,133	77.7%
Singles	205	14.4%	194	14.2%	214	14.7%
Other Households ²	112	7.9%	89	6.5%	111	7.6%
Total Population in Households	1,421	100%	1,371	100%	1,458	100%
Average Household Size	2.26		2.24		2.28	

1. Number represents population in each household type

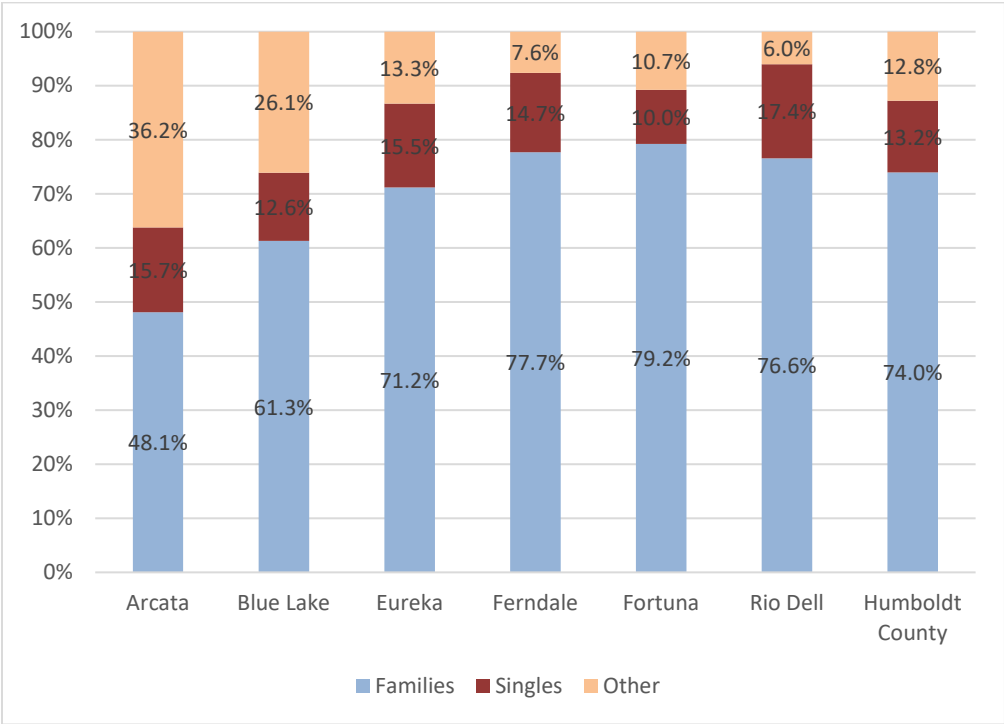
2. "Other" Households are non-family households made up of more than one person. The Census defines "Family" as two or more people who reside together and who are related by birth, marriage or adoption.

Source: Bureau of the Census 2000, and 2010 Census. ACS 2013-2017.

Other than Arcata, which has a larger college population, and Blue Lake, most of the region has a household population distribution similar to Ferndale (**Figure 2**). The Census shows that family households dominate the region with over 70% of residents residing there. Ferndale was unique in that very small proportion of other households which was less than eight percent.

Generally, average household size increases when the proportion of family households in a community increase. Therefore, it should come as no surprise that Ferndale's average household size remained constant with the percentage of family households.

Figure 1. 2. Population by Household Type – Ferndale and the Region



HOUSEHOLD SIZE

Household size is an important indicator of a source of population growth. A City's average household size is also an indicator of the character and size of households, which represents the most basic unit of demand for housing. Although there can be more than one household in a housing unit, which is a trend that is increasing regionally, the measure of persons per household provides not only an indication of the number of persons residing in a household organizing unit, but the number of persons living in a housing unit. Average household size can be both a result and indicator of housing affordability and other household economic conditions.

As indicated in **Table 7** above, the average household size in Ferndale was around 2.3 persons per household, which has remained constant since 2000. This indicates that family households have not increased at a higher rate than single occupancy households over the years. The County of Humboldt had a slightly higher average than Ferndale at 2.43 persons per household according to the 2013-2017 ACS. **Table 8** below provides specific information about household size in the City of Ferndale by tenure.

Table 1. 8 Household Size by Tenure - Ferndale

Table 8. Household Size by Tenure - Eureka						
Household Size	Total Households	Percent of Total	Renter	Percent of Total	Owner	Percent of Total
1 Person	214	33.5%	114	17.8%	100	15.6%

Table 8. Household Size by Tenure - Eureka						
Household Size	Total Households	Percent of Total	Renter	Percent of Total	Owner	Percent of Total
2 Persons	236	36.9%	82	12.8%	154	24.1%
3-4 Persons	160	25.0%	94	14.7%	66	10.3%
5+ Persons	29	4.5%	15	2.3%	14	2.2%
Total	639	100%	305	47.7%	334	52.3%

Source: Bureau of the Census, 2013-2017 ACS 5-Year Estimates

As shown in **Table 8**, the majority of households in Ferndale are one and two-person households (over 70%), with the next largest percentage of households containing three to four people. According to the 2013-2017 ACS there are approximately only 29 households with 5 or more persons, representing approximately five percent of all households. This is significantly lower than 1 and 2-person households (33.5% of total), indicating a strong need for studio and one-bedroom apartments.

OVERCROWDING

The federal government defines an overcrowded household as one with more than one occupant per room, excluding bathrooms, kitchens, hallways, and porches. An overcrowded household results from either a lack of affordable housing (which forces more than one household to live together) and/or a lack of available housing units of adequate size. A household is considered to be overcrowded if there are more than 1.01 occupants per room. A household is considered to be severely overcrowded if there are more than 1.51 occupants per room.

According to the 2013-2017 ACS, overcrowding is not a significant problem in Ferndale. No overcrowded or severely overcrowded households were identified for either owner or renter occupied housing units (**Table 9**).

Table 1. 9 Overcrowding by Tenure - Ferndale

Table 9. Overcrowding by Tenure - Ferndale					
Tenure	Total Occupied Housing Units	Overcrowded Households	Percentage	Severely Overcrowded Households	Percentage
Renters	305	0	0.0%	0	0.0%
Owners	334	0	0.0%	0	0.0%
Total	639	0	0.0%	0	0.0%

Source: Bureau of the Census, 2013-2017 ACS 5-Year Estimates

1.3 Employment and Income Characteristics

EMPLOYMENT PROFILE

Employment characteristics also affect housing needs of residents within Ferndale. Different occupations often translate into different wage levels -- therefore affecting the ability to afford certain types of housing. **Table 10** presents the 2013-2017 ACS data on occupations by industry and the California Employment Development Department occupational wage scale in 2017 for Humboldt County. The largest occupations groups in Ferndale between 2013-2017 were management/professional and sales/office jobs at approximately 28% each, with the service industry close at 23%. The occupation proportions for the City of Ferndale were divided similar to Eureka, however, had a slightly higher proportion of natural resource and lower proportion of production/transportation workers. On average, Humboldt County had a higher proportion in the management/professional industry at 34% and lower in natural resource/construction industry at 10.3% than Ferndale.

Table 1. 10 Employment Profile - Ferndale and the Region

Table 10. Employment Profile - Ferndale and the Region							
Occupation	Ferndale		Arcata	Fortuna	Eureka	Humboldt County	Mean Wage 2017
	#	%					
Management/Professional	179	27.7%	37.9%	28.1%	29.4%	33.9%	\$85,124
Service	149	23.0%	26.9%	19.3%	23.5%	23.1%	\$28,031
Sales/Office	179	27.7%	23.5%	30.8%	27.1%	23.6%	\$31,530
Natural Resources, Construction, Maintenance	98	15.1%	5.8%	8.6%	10.2%	10.3%	\$45,397
Production, Transportation, Material Moving	42	6.5%	5.8%	13.2%	9.8%	9.1%	\$38,047
<i>Total</i>	647	100.0%	100.0%	100.0%	100.0%	100.0%	

Sources: American Community Survey, 2013-2017 5-year estimates.

California Employment Development Department, Occupational Employment Statistics, First Quarter 2017.

The mean for wages in 2017 for the Humboldt County North Coast Region show that management and professional occupations paid the highest with an annual wage of \$85,124. Sales and office occupations, which employed the largest group of Ferndale residents, along with Management/Professional, had mean wage of \$31,530. The overall mean wage for the County was \$45,164 for all occupations for the first quarter of 2017. **Table 10** illustrates that Ferndale has a slightly smaller proportion of residents engaged in higher paying management/professional occupations compared to the County, and over 10% less than the City of Arcata. Ferndale has a higher proportion of natural resource, construction, and maintenance workers than other areas of the County at just over 15%. With a large population in lower earning occupations, the City of Ferndale has a need for a housing stock that can accommodate a wide economic spectrum. According to ACS 2017, Median Household Income for Ferndale was \$41,696.

INCOME DISTRIBUTION

For purposes of housing planning and affordable housing funding, State housing laws have established the following income levels based on Area Median Income (AMI):

- Extremely Low Income: 0 to 30 percent AMI
- Very Low Income: 31 to 50 percent AMI
- Low Income: 51 to 80 percent AMI
- Moderate Income: 81 to 120 percent AMI
- Above Moderate Income: greater than 120 percent AMI

Combined, extremely low, very low, and low income households are considered lower income. The 2010 Census does not contain information on the number of households at each State income level. However, this data was tabulated by U.S. Department of Housing and Urban Development (HUD) using the 2011-2015 ACS. As shown in **Table 11**, between 2011 and 2015, approximately forty percent of the City's households earned lower incomes, while sixty percent earned moderate or above moderate incomes. Ferndale has a higher percentage of moderate and above moderate income households than other comparable surrounding cities and Humboldt County. Accordingly, Ferndale also has a lower number of low, very-low, and extremely-low income households (40.3%).

Table 1. 11 Income Distribution - Ferndale and the Region

Table 11. Income Distribution - Ferndale and the Region					
Income Level	Arcata	Eureka	Ferndale	Fortuna	Humboldt County
Extremely Low Income (0-30% AMI)	25.1%	14.2%	9.3%	11.9%	13.6%
Very Low Income (31-50% AMI)	17.4%	14.5%	15.5%	13.2%	13.3%
Low Income (51-80% AMI)	16.9%	21.4%	15.5%	20.8%	18.1%
Moderate and Above Moderate Income (over 80% AMI)	40.6%	50.0%	59.7%	54.1%	55.0%

Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) Data, 2011-2015 CHAS.

1.4 Special Needs Groups

State law recognizes that certain households have more difficulty in finding adequate and affordable housing due to special circumstances. Consequently, certain Ferndale residents may experience a higher prevalence of housing cost burden, overcrowding, or other housing problems. Special needs populations include the elderly, persons with disabilities, large households, female-headed households, and farm workers (**Table 12**). Each unique population group and their specific housing needs are described in the sections below.

Table 1. 12 . Special Needs Groups - Ferndale

Table 12. Special Needs Groups - Ferndale						
Special Needs Group	# of People or Households	Number of Owners	% Owner	Number of Renters	% Renter	% of Total Households or Population
Households with Seniors	286	--	--	--	--	44.8%
Senior Headed Households	267	216	80.9%	51	19.1%	41.8%
Seniors Living Alone	122	90	73.8%	32	26.2%	19.1%
Persons with Disabilities	320	--	--	--	--	21.9%
Large Households	29	14	48.3%	15	51.7%	4.5%
Single-Parent Households	63	--	--	--	--	9.9%
Female Headed Households with Children	40	--	--	--	--	6.3%
People Living in Poverty	182	--	--	--	--	12.5%
Farmworkers	33	--	--	--	--	5.1%
Homeless (daytime)		--	--	--	--	

Source: American Community Survey 2012-2016 5-Year Estimates

ELDERLY HOUSEHOLDS

Many elderly individuals have special housing needs due to fixed incomes and limited mobility. Housing construction and location are important considerations for this population group. The elderly often require ramps, handrails, and lower cupboards and counters to allow greater access and mobility. They also may desire special security devices for their homes to allow greater self-protection.

To compensate for limited mobility, their housing should be located within easy walking distance of the services that meet their needs, such as medical or shopping facilities, or should be served by public transit.

The special needs of the elderly can be summarized in the following:

- Income – The elderly population typically lives on fixed incomes;
- Household Composition – Elderly women often live alone;
- Transportation – Elderly residents are more likely to utilize public transportation; and,
- Health Care – The elderly have a greater need for health care.

As shown in **Table 13**, an estimated 267 elderly householders reside in Ferndale, which is approximately 42 percent of the City's total households. This is an eight percent increase from the 34% senior households reported by the 2010 Census. Of the total number of senior households reported in 2017, 51 were renters (17 percent of renter-occupied households) and 216 were owners (65 percent of owner-occupied households).

Table 1. 13. Elderly Households by Tenure and Age - Ferndale

Table 13. Elderly Households by Tenure and Age - Ferndale				
Householder Age	Owner-Occupied		Renter-Occupied	
	Units	Percent	Units	Percent
Total Households	334	--	305	--
65-74 years	87	26.0%	7	2.3%
75 plus years	129	38.6%	44	14.4%
Total Elderly Households	216	64.7%	51	16.7%

Source: American Community Survey 2013-2017 5-Year Estimates

Another factor to consider in the elderly population is the percent of elderly women living alone. According to the 2013-2017 ACS, approximately 46 percent of Ferndale's elderly households live alone. Of this total, roughly 19 percent of elderly men live alone, while 27 percent of elderly women live alone.

PERSONS WITH DISABILITIES

Physical and mental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. As shown in **Table 14**, the 2013-2017 ACS indicates that approximately 22 percent of Ferndale's population has one or more disabilities. Although no current comparisons of disability with income, household size, or race/ethnicity are available, it is reasonable to assume that a substantial portion of persons with disabilities would have annual incomes within Federal Section 8 income limits, especially those households not active in the labor force. Furthermore, many lower-income persons with disabilities are likely to require housing assistance. Their housing needs are further compounded by design issues and location requirements, which can often be costly. For example, special needs of households with wheelchair-bound or semi-ambulatory individuals may require ramps, holding bars, special bathroom designs, wider doorways, lower cabinets, elevators, and other interior and exterior design features.

Housing opportunities for individuals with disabilities can be addressed through the provision of affordable, barrier-free housing. Rehabilitation assistance can be targeted toward renters and homeowners with disabilities for unit modification to improve accessibility.

Table 1. 14. Disability Status by Age - Ferndale

Table 14. Disability Status by Age - Ferndale		
Age Group and Disability	Number	% of Total Pop
Under 5 Years	0	0.0%
5 to 17 years	12	0.8%
18 to 34 years	0	0.0%
35 to 64 years	104	7.1%
65 years and over	204	14.0%
Total	320	21.9%

Source: ACS 2013-2017

The ACS also tallied the number of disabilities by type for residents with one or more disabilities. Among the disabilities tallied, ambulatory and cognitive difficulties were the most common (**Table 15**).

Table 1. 15. Types of Disabilities - Ferndale

Table 15: Disability Status by Age – Ferndale				
Disability Type	Number of Disabilities Tallied			
	Age 5 to 17	Age 18 to 64	Age 65+	Total
With a hearing difficulty	0	17	129	146
With a vision difficulty	0	0	78	78
With a cognitive difficulty	8	38	63	109
With an ambulatory difficulty	0	45	108	153
With a self-care difficulty	4	19	24	47
With an independent living difficulty	--	16	55	71
Total Disabilities	12	135	457	604

Source: ACS 2013-2017 5-year estimates

Currently there is no direct source that provides information on the number of housing units in the City equipped to handle the needs of citizens with disabilities. The City does, however, have programs to provide residential rehabilitation loans for handicapped accessibility repairs to low income households, as well as the Senior Home Repair Grant Program which offers small grants to complete needed accessibility improvements to ownership units. Funds are provided on an as needed basis when they become available. There are also a number of programs through Humboldt County for qualifying low-income households that provide funding to complete accessibility improvements.

PERSONS WITH DEVELOPMENTAL DISABILITIES

According to Section 4512 of the California Welfare and Institutions Code a "developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature.

Many persons with developmental disabilities can live and work independently within a conventional housing environment. Persons who are more severely disabled require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in

supportive housing for the persons with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community based services to approximately 338,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Redwood Coast Regional Center is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

In October 2018, the City contacted the Redwood Coast Regional Center to obtain the number of individuals with developmental disabilities in the City of Ferndale by zip code and age. In 2018, the Redwood Coast Regional Center reported that there were approximately 19 individuals from the City of Ferndale zip code eligible for regional services and currently accessing services (**Table 16**). Of this total, the majority of those accessing services were under the age of 18 (74 percent).

Ferndale can help meet the housing need for people with disabilities by facilitating independent living through in-home modifications, providing suitable housing opportunities, allowing for supportive services, and implementing existing state and federal law. Although home modifications can improve the ability of people to live in independent housing, many individuals may require more extensive care, such as a group living environment that provides supervision. Severely affected individuals may require an institutional environment that provides medical attention and physical therapy.

Supportive services for the mentally ill do not exist in Ferndale, however, are being provided at the Waterfront Recovery Services in Eureka, where individuals can be referred by the County Health and Human Services Department. Transportation may be provided to low-income persons with developmental disabilities by the Humboldt Community Access and Resource Center.

Table 1. 16. Persons with Developmental Disabilities

Table 16: Persons with Developmental Disabilities	
Age Range	Persons
0–17 years	14
18+ years	5
Total	19

Source: California Department of Developmental Services 2018

LARGE HOUSEHOLDS

Large households are defined as households with five or more persons living together in one housing unit. According to the 2013-2017 ACS there are approximately 30 households with five or more occupants representing almost 5 percent of the total households in the City. As shown in **Table 17**, there are a total of 14 large owner-occupied households and 15 large renter-occupied households.

Table 1. 17 Large Households by Tenure - Ferndale

Table 17. Large Households by Tenure - Ferndale			
Number of Persons in Unit	Owner-Occupied	Renter-Occupied	Total
Five	14	8	22
Six	0	3	3
Seven or More	0	4	4
Total	14	15	29
Percent of Total Households	2.2%	2.3%	4.5%

Source: ACS 2013-2017 5-year estimates

Difficulties in securing housing large enough to accommodate all members of a household are heightened for renters, because multi-family rental units are typically smaller than single-family units. Apartment complexes in the City offering three- and four-bedroom models are few. Large families in Ferndale, therefore, may satisfy their housing needs mostly through the rental and ownership of single-family units, for which there appears to be sufficient stock.

FEMALE-HEADED HOUSEHOLDS

Female-headed households are included as a special needs group because there often is a conflict between the economic needs of the home and the daycare needs of the family. Historically, females in this situation earn less income than the rest of the population, restricting their ability to provide for both housing and daycare. According to the 2012-2016 ACS, there were 75 female-headed households in the City; 53 percent of which had children under 18 years old. Of the female-headed households with children under 18 years old, five percent were below the federally established poverty level, compared to the County, where approximately 43 percent of the female headed households with children were below the poverty level. These numbers indicate a significantly lower concern for female headed households in Ferndale than other locations within Humboldt County.

FARMWORKERS

Farm workers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural work. Farm workers have special housing needs because they earn lower incomes than many other workers and move throughout the year from one harvest location to the next. In the 2012-2016 American Community Survey, approximately 34 people were classified as working in the Agriculture, farming, fishing and forestry industry sector. This total amounts to approximately five percent of the total employed residents living in the City. It is

possible that residents commute to other areas in the region to work in agricultural related industries, however, the demand for housing generated by farm workers in the City is estimated to be very low. The City does have a number of affordable multi-family units that provide housing for employees in this sector.

EXTREMELY LOW-INCOME HOUSEHOLDS

According to 2011-2015 CHAS data generated for the City, there were approximately 160 extremely low- and very low-income households living in Ferndale. Generally, Ferndale's unskilled labor wages come very close to the extremely low wage earner level, and include occupations such as child care workers, food preparation and serving, manicurist and pedicurist, and restaurant host and hostess. There are approximately 60 extremely low-income households in Ferndale (renters and owners), accounting for just over nine percent of households.

There are limited opportunities to address the housing needs of extremely low-income households in Ferndale. However, the needs of this special needs group are taken into consideration and are generally addressed through the City's overall programs for housing affordability. The affordability section details the housing cost burden for each income group using a methodology developed by City of Eureka staff, highlighting the very high cost burden of the extremely low-income group. Based on these projections, there is a higher barrier to both rental and homeownership in Ferndale than in neighboring jurisdictions.

HOMELESSNESS

The U.S. Department of Housing and Urban Development defines chronic homelessness as an unaccompanied individual with a disabling condition who has been continually homeless for one year or more; or has experienced four or more episodes of homelessness within the past three years. Throughout the country, homelessness has become a major concern. Factors contributing to the increase in homeless persons and families and those in need of shelter and transitional housing include:

- The lack of housing affordable to very low- and low-income persons;
- Increases in unemployment or under-employment;
- Reductions in government subsidies;
- Deinstitutionalization of the mentally ill;
- Domestic violence;
- Drug addiction; and
- Dysfunctional families.

In January 2019, the Humboldt Housing and Homeless Coalition (HHHC) conducted a Point-in-Time (PIT) count and survey of people without housing in Humboldt County for those staying in shelters and unsheltered, as mandated by the federal Department of Housing and Urban Development (HUD). Volunteers identified 1,473 homeless individuals living in the County of which a majority were found in the Eureka area (653). This is compared to 263 adults and children who are homeless in Arcata-Manila, and 83 adults and children who are homeless in

Fortuna-Loleta. No individuals experiencing homelessness were identified in the City of Ferndale.

1.5 Housing Stock Characteristics

A housing unit is defined as a house, apartment, or single room occupied as separate living quarters or, if vacant, intended for occupancy as separate living quarters. A community's housing stock is the compilation of all its various types of housing units.

HOUSING UNIT GROWTH

Housing unit growth can be a good indicator of economic prosperity in an area, and the City's housing stock largely reflects its proximity to regional employment opportunities. Having a reliable source for housing starts, construction, and conversions is imperative to understanding overall housing stock characteristics and housing changes within the City.

Calculating housing unit growth is more than simply looking at the number of new units created or permitted. Housing units can also be converted to nonresidential use or can be lost to demolition or fire. **Table 18** shows the total units created from 2014-2019 for each housing type provided by the Ferndale City Clerk.

Table 1. 18. Total Units Created 2014-2019 - Ferndale

Table 18. Total Units Created 2014-2019 - Ferndale							
Housing Type	2014	2015	2016	2017	2018	2019	Total
Single Family Residence	0	0	2	0	2	1	5
Accessory Dwelling Unit (ADU)	0	0	0	1	1	4	6
Junior Accessory Dwelling Unit (JADU)	0	0	0	0	0	1	1
<i>Total</i>	0	0	2	1	3	6	12

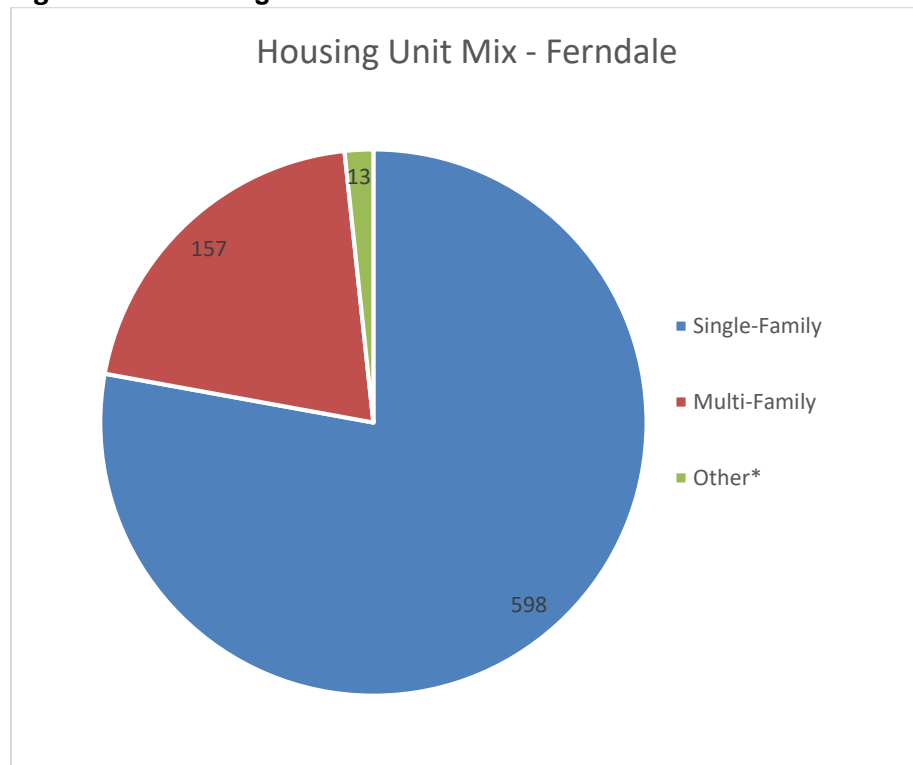
Since 2014 a total of 10 units were created by new construction or via conversion to residential use. Of these, half were single family residences, and 40% were accessory dwelling units (ADU). No structures were demolished in Ferndale since 2014 (communication from Ferndale City Clerk, June 2019).

HOUSING UNIT GROWTH

Figure 3 shows the make-up of the City's housing stock in 2017 by unit type. The 2013-2017 ACS indicates that single-family detached homes continue to be the predominant housing type in the City; with the majority of growth occurring through the development of single family unit developments since 2014. With the large proportion of single-family units, the ACS indicates that the proportion of owner-occupied households in Ferndale was approximately 52 percent, which is slightly higher than that of renter-occupied households at 48 percent. Although the

trend is not yet significant, Accessory Dwelling Units are beginning to gain traction as an affordable alternative in Ferndale, and construction of ADUs and JADUs has become a greater portion of unit creation.

Figure 1. 3. Housing Unit Mix in Ferndale



HOUSING UNIT SIZE

In Ferndale, the average home is slightly larger in size to those found in the rest of the area. As shown in **Table 19**, between 2013 and 2017, the median housing unit was 5.3 rooms (including living and dining rooms, but excluding kitchens and bathrooms), and 75 percent of the City's housing units had two or three bedrooms. In comparison, the median housing unit in Humboldt County is slightly smaller at 4.9 rooms. However, even though the average Ferndale home is generally large, it is important to note that while almost 83 percent of the City's households had two or greater bedrooms, of which about 70 percent consist of two or fewer persons. This shows a large underutilization of housing stock within the city.

Table 1. 19 Housing Unit Size – Ferndale

Table 19. Housing Unit Size -Ferndale				
Number of Bedrooms/Rooms	Bedrooms		Total Rooms	
	#	%	#	%
0	42	5.5%	--	

Table 19. Housing Unit Size -Ferndale				
Number of Bedrooms/Rooms	Bedrooms		Total Rooms	
	#	%	#	%
1	88	11.5%	42	5.5%
2	236	30.7%	66	8.6%
3	272	35.4%	33	4.3%
4	109	14.2%	127	16.5%
5+	21	2.7%	500	65.1%
Median	--	--	5.3	--
Total Housing Units	768	100.0%	768	100.0%

Source: 2013-2017 ACS 5-year average

AGE OF HOUSING STOCK

Table 20 shows the age of the City’s housing stock as reported by the 2013-2017 ACS. Age is one way to measure housing stock conditions and a factor in determining the need for rehabilitation. Without proper maintenance housing units deteriorate over time. Thus units that are older are more likely to need major repairs and rehabilitation. In addition, older housing units may not be built to current fire standards and building codes. In general, housing over 30 years is more likely to experience deferred maintenance issues and may need minor repairs. Housing over 50 years old is considered aged and is more likely to need major repairs. In Ferndale, approximately 50 percent of housing units were built prior to 1940, and almost 80 percent were built prior to 1970. This indicates that a considerable number of the City’s housing units are at an age that typically requires additional maintenance.

Table 1. 20. Housing Unit Age - Ferndale

Table 20. Age of Housing Stock in 2017 - Ferndale		
Year	Number	Percent
Up to 1939	377	49.1%
1940 to 49	35	4.6%
1950 to 59	90	11.7%
1960 to 69	107	13.9%
1970 to 79	48	6.3%
1980 to 89	17	2.2%
1990 to 99	55	7.2%
2000 to 2009	39	5.1%
2010 to 2013	0	0.0%
2014+	0	0.0%

Source: ACS 2013-17 5-Year Estimates

HOUSING OCCUPANCY

Housing occupancy simply refers to whether a unit is owned, rented, or vacant. Occupancy is an important issue because it reflects the relative income of residents, the cost and affordability of housing, as well as the interaction of market forces of supply and demand of housing. This section addresses occupancy status of the housing stock in Ferndale.

Housing tenure refers to whether the occupants of a housing unit own or rent the unit. Tenure typically influences residential mobility, with renters exhibiting a larger degree of mobility than homeowners. **Table 21** compares tenure in Ferndale with the region. According to the 2017 Census, Ferndale had more owners than renters at approximately 52 percent. This was very similar to tenure within Humboldt County with a few exceptions such as Arcata which has a large university population that primarily consists of renters. Since the recent development in the City has been primarily single-family construction, the relatively few units added to the housing stock are not likely to have any significant impact on the tenure distribution of occupied housing units, and inevitably increased the owner-occupied units.

Table 1. 21 Housing Tenure in 2017 - Ferndale

Table 21. Housing Tenure in 2017 - Ferndale and the Region				
	# Own	% Own	# Rent	% Rent
Arcata	2,641	37.3%	4,437	62.7%
Blue Lake	280	57.4%	208	42.6%
Eureka	5,139	45.2%	6,233	54.8%
Ferndale	334	52.3%	305	47.7%
Fortuna	2,511	55.6%	2,003	44.4%
Humboldt County	30,500	56.5%	23,466	43.5%

Source: Census ACS 2013-2017

Vacancies, another aspect of housing occupancy, indicate the demand and availability of housing. In the open market, low vacancy rates are indicative of a housing shortage, which usually restricts residential mobility, increases housing costs, and leads to overcrowding. On the other hand, high vacancies often lead to rent deflation and greater housing affordability, but may decrease property values over time, lower profits for rentals, and discourage maintenance and repairs. In general, an optimal vacancy rate is two percent for owner-occupied housing and five to six percent for rental units. This level of vacancy is assumed to ensure sufficient residential mobility and housing choice while providing adequate financial incentive for landlords or owners to maintain and repair their homes. A healthy housing market will have a vacancy rate that falls between the two and five percent range.

At the time of the 2017 Census there were 129 vacant units in Ferndale (**Table 22**). Overall, the vacancy rate in Ferndale was almost 17 percent, well above the healthy range. However, this number included seasonal rentals which are typically vacation locations, and other housing units which were sold or rented but unoccupied. A more realistic summary is looking at only units for sale or rent, which was only one percent of the total units. This is well below the

healthy vacancy level and could signify a potential housing shortage in Ferndale resulting in pressures for rent increases or higher sale prices. The largest proportion of vacant housing in Ferndale was for other classified units (56 percent of vacant units) which include those that were sold or rented but not occupied, occupied by migrant workers, or abandoned. Seasonally occupied rental units were the second largest vacant housing unit type (38 percent of vacant units). Compared to Humboldt County, Ferndale has a similar proportion of seasonally occupied units. Overall, Ferndale had a smaller overall vacancy rate of for rent and for sale units than Humboldt County which could be a sign people are searching for housing elsewhere.

Table 1. 22 Vacant Units in 2017 – Ferndale and the Region

Table 22. Vacant Units in 2017 - Ferndale and the Region							
City	Vacant Units					Total Units	% Vacant
	For Rent	For Sale	Seasonally Occupied	Other Vacant Units	Total Vacant		
Arcata	369	70	31	371	841	7,919	10.6%
Blue Lake	29	28	18	11	86	574	15.0%
Eureka	121	66	205	890	1,282	12,654	10.1%
Ferndale	8	0	49	72	129	768	16.8%
Fortuna	152	80	139	125	496	5,010	9.9%
Humboldt County	1,236	865	3,160	3,356	8,617	62,583	13.8%

Source: 2013-2017 ACS Bureau of the Census

Note: Other Vacant Units include those that were sold or rented but not occupied, occupied by migrant workers, and other vacant status such as abandoned and boarded up units.

HOUSING CONDITION

The City of Ferndale has an older housing stock with many structures noted for their historical architecture; almost half of Ferndale's structures date to 1939 or earlier. A majority of these structures are well maintained and many have been rehabilitated and upgraded. Structures in the central core of the city are subject to a rigorous design review process to ensure that rehabilitation efforts are consistent with neighborhood characteristics.

Table 1. 23: Age of Housing – Ferndale

Year Built	Number	Percent
1999 to March 2000	6	0.9
1995 to 1998	20	3.0
1990 to 1994	27	4.1
1980 to 1989	26	3.9
1970 to 1979	68	10.2
1960 to 1969	67	10.1
1940 to 1959	123	18.5
1939 or earlier	327	49.2

Source: 2000 US Census Data

In June 2019, the Contract Planner and Building Inspector conducted a Windshield Survey to document housing condition. All buildings in Ferndale were viewed and scored using a form adapted from the Housing and Community Development Department. Significantly, there is little need for housing rehabilitation in the City of Ferndale, which is especially striking given the age of the majority of the structures. However, due to the high cost and desirability of historic structures in Ferndale, properties have continued to be updated as they are purchased by new owners. The majority the houses requiring rehabilitation need only minor to moderate repairs. Table 25 reveals that less than 1% of total housing units need moderate to significant repair.

Table 1. 24 Housing Conditions (2019) - City of Ferndale

Housing Condition	Single Family Dwellings		Multiple Family Dwellings		Total	
	Number	Percent	Number	Percent	Number	Percent
Sound	626	95%	80	73%	706	92%
Minor repairs needed	24	3%	20	18%	44	5%
Moderate repairs needed	1	0.1%	9	8%	10	1%
Substantial repairs needed	2	0.2%	0	0	2	<1%
Rehabilitation in Progress	6	0.9%	0	0	6	<1%
Total Housing Units	659	100%	109	100%	768	100%

Source: City Planner Windshield Survey, 2019

1.6 Housing Costs and Affordability

HOUSING SALE PRICES

According to the ACS, the City had a total of 639 occupied housing units in 2017. Of this total, owner-occupied units constituted approximately 52 percent of all occupied units in the City. Of the 639 units, roughly 99 percent of the owner-occupied units were single-family detached or attached dwelling units. Approximately 1 percent of all owner-occupied units were in buildings with two or more units. Renter-occupied units are also primarily found in single family detached or attached units (68 percent), but had larger proportions in 2 or more unit structures (31 percent) and mobile home or other type of housing (one percent).

Over the last decade, housing stock value has increased from a median home value of \$314,000 in 2010 to approximately \$444,000 in 2018 (Humboldt Association of Realtors). Although this is a 41 percent increase over a ten year period, median housing prices were in a decline until approximately 2012 before starting to increase in 2013 (**Table 23**). It's important to note that due to low numbers on housing sales in Ferndale, this data may be exaggerated because of a small number of large property sales which skewed the median in 2018. Despite this increase, the median home value in Ferndale do show an increasing trend since 2010. To better understand the housing price trends in Ferndale and the region, **Figure 3** shows median home sale prices since 2010.

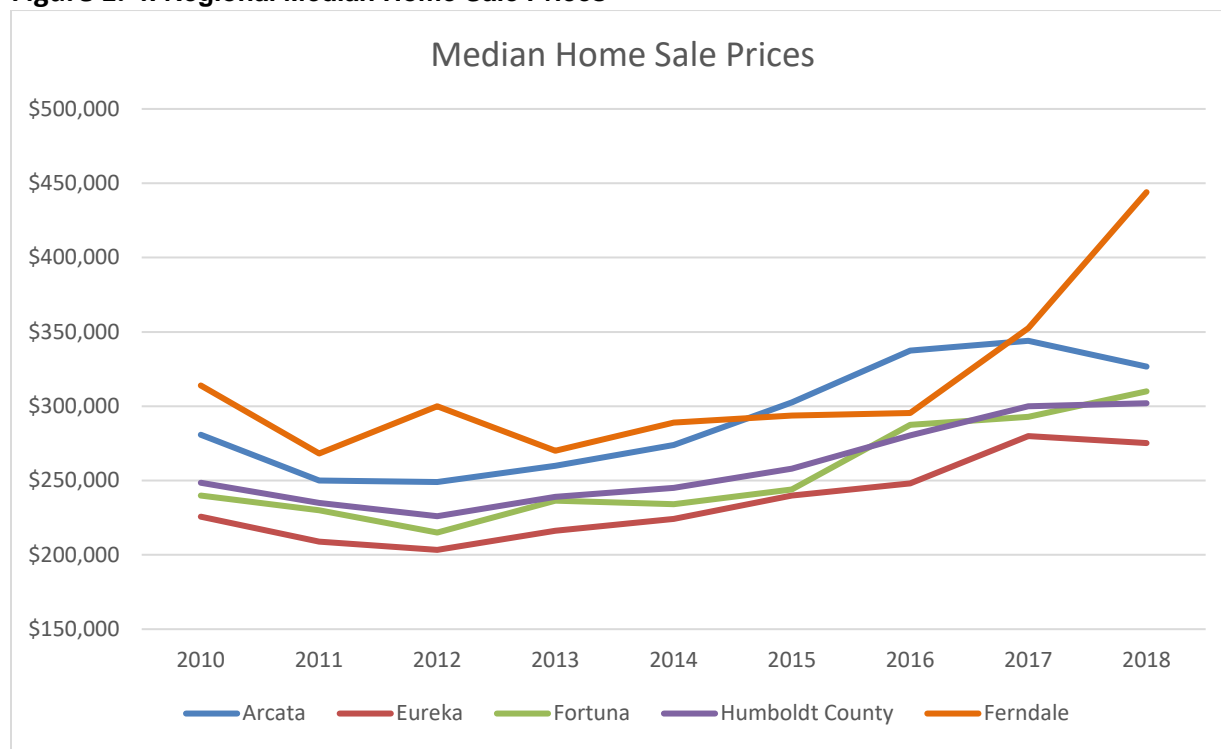
According to the Census, a majority (65 percent) of owner-occupied housing stock is valued between \$300,000 and \$500,000, with a large number of units (41 percent) are valued between \$300,000 and \$400,000. Only a small number of units (4 percent) were valued below \$150,000.

Table 1. 25. Yearly Median Sale Prices

Table 23. Yearly Median Sale Prices 2010-2018									
Community	2010	2011	2012	2013	2014	2015	2016	2017	2018
Arcata	\$280,800	\$250,000	\$249,000	\$260,000	\$274,000	\$302,500	\$337,450	\$344,000	\$326,750
Eureka	\$225,750	\$209,000	\$203,343	\$216,250	\$224,250	\$239,900	\$248,000	\$279,900	\$275,250
Ferndale	\$314,000	\$268,200	\$300,000	\$270,000	\$289,000	\$293,750	\$295,500	\$352,500	\$444,000
Fortuna	\$240,000	\$230,000	\$215,000	\$236,500	\$234,000	\$244,000	\$287,500	\$292,758	\$310,000
Humboldt County	\$248,500	\$235,000	\$226,000	\$239,000	\$245,000	\$258,000	\$280,341	\$300,000	\$302,000

Source: Humboldt Association of Realtors, 2018

Figure 1. 4. Regional Median Home Sale Prices



RENTAL RATES

According to the 2013-2017 American Community Survey Estimates, there were 305 renter occupied units in Ferndale in 2017. Of these units, approximately 68 percent of the renter-occupied units were single-family attached or detached homes. The remaining 32 percent were units in buildings with two or more units, with mobile homes and other types of units comprising less than one percent of the total.

According to the 2013-2017 ACS the median gross rent for Ferndale was \$1,070 per month. This was slightly higher than other median rents reported for Humboldt County as well as the neighboring Cities except Blue Lake. **Table 24** provides a comparison of median rental rates for Ferndale and its neighboring Cities.

Table 1. 26. Median Rental Rates – Ferndale and the Region

Table 24. Median Rental Rates - Ferndale and the Region	
City	Median Gross Rent
Arcata	\$939
Blue Lake	\$1,082
Eureka	\$847
Ferndale	\$1,070
Fortuna	\$930
Humboldt County	\$914

Source: 2013-2017 ACS 5-year estimates

Rental information for Ferndale was also obtained from internet rental listings on the Padmapper.com website in May of 2019. Padmapper pulls rental information from sources such as Craigslist and AirBNB. Rental listings were filtered to only include long-term rentals opposed to short-term which are typically utilized for vacation stays. At the time, there were no available long-term rentals found within the City of Ferndale.

HOUSING COSTS

Affordability is determined by comparing the cost of housing to the income of local households. HUD defines affordable housing costs as contract rents or mortgage payments, including taxes and insurance, but not utilities, that are equal to or less than 30 percent of the gross income of very low-, low-, and moderate-income households. Households spending more than 30 percent of gross annual income on housing experience a housing cost burden, which occurs when housing costs increase faster than household income. When a household spends more than 30 percent of its income on housing costs, it has less disposable income for other necessities such as health care and nutrition. Lower income households with a burdensome housing cost are more likely to become homeless or experience overcrowding. Homeowners with a housing cost burden have the option of selling the home and becoming renters. Renters, however, are vulnerable and subject to constant changes in the housing market.

For purposes of determining housing affordability, the California Health and Safety Code Section 50052.5 provides the following definition of affordable housing cost based on the area median income (AMI), which is adjusted by family size and income level for each multi-family income (MFI) range (**Table 25**).

Table 1. 27 Affordable Housing Cost Guidelines by Tenure

Table 25. Affordable Housing Cost Guidelines by Tenure		
Income Level	For Sale	Rental
Extremely Low	30% of 30% of AMI	30% of 30% of AMI
Very Low	30% of 50% of AMI	30% of 50% of AMI
Low	30% of 70% of AMI	30% of 60% of AMI
Median	35% of 100% of AMI	30% of 100% of AMI
Moderate	35% of 120% of AMI	35% of 120% of AMI

AMI - Area Median Income, as established by the State Department of Housing and Community Development (HCD) by county.

Note: Affordability Level should be adjusted for household size.

Table 26 shows gross rent as a percentage of household income. It is important to note that a significant number of renter households are paying 35 percent or more of their income toward rent and that the number of households doing so has increased since 2010. The median percentage of household income spent on rent payments was 34 percent according to the 2013-2017 ACS. This means that generally residents are spending 34 percent of their income on rent, which is higher than the 30 percent threshold set by HUD. In addition, approximately 21%percent (139 households) of owner-occupied households were also overpaying, and 28% percent (183 households) of lower-income households were overpaying for housing. When households are spending a substantial amount of their income on housing and related expenses it means that there is often little money left to cover other necessary expenses. Generally, this information leads to the conclusion that residents living in the City are not living in units that are considered to be affordable based on federal standards.

Table 1. 28. Gross Rent as a Percentage of Household Income

Table 26. Gross Rent as a Percentage of Household Income				
Percent of Household Income	2010		2017	
	Number of Households	Percent of Households	Number of Households	Percent of Households
Less than 15 percent	31	16.8%	34	11.1%
15 to 19.9 percent	13	7.0%	3	1.0%
20 to 24.9 percent	24	13.0%	34	11.1%
25 to 29.9 percent	28	15.1%	40	13.1%
30 to 34.9 percent	0	0.0%	39	12.8%
35 or more	62	33.5%	128	42.0%
Not computed	27	14.6%	27	8.9%
Total Rentals	185	100%	305	100%

Source: 2013-2017 ACS 5-year Estimates

HOUSING AFFORDABILITY ANALYSIS

The costs of home ownership and rent can be compared to a household's ability to pay for housing using the 2018 HUD-established Area Median Family Income (MFI) limit for Humboldt County of \$59,900. Together, this information can show who can afford what size and type of housing and indicate the type of households most likely to experience housing cost burden and overcrowding issues. **Table 27** illustrates maximum affordable mortgage payments and rents for a four-person household in Humboldt County. Affordable housing cost is based on Health and Safety code definitions of affordable housing costs -- between 30 and 35 percent of household income depending on tenure and income level. These maximum affordable costs would be adjusted downward for smaller households, or upward for larger households. These costs have been calculated using approximate costs for utilities and insurance.

Comparison of these maximum affordable housing costs was done taking into consideration recent home sales price data for Ferndale, as shown in **Table 23**, and Census home value data. Based on the median home price of \$444,000 reported in December 2018, only above moderate-income households could afford to purchase a home. According to the most recent census data, 40.3% of Ferndale's residents fall within the low, very-low, and extremely-low population categories; with a population of 1,421, roughly 572 individuals are part of households that are unlikely to achieve homeownership if current trends continue.

Generally, extremely low-, very low-, low- and even moderate-income households of all sizes could not afford to buy a home within the average market conditions. Using owner-occupied home values supplied by the 2017 ACS, less than 4% of homes were valued below \$150,000 which would be affordable for low-income households. The majority of owner-occupied housing units (65%) were valued between \$300,000 and \$500,000 which are only affordable to above-moderate households.

Maximum affordable rent can also be compared with area rental prices. Similar to the home market, the affordability problem also persists in the rental market where only moderate-income (greater than 80% of MFI) and above can afford median local rental prices found from local rental listings and Census data (**Table 24**).

Table 1. 29. Housing Affordability Matrix – Humboldt County (2018)

Table 27. Housing Affordability Matrix - Humboldt County (2018)							
Household ^(a)	Annual Income	Affordable Costs		Housing Costs		Affordable Rent	Affordable Home Price ^(c)
		Rental	Ownership	Utilities	Taxes and Insurance ^(b)		
Extremely Low Income (under 30% MFI)							
1-Person	\$12,600	\$315	\$315	\$107	\$63	\$208	\$32,411
2-Person	\$16,460	\$412	\$412	\$121	\$82	\$291	\$46,608
3-Person	\$20,780	\$520	\$520	\$154	\$104	\$366	\$58,455
4-Person	\$25,100	\$628	\$628	\$190	\$126	\$438	\$69,631
5-Person	\$29,420	\$736	\$736	\$226	\$147	\$510	\$81,031

<i>Very Low Income (31 to 50% MFI)</i>							
1-Person	\$21,000	\$525	\$525	\$107	\$105	\$418	\$69,966
2-Person	\$24,000	\$600	\$600	\$121	\$120	\$479	\$80,249
3-Person	\$27,000	\$675	\$675	\$154	\$135	\$521	\$86,285
4-Person	\$29,950	\$749	\$749	\$190	\$150	\$559	\$91,371
5-Person	\$32,350	\$809	\$809	\$226	\$162	\$583	\$94,052
<i>Low Income (51 to 80% MFI)</i>							
1-Person	\$33,550	\$839	\$839	\$107	\$168	\$732	\$126,016
2-Person	\$38,350	\$959	\$959	\$121	\$192	\$838	\$144,349
3-Person	\$43,150	\$1,079	\$1,079	\$154	\$216	\$925	\$158,432
4-Person	\$47,900	\$1,198	\$1,198	\$190	\$240	\$1,008	\$171,565
5-Person	\$51,750	\$1,294	\$1,294	\$226	\$259	\$1,068	\$180,786
<i>Moderate Income (81 to 100% MFI)</i>							
1-Person	\$50,350	\$1,259	\$1,469	\$107	\$294	\$1,152	\$191,739
2-Person	\$57,500	\$1,438	\$1,677	\$121	\$335	\$1,317	\$219,402
3-Person	\$64,700	\$1,618	\$1,887	\$154	\$377	\$1,464	\$242,874
4-Person	\$71,900	\$1,798	\$2,097	\$190	\$419	\$1,608	\$265,675
5-Person	\$77,650	\$1,941	\$2,265	\$226	\$453	\$1,715	\$282,160

Sources: HCD Income Limits, 2018

(a) Affordability definitions of housing costs are per Health and Safety Code Section 50053

(b) 20 percent of monthly affordable cost for taxes and insurance (owner costs only)

(c) Calculation of affordable home sales prices based on a down payment of 20%, annual interest rate of 5%, 30-year mortgage, and monthly payment 30% of gross household income.

1.7 Affordable Housing Conversion

State Housing Element law requires an analysis of the potential for currently rent-restricted low-income housing units to convert to market rate housing, and to propose programs to preserve or replace any units “at-risk” of conversion. In 2011, the City acquired a 52-unit former Navy housing facility that was vacated in 2008. The City of Ferndale took ownership of the Navy housing for low and moderate income individuals, families, and seniors, and renamed it Ferndale Housing. Under a Memorandum of Understanding (MOU) with the City, Ferndale Housing was required to provide 25 low income and 22 moderate income deed-restricted units for a period of 20 years (up in 2031). Management of the Navy Housing Development has since been transferred to the O’Rourke Foundation. The Navy Housing Development is currently the only deed-restricted affordable housing in Ferndale. There are no other rental properties with affordability covenants that are at-risk during this planning period.

Part Two: Sites Inventory

2.1 Jurisdictional Share of Regional Housing Need

A Regional Housing Needs Plan (RHNP) is mandated by the State of California (Government Code (GC), §65584) for regions to address housing issues and needs based on future growth projections for the area. The State of California also establishes the number of total housing units needed for each region. In accordance with State law and to assist local governments in making projections of future housing needs, Humboldt County Association of Governments (HCAOG) with assistance from HCD prepared a regional housing needs plan for Humboldt County covering the period January 1, 2019 to June 30, 2027. The purpose of the plan is to examine housing needs across jurisdictional boundaries and allocate to each local government a “fair” share of the regional housing need. The income distribution of households are defined by HCD as follows:

- Extremely low-income: 0 to 30% of area median income (AMI);
- Very low-income: 31 to 50% of AMI;
- Low-income: 51 to 80% of AMI;
- Moderate-income: 81 to 120% of AMI; and
- Above moderate-income: 120% or more of AMI.

Table 26 provides the Regional Housing Needs Allocation (RHNA) target for the planning period of 2019 to 2027 for each of the four household income groups for the City of Ferndale. Based on these projections, the City of Ferndale needs to provide 33 units in the years from 2019 to 2027. The allocation is equivalent to a yearly need of roughly four housing units for the eight-year period.

Table 2. 1: Regional Housing Needs Allocation (2019-2027) – Ferndale

Jurisdiction	Very Low Income Allocation	Low Income Allocation	Moderate Income Allocation	Above Moderate Allocation	Proposed Total RHNA Allocation
Arcata	142	95	111	262	610
Blue Lake	7	4	5	7	23
Eureka	231	147	172	402	952
Ferndale	9	5	6	13	33
Fortuna	73	46	51	120	290
Rio Dell	12	8	9	22	51
Trinidad	4	4	3	7	18
Unincorporated Area	351	223	256	583	1413
RHNA TARGETS	829	532	613	1416	3390

Source: HCAOG Humboldt County Regional Housing Needs Allocation Plan January 1, 2019 – June 30, 2027 Adopted March 2019

These projections are to be used as guidelines to ensure that City housing policies and programs focus on a mix of housing types and strategies to meet the housing needs of all economic segments of the community. The intent of the RHNP is to ensure that local jurisdictions address not only the needs of their immediate area but also provide their share of housing needs for the entire region. Additionally, a major goal of the RHNP is to assure that every community provides an opportunity for a mix of affordable housing to all economic segments of its population. The RHNP jurisdictional allocations are made to ensure that adequate sites and zoning are provided to address existing and anticipated housing demands during the planning period and that market forces are not inhibited in addressing the housing needs for all facets of a particular community.

Projected need for extremely low income (ELI) housing was calculated by presuming that 50% of very low-income households qualify as ELI households. This results in a projected need for 4 ELI households. The table below showcases units permitted since December 31, 2018.

Table 2. 2: Progress toward Meeting Regional Housing Need Allocation (from December 31, 2018-present)

Income Group	Regional Housing Need	Units Constructed/Permitted	Surplus (Shortfall)
Very Low	9	0	(9)
Low	5	1	(4)
Moderate	6	4	(2)
Above Moderate	13	1	(12)
TOTAL	33	4	(29)

2.2 Identification of Available Land by Zoning District and Realistic Capacity

Housing Element law requires an inventory of land suitable for residential development. This inventory is to determine whether a jurisdiction has allocated sufficient land for the development of housing to meet the jurisdiction's share of the Regional Housing Needs, at all household income levels. The General Plan Land Use Element guides the physical development of the City. The current Land Use Element has designated sufficient land to accommodate future growth projections. By analyzing vacant and underutilized land, the holding capacity of the General Plan, conservatively estimated at 253 dwelling units, is more than sufficient to accommodate the projected population increase through the planning period.

In 2017, AB 1397 made a number of changes to housing element law by revising what may be included in a locality's inventory of land suitable for residential development. Local governments are now required to demonstrate that sites are adequate to accommodate housing for each income group based on the zoning after taking into consideration individual site factors such as property size, existing uses, environmental constraints, and economic constraints. According to the bill's author, "One of the greatest barriers to addressing California's affordable housing crisis is the lack of appropriate sites on which new multifamily housing can be built in many communities. AB 1397 helps address this by tightening the standards for what constitutes an "adequate site" under housing element law for purposes of meeting some portion of a jurisdiction's RHNA."

There is limited land available in Ferndale to develop low- and very-low income units, and the City has indicated no plans to annex additional land (Humboldt LAFCo Ferndale Municipal Services Review, 2019). For the next cycle, however, there is still sufficient available vacant land to exceed the City's RHNA. After applying new criteria to the analysis of low-and very-low units, only two parcels meet the size and density requirements for unit allocation. Both of these parcels have been identified as available for development in the last two Housing Element Cycles; therefore, as required by Government Code §65583.2 (c), proposed residential developments at these two sites must be processed ministerially if at least twenty percent of units are proposed to be deed-~~restircted~~-restricted affordable.

1. APN 031-032-007 (zoned C-2-D-Q)
2. APN 030-181-008 (zoned R-2/AE)

Table 2. 3: Vacant Land Summary by Zone – Ferndale

General Plan Zone Designation	Acres	Density	Maximum Dwelling Unit Capacity*	Realistic Unit Capacity*
Agriculture Exclusive (A-E)	82.3	0-.25	21	12
Community Commercial (C-2-D)	0.6	0-21	13	8
Community Commercial (C-2-D-Q)	1.0	0-21	20	12
Residential Single Family (R-1)	24.8	0-7	174	174
Split Single Family, Ag-Exclusive (R1/A-E)	17.3	0-7/0-.25	26	15
Residential Single Family (R-1-B-1)	0.2	0-7	1	1
Residential Single Family (R-1-B-2)	6.6	0-4	26	26
Split Residential Single Family (R-1-B-2/A-E)	4.1	0-4/0-.25	4	3
Residential Single Family (R-1-B-3)	3.9	0-2	8	8
Residential Single Family (R-1-D)	6.3	0-7	44	44
Residential Two Family (R-2)	0.4	0-15	6	4
Split Two Family, Ag-Exclusive (R-2/A-E)	9.5	0-15/0-.25	20	12
Residential Two Family (R-2-D)	0.2	0-15	4	2
Residential Suburban (R-S)	11.4	0-1	11	7
Residential Suburban (R-S-B-5)	3.1	0-1	3	2

*Numbers rounded.

For the purpose of this analysis, the estimate of dwelling unit capacity in Table 33 reflects potential units based on “realistic capacity” as well as “maximum” densities for each land use designation. The “realistic” figure reflects a 40% density reduction over the potential maximum build-out to reflect average new development density and to account for potential site constraints (infrastructure, floodplain, etc.).

A conservative realistic unit density was also used on sites where accurate development potential is hard to predict. For example, identified sites in non-residential zones (e.g. commercial zones) that allow for residential uses may not be developed for only residential use. Ferndale’s Community Commercial zone (C2) principally permits residential uses; therefore the realistic unit capacity reflects the potential for both commercial and residential site uses. Residential uses are encouraged above the ground floor commercial uses in commercial zones.

Housing Element law requires a site-by-site inventory of vacant/ underutilized lands sufficient to meet the regional housing need in the next five years. Table 31 provides a vacant land inventory by parcel including acreage, existing use, land use/ zoning designation, realistic capacity and potential constraints. The realistic capacity is a 40% density reduction over the potential maximum build-out to reflect average new development density and to account for potential site

constraints (infrastructure, floodplain, etc.). Figures 4-9 show the vacant land inventory by Land Use/ Zone designation. As shown in Tables 33 and 34, there is sufficient vacant land to accommodate the City's RHNA. Therefore, non-vacant and underutilized sites were not used to determine Realistic Unit Capacity.

Table 2. 4: Vacant Land Summary by Income Category – Ferndale

Income Group	Total RHNA	Minimum Density Guidelines	Vacant Site Inventory Capacity
Very Low	9	0-21 and 0-15 units/acre (R-2, C-2)	15-38*
Low	5		
Moderate	6	0-7 units/acre (R-1)	174
Above Moderate	13	<7 units/acre (A-E, R-S)	21
Total	33		213-235*

**as mentioned on page 3-36, only 2 vacant parcels currently meet the minimum qualifications to be designated as having realistic capacity for the development of affordable housing based on parcel size (per GC §65583.2), and the estimated realistic unit capacity of these two parcels totals to 15 units. However, other vacant parcels zoned R-2 and C-2 that do not meet the requirements may still have capacity to create up to 37 housing units as outlined in the "realistic unit capacity" column of Table 31.*

Water, Sewer, & Dry Utilities Capacity

All sites identified in the vacant land inventory below have ability to access to water, sewer, and dry utility services. The Del Oro water company provides water service within the City of Ferndale and adjacent unincorporated lands. Ferndale water sources, known as the High Line Springs, Low Line Springs, and Van Ness Well have a combined production capacity of approximately 518,000 gallons per day. As of 2012, existing maximum daily demands are estimated at 208,000 gallons per day, which is approximately 40% of source capacity.¹ Therefore, there is existing capacity to accommodate the RHNA. The City provides wastewater collection, treatment, and disposal services. The City's Wastewater Treatment Plant (WWTP) has a tertiary treatment level capacity of 1.0 million gallons per day (MGD) for average dry weather flow. During peak flows exceeding the design capacity, up to 5.0 MGD may be sent to a holding storage pond for a later treatment. The existing capacity is sufficient to meet wastewater service demands within the planning horizon.² Pacific Gas & Electric provides electricity service in the City and multiple providers are available for phone and internet services.

¹ City of Ferndale Municipal Service Review, Humboldt LAFCo, 2018.

² Ibid.

Table 2. 5: Vacant Land Inventory by Parcel Number – Ferndale

APN	ZONING	Density Range (du/ac)	ACRES	Realistic Unit Capacity	Current <u>Land Use Designation</u>	Potential Constraints	<u>Affordability</u>
030-171-008	A-E	0-.25	4.30	1	Agriculture	No known constraints	<u>Above moderate</u>
030-111-003	A-E	0-.25	1.35	0	Agriculture	Too small to meet minimum density of 1 du/4 ac	<u>Above moderate</u>
030-011-001	A-E	0-.25	5.15	1	Agriculture	No known constraints	<u>Above moderate</u>
030-011-002	A-E	0-.25	5.11	1	Agriculture	No known constraints	<u>Above moderate</u>
030-051-001	A-E	0-.25	12.58	2	Agriculture	No known constraints	<u>Above moderate</u>
031-121-011	A-E	0-.25	0.36	0	Agriculture	Too small to meet minimum density of 1 du/4 ac	<u>Above moderate</u>
031-121-007	A-E	0-.25	0.19	0	Agriculture	Too small to meet minimum density of 1 du/4 ac	<u>Above moderate</u>
031-121-006	A-E	0-.25	0.60	0	Agriculture	Too small to meet minimum density of 1 du/4 ac	<u>Above moderate</u>
031-121-009	A-E	0-.25	1.97	0	Agriculture	No known constraints	<u>Above moderate</u>
031-013-018	A-E	0-.25	0.58	0	Agriculture	Possible structure, access issue	<u>Above moderate</u>
031-024-003	A-E	0-.25	0.12	0	Agriculture	Steep grade; difficult access	<u>Above moderate</u>
030-211-008	A-E	0-.25	18.34	3	Agriculture	No known constraints	<u>Above moderate</u>
031-171-017	A-E	0-.25	5.65	1	Agriculture	No known constraints	<u>Above moderate</u>
031-261-001	A-E	0-.25	5.17	1	Agriculture	No known constraints	<u>Above moderate</u>
031-051-017	A-E	0-.25	1.60	0	Agriculture	No known constraints	<u>Above moderate</u>
031-061-003	A-E	0-.25	19.23	3	Agriculture	No known constraints	<u>Above moderate</u>
031-142-017 ¹	C-2-D	0-21	0.21	3	Commercial	No known constraints	<u>Low</u>
031-132-021 ¹	C-2-D	0-21	0.39	5	Commercial	No known constraints	<u>Low</u>
031-032-007	C-2-D-Q	0-21	0.54	7	Commercial	Parcel access	<u>Low</u>
031-151-020 ¹	C-2-D-Q	0-21	0.42	5	Commercial	No known constraints	<u>Low</u>
031-131-048	R-1	0-7	1.33	9	Low Density Residential	No known constraints	<u>Moderate</u>

APN	ZONING	Density Range (du/ac)	ACRES	Realistic Unit Capacity	Current <u>Land Use Designation</u>	Potential Constraints	<u>Affordability</u>
031-071-012	R-1	0-7	0.22	2	Low Density Residential	No known constraints	<u>Moderate</u>
031-031-003	R-1	0-7	0.65	5	Low Density Residential	No known constraints	<u>Moderate</u>
031-242-018	R-1	0-7	0.21	1	Low Density Residential	Owned by neighbor, part of yard	<u>Moderate</u>
031-171-027	R-1	0-7	0.30	2	Low Density Residential	Owned by neighbor, part of yard	<u>Moderate</u>
030-131-024	R-1	0-7	0.21	1	Low Density Residential	Possible structures on property; 60' ROW through lot	<u>Moderate</u>
030-091-015	R-1	0-7	0.23	2	Low Density Residential	No known constraints	<u>Moderate</u>
030-091-024	R-1	0-7	1.21	9	Low Density Residential	Subdivided into 4 lots	<u>Moderate</u>
030-091-021	R-1	0-7	16.30	114	Low Density Residential	Subdivided into 29 lots	<u>Moderate</u>
031-183-033	R-1	0-7	1.82	13	Low Density Residential	No known constraints	<u>Moderate</u>
031-183-032	R-1	0-7	0.20	1	Low Density Residential	Drainage	<u>Moderate</u>
030-141-010	R-1	0-7	1.44	10	Low Density Residential	To develop, must bridge Francis Creek	<u>Moderate</u>
031-241-018	R-1	0-7	0.48	3	Low Density Residential	No known constraints	<u>Moderate</u>
031-241-022	R-1	0-7	0.20	1	Low Density Residential	No known constraints	<u>Moderate</u>
030-031-001	R1/A-E	0-7/0-.25	10.58	8	<u>Residential/</u> Agriculture	No known constraints	<u>Moderate</u>
030-061-007	R1/A-E	0-7/0-.25	2.32	4	<u>Residential/</u> Agriculture	Small barn; drainage	<u>Moderate</u>

APN	ZONING	Density Range (du/ac)	ACRES	Realistic Unit Capacity	Current <u>Land Use Designation</u>	Potential Constraints	<u>Affordability</u>
030-041-002	R1/A-E	0-7/0-.25	3.86	3	<u>Residential/</u> Agriculture	No known constraints	<u>Moderate</u>
031-051-018	R1/A-E	0-7/0-.25	0.52	1	<u>Residential/</u> Agriculture	No known constraints	<u>Moderate</u>
031-232-016	R-1-B-1	0-7	0.21	1	Low Density Residential	No known constraints	<u>Moderate</u>
031-171-038	R-1-B-2	0-4	0.16	1	Low Density Residential	Drainage	<u>Moderate</u>
030-101-008	R-1-B-2	0-4	0.94	4	Low Density Residential	No known constraints	<u>Moderate</u>
031-131-051	R-1-B-2	0-4	0.26	1	Low Density Residential	No known constraints	<u>Moderate</u>
031-231-007	R-1-B-2	0-4	0.57	2	Low Density Residential	Barn on property	<u>Moderate</u>
031-231-006	R-1-B-2	0-4	0.60	2	Low Density Residential	No known constraints	<u>Moderate</u>
031-251-003	R-1-B-2	0-4	0.49	2	Low Density Residential	No known constraints	<u>Moderate</u>
031-251-005	R-1-B-2	0-4	0.48	2	Low Density Residential	No known constraints	<u>Moderate</u>
031-241-013	R-1-B-2	0-4	1.04	4	Low Density Residential	No known constraints	<u>Moderate</u>
031-171-061	R-1-B-2	0-4	0.51	2	Low Density Residential	No known constraints	<u>Moderate</u>
031-171-060	R-1-B-2	0-4	0.51	2	Low Density Residential	No known constraints	<u>Moderate</u>
031-171-059	R-1-B-2	0-4	0.51	2	Low Density Residential	No known constraints	<u>Moderate</u>
031-171-058	R-1-B-2	0-4	0.51	2	Low Density Residential	No known constraints	<u>Moderate</u>

APN	ZONING	Density Range (du/ac)	ACRES	Realistic Unit Capacity	Current <u>Land Use Designation</u>	Potential Constraints	<u>Affordability</u>
031-111-010	R-1-B-2/A-E	0-4/0-.25	4.13	3	<u>Residential/</u> Agriculture	No known constraints	<u>Moderate</u>
031-163-025	R-1-B-3	0-2	0.57	1	Low Density Residential	Residence on parcel w/ adjoining parcel	<u>Moderate</u>
031-112-004	R-1-B-3	0-2	0.54	1	Low Density Residential	No known constraints	<u>Moderate</u>
031-112-003	R-1-B-3	0-2	1.70	3	Low Density Residential	Residence on parcel w/ adjoining parcel	<u>Moderate</u>
031-163-028	R-1-B-3	0-2	1.11	2	Low Density Residential	No known constraints	<u>Moderate</u>
030-111-015	R-1-D	0-7	1.70	12	Low Density Residential	Residence on parcel	<u>Moderate</u>
031-032-002	R-1-D	0-7	0.10	1	Low Density Residential	No known constraints	<u>Moderate</u>
030-211-002	R-1-D	0-7	0.25	2	Low Density Residential	No known constraints	<u>Moderate</u>
030-112-019	R-1-D	0-7	1.30	9	Low Density Residential	35' entry won't support more than 2 du, creek cuts off Main St.	<u>Moderate</u>
030-141-016	R-1-D	0-7	2.67	19	Low Density Residential	Small garage on property	<u>Moderate</u>
031-021-009	R-2	0-15	0.11	1	Low Density Residential	Triangular lot, difficult access	<u>Low</u>
030-181-004	R-2	0-15	0.31	3	Low Density Residential	No known constraints	<u>Low</u>
030-181-008	R-2/A-E	0-15/0-.25	6.53	8	<u>Residential/</u> Agriculture	No known constraints	<u>Low</u>
030-191-007	R-2/A-E	0-15/0-.25	2.95	4	<u>Residential/</u> Agriculture	No known constraints	<u>Low</u>
031-131-027	R-2-D	0-15	0.06	0	Low Density Residential	Too small to develop	<u>n/a</u>

APN	ZONING	Density Range (du/ac)	ACRES	Realistic Unit Capacity	Current <u>Land Use Designation</u>	Potential Constraints	<u>Affordability</u>
031-032-009	R-2-D	0-15	0.04	0	Low Density Residential	Small backyard parcel	<u>n/a</u>
030-172-015	R-2-D	0-15	0.13	1	Low Density Residential	No known constraints	<u>Low</u>
030-151-006	R-S	0-1	11.41	7	Rural Residential	No known constraints	<u>Above moderate</u>
031-202-002	R-S-B-5	0-1	3.07	2	Rural Residential	No known constraints	<u>Above moderate</u>

¹Site will not be used in the event of a no net loss situation.

Figure 2. 1: Vacant Parcels -- All Zones

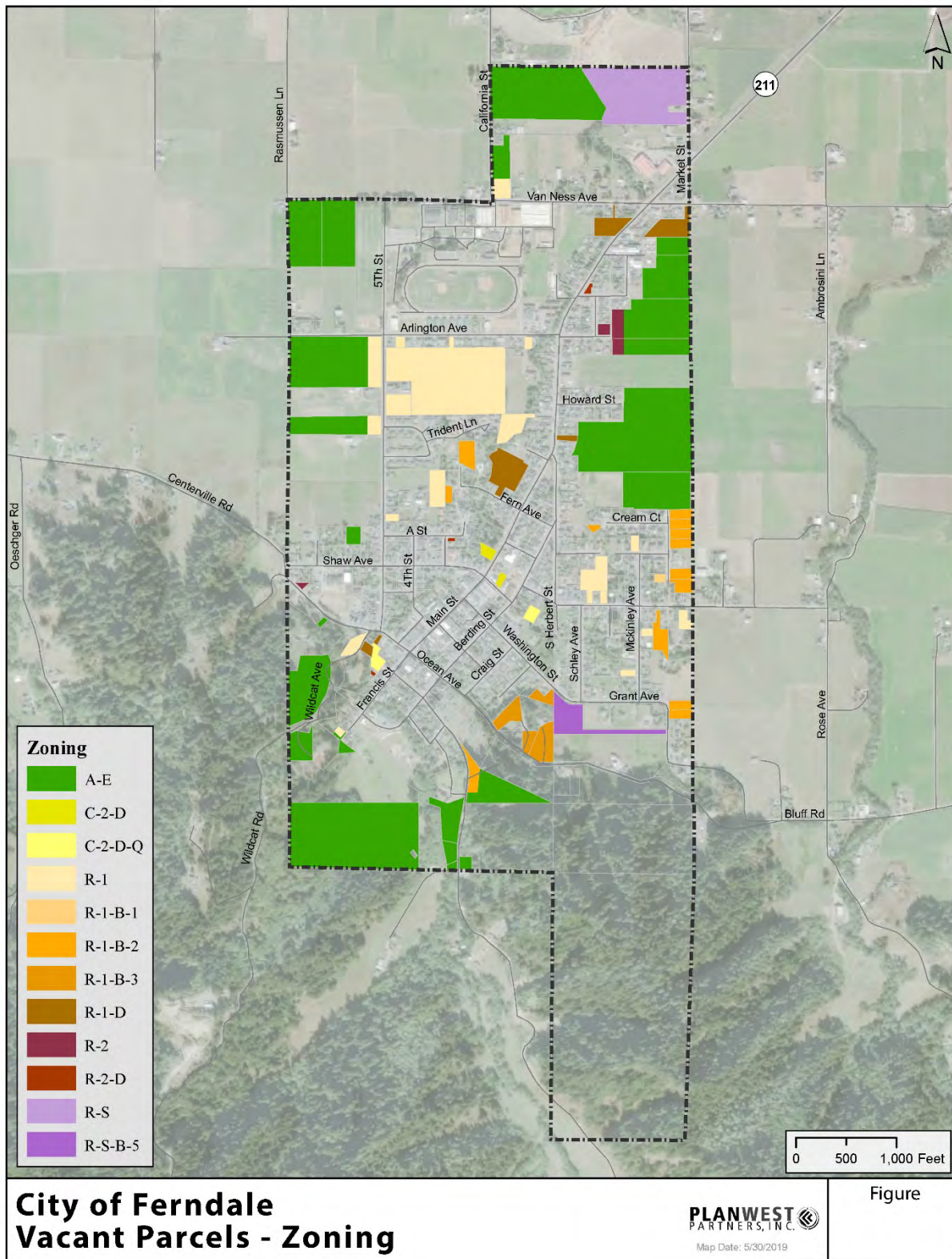


Figure 2. 2 Vacant Parcels -- Agriculture-Exclusive (AE):Allowed Density : 1 du/4 ac

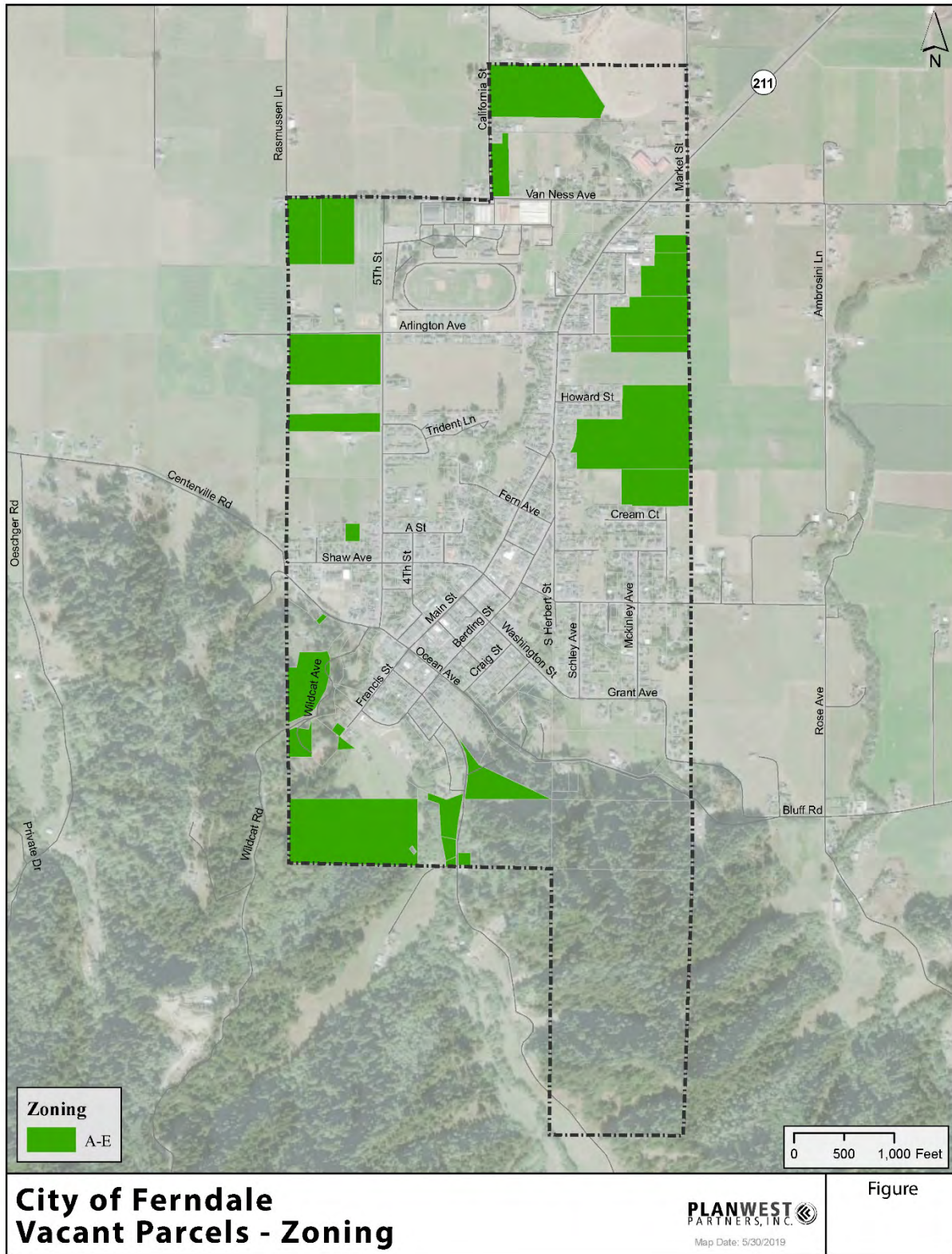


Figure 2. 3 Vacant Parcels –Residential (R1 and RS): Allowed Density: 0-1 to 0-7 du/ac

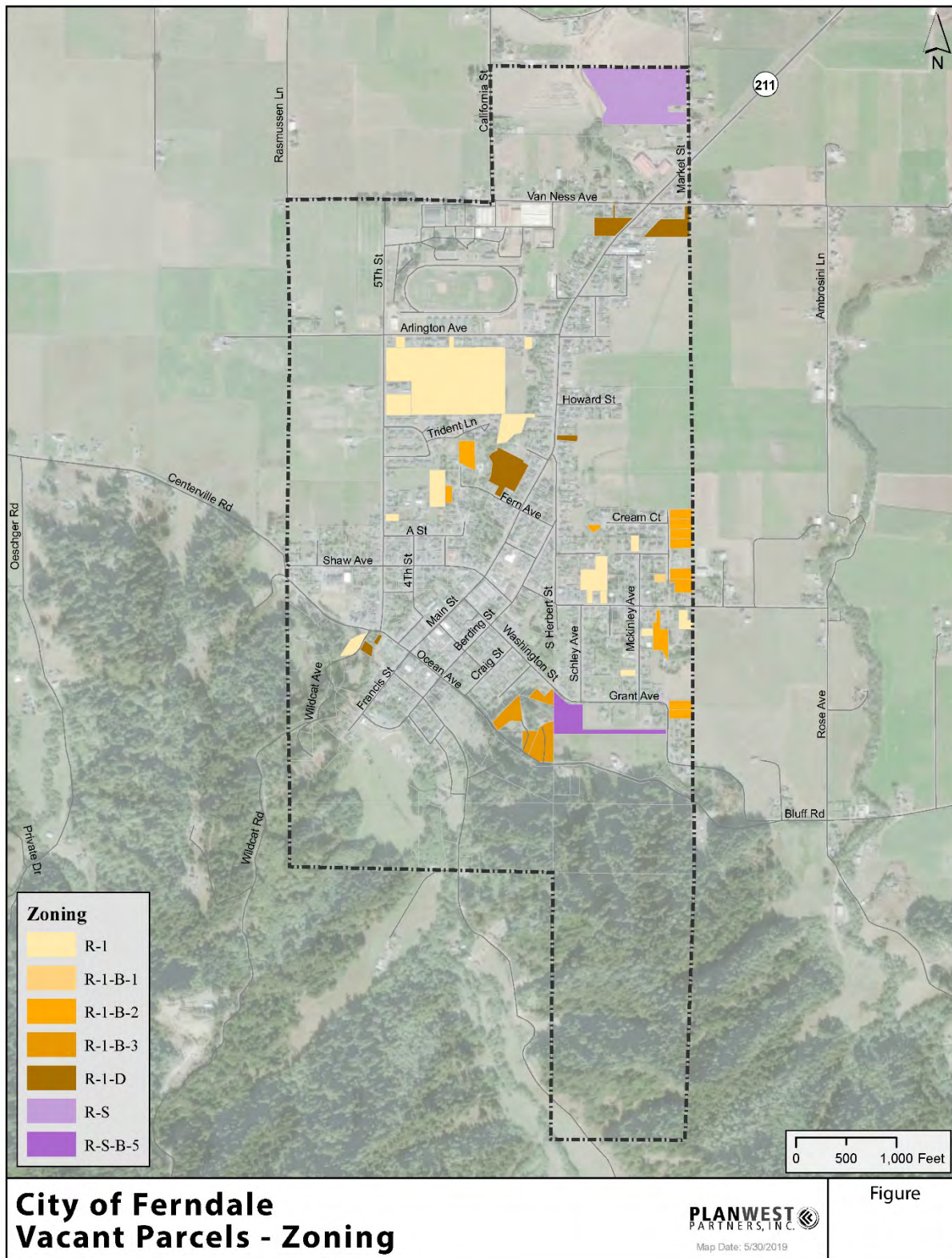


Figure 2. 4 Vacant Parcels – Commerical (C2): Allowed Density: 0-21 du/ac

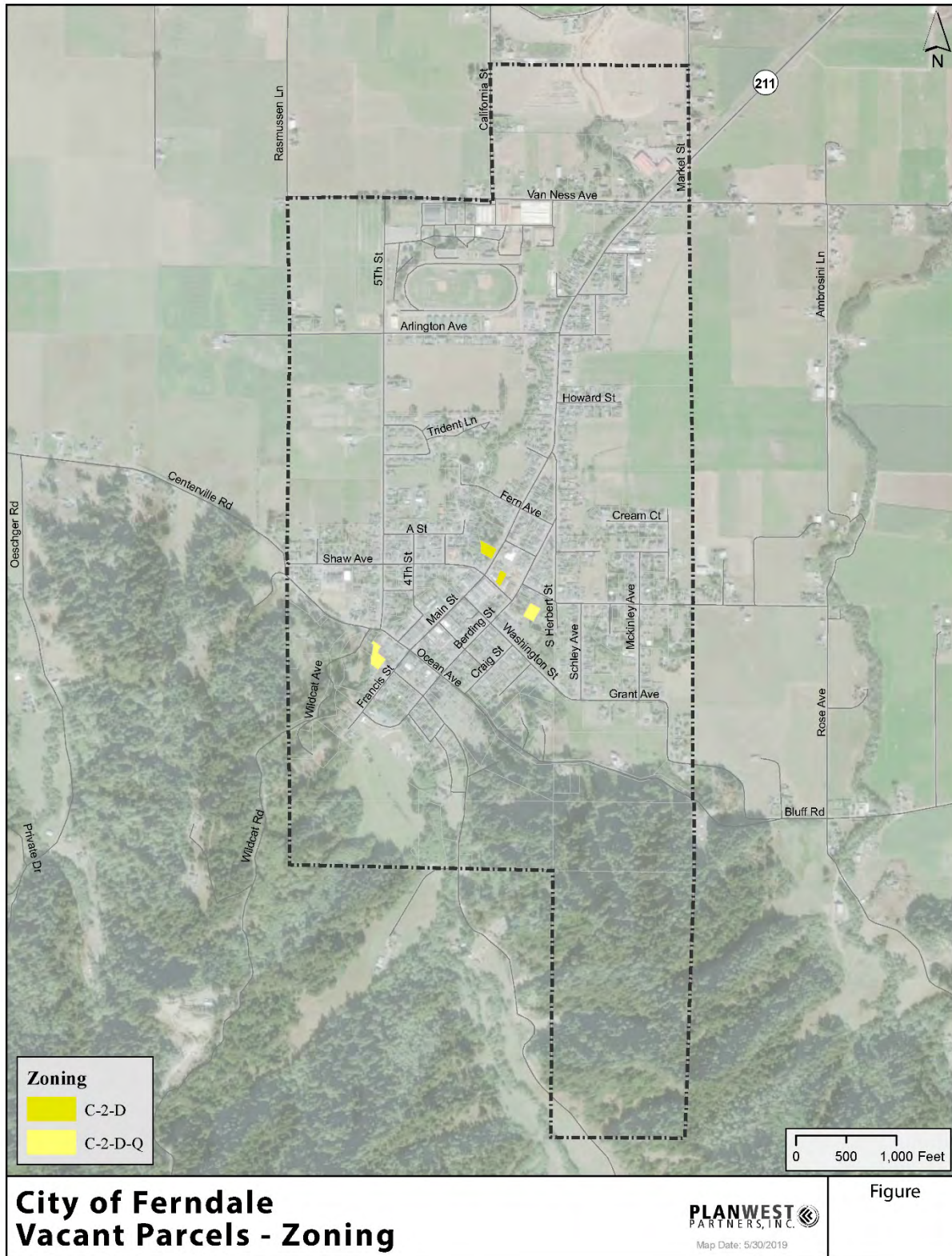


Figure 2. 5: Vacant Parcels – Multifamily Residential (R2): Allowed Density: 0-15 du/ac

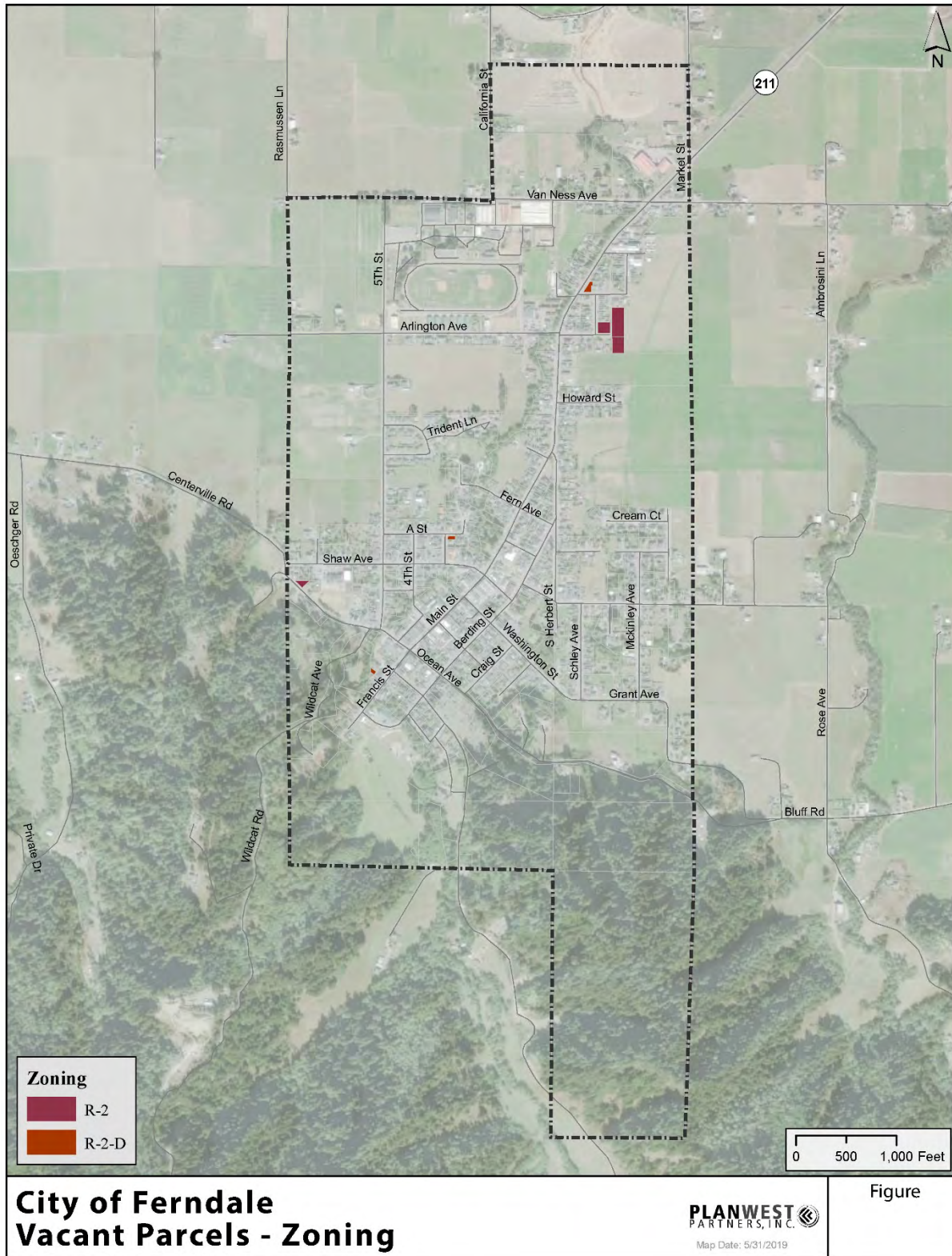
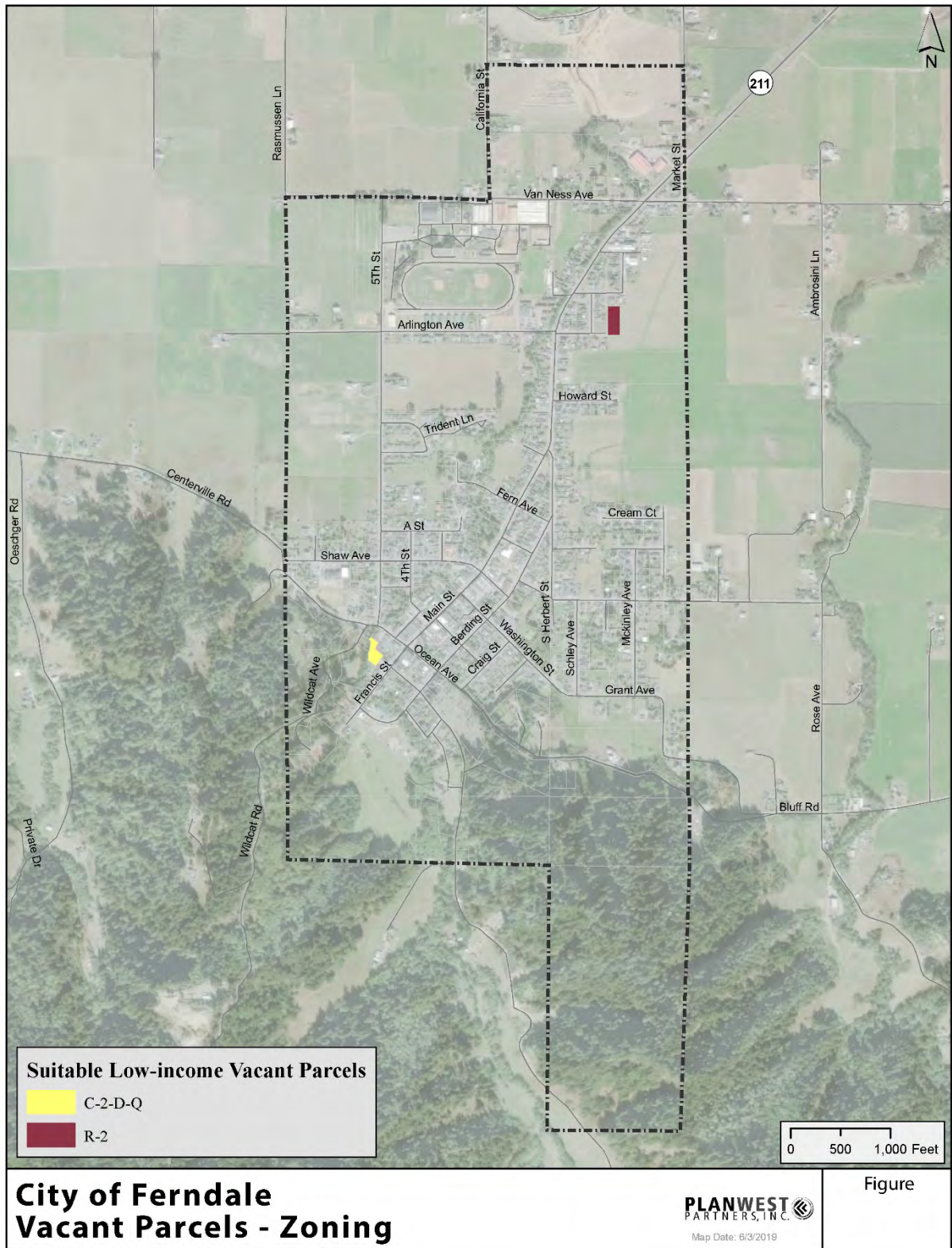


Figure 2. 6: Vacant Parcels Suitable for Development of Affordable Housing (GC §65583.2)



Part Three: Site Analysis

Government Code Section 65583.2(c) requires, as part of the analysis of available sites, a local government to demonstrate the projected residential development capacity of the sites identified in the housing element can realistically be achieved. Cities are required to determine whether each site in the inventory can accommodate some portion of its share of the regional housing need by income level during the planning period. This section of the Housing Element aims to achieve this by revising the specific development standards of each zone and analyze their realistic development potential.

3.1 Zoning that Facilitates Development of a Variety of Housing Types

Government Code Section 65583 and 65583.2 require the housing element to provide for a variety of housing types including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. Providing development opportunities for a variety of housing types promotes diversity in housing price, style, and size, and contributes to neighborhood stability by offering more affordable and move-up homes and accommodating a diverse income mix.

Ferndale's General Plan and Land Use Element

The General Plan establishes policies that guide new development including residential development. These policies, along with zoning regulations, control the amount and distribution of land allocated for different land used in the City. The land use designations established by the General Plan allow single-family and multiple-family residential developments. To reflect a variety of living environments and infrastructure and service limitations, the Land Use and Unique Resources Element and Map provide for both urban and rural designations. The characteristics of the land use designations found in the Land Use and Unique Resources Element are as follows:

Residential Suburban: This designation is intended to be applied in areas of the City which are particularly suited to large lot development of single family homes.

Residential One-Family Building Site Combing: This designation is intended to be applied to those areas generally suited for single family home development, but where sound and orderly planning indicates that lot area and yard requirements should be modified.

Residential One-Family: This designation is intended to be applied in areas of the City where topography, access, utilities, public services and general conditions make the area suitable and desirable for single family home development.

Residential Two-Family: This designation is intended to be applied in areas of the City close to urban centers where all utilities and services are available and where housing demand justifies a density of two families on each building site.

Residential Multi-family: This designation is intended to be applied in areas of the City where it is reasonable to permit and protect low-density apartment developments.

Apartment-Professional: This designation is intended to apply in areas of the City suitable for higher density residential uses and for professional and business offices and instructional uses. Density is to be determined by community character.

Neighborhood Commercial: This designation is intended to provide for neighborhood shopping centers which will provide convenient sales and service facilities for residential areas, without detracting from the residential desirability of such areas.

Community Commercial: This designation is intended to be applied to areas of the City where more complete commercial facilities are necessary for community convenience.

Agricultural Exclusive: This designation is intended to be applied in areas where agricultural use is and should be the desirable predominant use of land and in which it is desired to protect agricultural operations from incompatible or detrimental uses.

Public Facility: This designation is intended to be applied to lands owned by public agencies or to lands upon which such agencies operate public facilities.

Combining Designations

The following designations set forth in the Land Use Element modify the regulations of the principal land use designations as described above. Uses and regulations established for the principal designation apply in combining zones, except insofar as they are augmented by the specific regulations of the combining zone.

Agricultural Combining or -A Zone

The Agricultural Combining or -A Zone is intended to be combined with principal R Zones in areas where average lot areas are sufficient to permit agricultural uses, including the keeping of livestock, in conformity with established usage and without creating nuisances or adverse health conditions.

Special Building Site Combining or -B Zone

The Special Building Site Combining or -B Zone and sub-zones there under are intended to be combined with any principal zone in which sound and orderly planning indicate that lot area and yard requirements should be modified. The following regulations shall apply in any zone which is combined with a Special Building Site Combining or -B Zone in lieu of the lot area and yard requirements normally applicable in such principal zone:

Table 3. 1. Special Building Site Combining Regulations

Combining Designation	Building Site Area	Front Yard	Side Yard	Rear Yard
B-1	8,000 sq. ft.	25 ft.	10% of lot width, minimum of 8 ft.	10 ft.
B-2	10,000 sq. ft.	25 ft.	10% of lot width, minimum of 10 ft.	10 ft.
B-3	20,000 sq. ft.	30 ft.	10% of lot width, minimum of 15 ft.	15 ft.
B-4	One (1) acre	30 ft.	10% of lot width, minimum of 20 ft.	20 ft.
B-5	As specified on the zoning map designating any such zone, except that in no case shall these requirements be less than those required under the B-4 requirements.			
B-6	Building site area as shown on a final subdivision map of record. Front, side and rear yards to be not less than B-4 requirements unless otherwise indicated on the said final map.			

Recreation Combining or –X Zone

The Recreation Combining or –X Zone is intended to be combined with any principal zone in which the addition of recreational uses will not be detrimental to the uses of the principal zone or of contiguous zones.

Design Control Combining or -D Zone

The Design Control Combining or -D Zone is intended to be combined with any principal zone in which the appearance and design of buildings and structures form a substantial contribution to the desirability of the zone for the uses permitted therein, and in which it is desired to protect the over-all Historical appearance of the zone by regulating the design of proposed buildings and structures in the zone.

Qualified Combining or –Q Zone

The Qualified Combining or -Q Zone is intended to be combined with any principal commercial zone in which residential uses constitute the predominant use of land in such zone, and in which it is desired to protect the general peace, safety, comfort, health and welfare of persons residing in such areas from impacts which may result from the introduction of new commercial uses, by regulating those uses allowed in the underlying principal zone, either as a principal permitted use or a use requiring a use permit, to those certain uses which the Planning Commission finds are compatible with the maintenance of a healthful residential living environment and the residential character of the area.

Housing Combining Zone or –H Zone

The –H Zone is intended to cover the existing duplex units on a portion of the Ferndale Housing Project site located on Fairview Drive and Trident Lane. This combining zone principally permits the existing duplex units.

Ferndale Zoning Ordinance

The Zoning Ordinance further describes the land use designations and provides mechanisms for implementation and regulation. These land use designations provide for a range of residential densities ranging from one residence per four acres (AE) to 21 residences per one acre (R3, R4, C1, C2).

Table 3. 2: Zoning District Descriptions

Zone	Lot Size	Allowable Uses	With Use Permit
Agriculture-Exclusive (AE)	4 acre minimum	Farm Dwellings, 1 ADU	B&B
Residential-Suburban (R-S)	1 acre minimum	1 family dwelling, guest house, 1 ADU	B&B, SDUs
Residential One-Family (R-1)	6,000sf minimum	1 family dwelling, 1 ADU	Guest house, B&B
Residential Single Family (R1B1)	8,000sf minimum	1 family dwelling, 1 ADU	Guest house, B&B
Residential Single Family (R1B2)	10,000sf minimum	1 family dwelling, 1 ADU	Guest house, B&B
Residential Single Family, (R1B3)	20,000sf minimum	1 family dwelling, 1 ADU	Guest house, B&B
Residential Two-Family (R-2)	6,000sf minimum	1 or 2 family dwellings, 1 ADU	Guest house, B&B
Residential Multiple Family (R-3)	6,000sf minimum	1 to 4 family dwellings, B&B, 1 ADU	Hotels, mobile home parks, boarding houses
Apartment-Professional (R-4)	6,000sf minimum	1 family dwelling, <u>1 ADU</u> boarding houses, hotels, B&B	Mobile home parks
Neighborhood Commercial (C1DQ)	2,000sf minimum	1 family dwelling	2 to 4 family dwellings, B&B, boarding houses
Community Commercial (C2)	2,000sf minimum	Dwellings, hotels, boarding houses, mobile home parks	No residential uses
Community Commercial (C2DQ)	2,000sf minimum	1 family dwelling	2 to 4 family dwellings, B&B, boarding houses

Table 3. 3: Housing Types Permitted by Zoning District - City of Ferndale

Housing Types Permitted	R1	R2	R3	R4	RS	PF	C1*	C2*
Single Family Attached	P	P	P	P	P	No	C	P
Single Family Detached	P	P	P	P	P	No	C	P
Duplexes	No	P	P	P	No	No	C	P
Fourplexes	No	No	P	No	No	No	C	P

Housing Types Permitted	R1	R2	R3	R4	RS	PF	C1*	C2*
Multifamily (5+ Units per Structure)	No	No	No	No*	No	No	C	P
Mobile Homes**	P	P	P	C P	P	No	C	P
Manufactured Homes	P	P	P	P	P	No	C	P
Second Units	P	P	P	No P	P	No	No	No
Transitional and Supportive Housing	P	P	P	P	P	No	P	P
Emergency Shelters	No	No	No	No	No	P	No	No

Source: Local Zoning Code

Notes: P = Permitted Use C = Conditional Use Permit

Zoning to accommodate multifamily rental housing

Housing Element law requires that a city or county provide, through its General Plan, sufficient sites suitable for the production of housing affordable to extremely low, very-low and other-low income households. As these sites are generally higher density designations that support residential development as a primary or mixed-use, this analysis will center on whether sufficient land has been planned in the R2, R3, R4, C1 and C2 designations to meet the needs for the Housing Element planning period.

Residential Two-Family Zoning (R2)

The R2 zone is appropriate to accommodate housing development for lower income households. Attached residential units of single or multi-story construction provide housing opportunities for lower income households. As with second units, land costs, utilities and construction costs for attached versus detached construction can be shared making these units more affordable. While the affordability of these units is ultimately a function of a number of variables, including land and financing costs, many units could rent at or below market rates. Existing R2 build densities in Ferndale average approximately 10 du/acre. The R2 zone allows up to 15 dwelling units per acre (du/acre), meeting minimum density standards as set by HCD.

As shown in the vacant land inventory, with the application of new regulations related to site selection, there are approximately 1.65 acres of vacant R2 designated land within the City which could be realistically developed with a maximum of 15 units at 15 du/acre. Therefore, adequate land is available to accommodate the City's regional need of 15 units for lower-income households. These adequate parcels have been listed in two consecutive Housing Elements; therefore it is acknowledged that developments which propose to designate at least 20 percent of multifamily housing units as deed-restricted low-income shall be ministerially approved.

Residential Multi-family (R3) and Apartment-Professional (R4) Zoning

Although multiple dwellings up to four-family are allowed in the R-3 zone, and boarding houses in the R-4 zone, at this time Ferndale does not have any land zoned R3, and a very small section zoned R4. Although the R4 zone is named Apartment-Professional, neither the principal

permitted uses nor the uses permitted with a Use Permit include apartments or anything for 5+ units. However, multifamily dwellings with 5+ units are allowed with a use permit in the C1 and by right in the C2; these sites can be developed 100% residential (no commercial component required). Secondary Dwelling Unit permits are approved ministerially on lots zoned for single-family or multifamily use.

Neighborhood Commercial (C1) and Community Commercial (C2) Zoning

The C1 and C2 zones allow for a variety of housing types including multi-family development, in addition to commercial uses at a density of up to 21 dwelling units/acre. Single family and multifamily residential units are allowed and encouraged in both zones. The C1 designation allows for residential uses with a use permit, and residential units are principally permitted in the C2 zone. Lodging including hotels, motels, boarding houses, and mobile home parks are also allowable in the C2 zone. Affordable, high density housing would integrate well in this zone as residents would benefit from the close proximity to services. Combined short term and permanent residential housing is an option. The density of this zone facilitates low income housing options; these areas are also fully served by utilities and have considerable potential for mixed use and higher density development.

As shown in Tables 29, 30 and 31 and on Figure 1 there is a total of approximately 3.23 acres of vacant C2 zoned land (includes C2D and C2DQ zones) for an estimated realistic unit capacity of 40 units. Three of these sites (APNs 031-083-002, 031-083-004, and 031-085-022) are within the same vicinity of each other off of 4th Street near Main Street and total 1.47 acres. Since these sites are not located directly on Main Street and are adjacent to existing residential uses, affordable units would integrate well in this area as residents would benefit from the close proximity to services. Higher density affordable housing would likely be more desirable at these sites than commercial uses due to setback from Main Street and other commercial areas. Although theoretically based on density standards these sites could fit 30 units, the projected yield of these three sites based on site conditions is 18 units.

Ferndale Main Street contains many larger Victorian era buildings with commercial and office uses at street level and residential units on the upper floors. These apartment/ studio type units are generally affordable to low/ moderate income residents due to their smaller size. Current rental prices for apartments were researched in local property listing publications. Based on this review of available units, typical rents are less than \$800 per month, depending on the unit size and number of bedrooms. Due to their smaller size and lower rents, these units are generally affordable to lower-income households (considering the 2011 Humboldt County Annual Median Income of \$40,376). The commercial designations in the downtown area (C1 and C2) allow for a variety of housing types with a maximum density of 21 du/acre. The density of these zones facilitates low income housing options; these areas are also fully served by utilities and have considerable potential for additional mixed use and higher density development.

Due to Ferndale's small size and historic building patterns, larger low-income housing developments (50-80 units) are not needed or feasible at this time. Hence, the City's low-income housing need can be accommodated through smaller lot development as described

above and the estimate of the number of units projected on these sites is feasible. The City will pursue incentives or concessions, where necessary, to maintain economic feasibility of lower income units; to encourage mixed-use commercial and residential development; and to promote multi-family design that preserves community character and provides a sense of connection to the neighborhood.

Mobilehomes/Factory-built Housing

~~Mobile homes are be considered compatible in those areas outside of the Design Control Combining or D zones, as shown on the City of Ferndale Zoning Map. The designated Design Control district is of significant historical value and overall unique architectural character, warranting protection of preservation efforts and infill development of comparable nature. Therefore, mobile homes, as defined here, are not found to be compatible with these areas, but shall be permitted in all other areas of the City where single family dwellings are a principal permitted use of land.~~

Mobile homes must be allowed in the same manner and in the same zone as conventional single family residential. As outlined in the Zoning Code, Manufactured and Mobile Homes on individual lots are permitted on an individual lot as a single-family dwelling unit, if it meets the following requirements: The mobile home must be certified under the National Manufactured Housing Construction and Safety Standards Act of 1974; The mobile home must be installed on a permanent foundation system designed in accordance with Health and Safety Code Section 18551; Installation of a manufactured or mobile home shall be prohibited if more than 10 years have elapsed between the date of manufacture of the manufactured home and the date of the application for the issuance of a permit to install the manufactured home; The manufactured or mobile home must comply with all development standards specified in the zone in which the home is to be placed; The manufactured or mobile home must be located within an area of the City determined to be compatible with mobile home use.

Single Room Occupancy (SRO) Units

A single-room occupancy (SRO) unit is a small housing unit, typically between 200 to 350 square feet. These units provide a valuable source of affordable housing for individuals and can serve as an entry point into the housing market for people who previously experienced homelessness. Many older SROs have been lost due to deterioration, hotel conversions, and demolition. Ferndale does not currently have any SROs; however, the Housing Element includes a Program to explore options to the creation of SROs through preserving and rehabilitating existing residential hotels and other buildings suitable for SROs.

Accessory Dwelling Units

An ADU is a secondary dwelling unit with complete independent living facilities for one or more persons and generally takes three forms:

- Detached: The unit is separated from the primary residential structure
- Attached: The unit is attached to the primary residential structure-often known as a JADU, or Junior Accessory Dwelling Unit

- Repurposed Existing Space: Space (e.g., master bedroom or garage) within the primary residence is converted into an independent living unit

The California Legislature updated ADU law effective January 1, 2018, to clarify and improve various provisions in order to promote the development of ADUs. These include allowing ADUs to be built concurrently with a single-family home, opening areas where ADUs can be built to include all zoning districts that allow single-family uses, modifying fees from utilities, such as special districts and water corporations, and reducing parking requirements. Consistent with this legislation, the City of Ferndale has been allowing second units by right on lots zoned for single-family or multifamily use. However, as before, permit approval is subject to a planning staff level review of the site and building plans to ensure compliance with height, setbacks, maximum floor area, and parking requirements. Depending on workload, the administrative plan check process can be completed within a few weeks.

As outlined in state law, Ferndale's ADU Ordinance is not yet in compliance with the changes to ADU law and has been rendered null and void, and until an ordinance is adopted, local governments must apply state standards. The Ferndale Planning Commission has been working on a compliant ADU Ordinance for several months, and at the June Planning Commission, approved a draft Ordinance and recommended forwarding to the City Council for review. A summary of the draft standards is as follows:

- 1) The maximum gross floor area of the accessory dwelling unit (ADU) shall not exceed 1,200 square feet or 50 percent of the existing primary dwelling unit area on parcels of 10,000 square feet or greater; the maximum floor area of an ADU shall not exceed 800 square feet or 50 percent of the proposed existing primary dwelling living area.
- (2) ADUs may be constructed on any legal parcel of 5,000 square feet or greater in RS and R1 zones. ADUs may be constructed on any legal parcel in R2 and R3 zones, regardless of size.
- (3) Accessory Dwelling Units constructed in Historic Districts are subject to outlined ministerial design standards.
- (4) JADUs require owner-occupancy.

According to City building permit records, six ADU building permits have been issued since 2014, and another six were approved in the prior 5th Element cycle. Four ADUs and one JADU (Junior Accessory Dwelling Unit) were permitted in the past year alone, in response to updated state regulations and Ferndale's own efforts to encourage ADU production and refine local regulations. Given this new trend, at least two ADUs per year are expected to be built during the current planning period. Current rental prices for second units and apartments of similar size were researched in local property listing publications. Based on this review of available ADUs, typical rents are on average \$800 per month, depending on unit size. Due to their smaller size and lower rents, these units are generally affordable to lower-income households, and based on conversation with HCD staff, these units have been allocated towards Ferndale's moderate income RHNA as outlined in the "Quantified Objectives" section of the Housing Plan.

Transitional and Supportive Housing and Emergency Shelters

The State of California defines emergency shelters, transitional housing and supportive housing as follows:

- *Emergency Shelter* (per Health and Safety Code 50801): housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.
- *Transitional Housing* (per Health and Safety Code 50675.2(h)): buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months.
- *Supportive Housing* (per Health and Safety Code 50675.14(b)): housing with no limit on length of stay, that is occupied by the target population as defined in subdivision (d) of Section 53260, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

Homelessness has not been a significant issue in Ferndale to date and the City has not had any requests for homeless shelters or other forms of homeless assistance. Ferndale currently has no homeless shelters or transitional housing within the City. However, to comply with SB 2 the City amended the Zoning Ordinance Section to allow for location of emergency shelters by right in the Public Facility (PF) zone and if needed, an emergency shelter would be considered a principally permitted use in the PF zone. The Humboldt County Fairgrounds is zoned PF and is already a designated emergency shelter in partnership with the Humboldt County Office of Emergency Services. The Fairgrounds includes roughly 60 acres zoned PF, so there is ample space to accommodate Ferndale's need. The Fairgrounds encompasses the following APNs that could be dedicated to use for an emergency shelter:

1. 030-081-006
2. 030-081-007
3. 030-021-003
4. 030-071-001
5. 030-011-003

Additionally, the Fairgrounds has a number of large structures on-site that would have the capacity to accommodate a year-round emergency shelter if required. The site is not exposed to any hazards that the City as a whole is not exposed to; the Fairgrounds, like the majority of the City, is in a potential liquefaction zone, has relatively stable slopes, is outside of the FEMA 100-year and 500-year flood zones, and is in a high fire rating zone (Humboldt County Community Development Services).

Transitional and supportive housing provides intermediate housing opportunities for persons not presently capable of living in a fully independent setting. The City amended Zoning Ordinance Article 3 to include the following definitions:

§3.33 Family: One or more persons living together in a dwelling unit, which common access to, and common use of all living, kitchen, and eating areas within the dwelling unit. FAMILY does not include larger institutional group living situations such as dormitories, fraternities, sororities, monasteries or convents nor does it include such commercial group living arrangements as boardinghouses, lodging houses and the like.

§3.74 Supportive Housing: As defined at Section 50675.14 of the Health & Safety Code has no limit on the length of stay, is linked to onsite or offsite services, and is occupied by a target population as defined in Health & Safety Code Section 53260. Services typically include assistance designed to meet the needs of the target population in retaining housing, living and working in the community, and/or improving health and may include case management, mental health treatment, and life skills.

§3.81 Transitional Housing: Defined in Section 50675.2 of the Health & Safety Code as buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months.

Transitional and supportive facilities are residential uses similar in nature to rooming and boarding houses but also include a component of counseling and support often provided by a resident facility manager. Transitional and supportive facilities are permitted as a residential use and are only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. Since Ferndale is roughly one square mile, nearly any site in the City is near the services provided in the downtown commercial district. Ferndale does not have a hospital, homeless services, or access to public transit.

Private institutions, including group homes, are permitted with a use permit in all residential zones, except the Residential One Family Zone (R1). ~~The Zoning Ordinance previously defined family as: A person living alone, or two (2) or more persons related by blood, marriage or adoption, or a group of not more than five (5) unrelated persons living together as a single non-profit housekeeping unit in a dwelling unit, as distinguished from a group occupying a boarding house, motel, hotel or fraternity or sorority house. This definition was restrictive in allowing a residential care facility in a single family zone unless limited to five unrelated persons.~~

~~To remove this restriction, the Ordinance was amended to define family as “one or more persons living together in a dwelling unit, with common access to, and common use of all living, kitchen, and eating areas within the dwelling unit. FAMILY does not include larger institutional group living situations such as dormitories, fraternities, sororities, monasteries or convents nor does it include such commercial group living arrangements as boardinghouses, lodging houses~~

~~and the like.” (Zoning Ordinance 02-02 §3.33).~~ The City of Ferndale allows group homes in the R4 zone and the C2 zone as a principally permitted use. The C1 zone allows a group home with a use permit. Private institutions are allowed with a use permit in the R2, R3, and R4 zones. The Housing Plan includes a program to review existing City processes for compliance with AB 2162 and revise zoning codes/processes as necessary to allow supportive housing by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses (Program 1).

Low Barrier Navigation Centers

“Low Barrier Navigation Center” means a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. “Low Barrier” means best practices to reduce barriers to entry. AB 101 requires that when a Low Barrier Navigation Center meets specified criteria, it must be allowed by-right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses. The City of Ferndale will review and revise city policies as necessary to comply with AB 101.

Farmworker Housing

In the City’s Zoning Ordinance, a ‘farm dwelling’ is defined as a dwelling on farm premises for permanent residents of the farm, such as the owner, lessee, foreman, or others whose principal employment is the operation of the farm, as distinguished from quarters for seasonal labor. In the Eel River Valley, farmworker housing needs are not significant as most farms are managed by owner/occupants. Most farming operations in the City are owner operated dairies with workers either housed on employer’s farms or in rental housing in the region. Within Ferndale, the Zoning Ordinance encourages a variety of housing types that would accommodate farmworker housing needs, including multifamily housing, manufactured housing, and second units. In addition, the current Housing Plan includes a Program that calls for an amendment to the Zoning Ordinance to allow agricultural employee housing for six or fewer persons to be treated the same as single family units in all zones (Health & Safety Code §17021.5); and allow bunkhouses of 36 or fewer beds or no more than 12 units the same as an agricultural use in zones allowing agricultural uses, ~~allow agricultural employee housing by right, without a conditional use permit (CUP), in single family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds~~ as required by Health and Safety Code §17021.6. This Program is a carry-over from the 5th cycle Housing Element.

3.2 Governmental Constraints

It is in the public interest for the government to regulate development to protect the general welfare of the community. At the same time, government regulations can potentially constrain the supply of housing available in a community if the regulations limit opportunities to develop housing, impose requirements that unnecessarily increase the cost to develop housing, or make the development process so arduous as to discourage housing developers. State law requires

Housing Elements to contain an analysis of the governmental constraints on housing maintenance, improvement, and development (GC §65583(a)(4)). The city does not have an inclusionary housing ordinance.

Land Use Controls

Land use controls consist of the General Plan, Zoning Ordinance, Building Code and Subdivision regulations. Local land use policies and regulations can impose costs upon development. While these measures are often necessary to protect the public health, safety or welfare, the effect of any particular requirement must be weighed carefully to ensure that it does unduly burden the ability to provide for the housing needs of the community. Existing Land Uses are discussed at length in section 4.1 , *Zoning for a Variety of Housing Types*. As discussed, the lack of developable land suitable for multifamily development is seen as a constraint to affordable housing production, and the Housing Plan contains programs targeted to address this constraint.

Development Standards

The requirements for building heights, set-backs, design, parking and other property development standards are comparable to other communities in the region, and do not pose undue constraint to the development of housing in Ferndale. Allowable lot coverage ranges from 35 to 60%, depending on zoning density, with allowable heights ranging from 35 feet to 45 feet.

Table 3. 4: Development Standards – Ferndale

Zoning District	R1	R2	R3	R4	RS	C1	C2
Density Range	0-7 per acre	0-15 per acre	0-21 per acre	0-21 per acre	0-1 per acre	0-21	0-21
Setbacks	F 20'; R 15'; S 10%	F 20'; R 15'; S 10%	F 20'; R 10'; S 5'	F 20'; R 10'; S 5'	F 20'; R 15'; S 10%	F 0'; R 15 ft.**; S 0'***	F 0'; R 15 ft.**; S 0'***
Lot Coverage	35%	40%	60%	60%	None	N/A	N/A
Minimum Lot Size	6,000 sf	6,000 sf	6,000 sf	6,000 sf	1 acre	2,000 ft ²	2,000 ft ²
Minimum Unit Size	None	None	600 sf	600 sf	None	N/A	N/A
Parking	1 per dwelling	1 per dwelling	1 per dwelling	1 per dwelling	1 per dwelling	1 per dwelling	1 per dwelling
Height Maximum	35'	35'	45'	45'	35'	35'	45'

*Except where frontage is in a block which is partially in an “R” zone, the front yard shall be the same as that required in such “R” zone.

**Except where a rear yard abuts on an alley, such rear yard may be not less than 5 feet.

***Except that a side yard of an interior lot abutting on an “R” Zone shall be not less than the front yard required in such “R” Zone.

Codes and Enforcement

New construction in Ferndale must comply with the Uniform Building Code (UBC). The City adopted the UBC in ~~2011~~ 2016 with no major revisions, meaning that there are no extraordinary building regulations that would adversely affect the ability to construct housing in Ferndale. Enforcement in the City of Ferndale is conducted on a complaint basis and is conducted by the City Building Official, a contract employee. The City will make a list of potential funding resources available to homeowners when cited for violations.

On/Off-site Improvement Standards

Site improvements such as frontage improvements, street work, storm drainage, street lights, utilities and landscaping may be required for new development to ensure conformity to, and implementation of, the Ferndale General Plan, any adopted specific plans, and/or any applicable Ordinances of the City of Ferndale. All utilities within a subdivision and along peripheral streets shall be placed underground except those facilities exempted by the Public Utilities Commission regulations. Site improvements are required as a condition prior to Final Map or Parcel Map approval and must either be completed or the developer must have an agreement with the City to do such work. Improvements shall be constructed in accordance with the City of Ferndale Standard Specifications and/or when applicable with standards as adopted by local utility companies and approved by the City Engineer.

All subdivision projects are required to construct onsite and offsite improvements according to approved standards adopted by the City, or as otherwise determined by the City Engineer. Improvements may include frontage, storm drainage, sewer, street lights, water lines, and other utilities as deemed appropriate. Site improvements are an important component of new development in order to ensure a safe and well-planned community. Improvement standards are established by the City's Improvement Standards and Specifications. The City's Improvement Standards for subdivisions identify types of streets for new developments. Typical residential development will include provisions for minor streets and collector streets, each of which have a right-of-way between 40 and 50 feet, and include pavement, curbs, gutters, and sidewalks. The pavement width is the generally accepted minimum necessary to provide for one lane of vehicular traffic in each direction and on-street parking on one or two sides.

Providing streets for new residential developments add to land development costs, but are necessary to ensure safe access to comply with City standards. Smaller infill projects typically are only required to improve adjacent street frontages, including the installation of curb, gutters, and sidewalks. In most of Ferndale's urbanized area, streets and other improvements are already in place. Therefore, development of Ferndale's vacant residential infill sites requires few or no frontage or off-site improvements and costs of such improvements would not substantially impact the cost of the housing supply.

Fees and Exactions

Similar to other City and County jurisdictions, Ferndale collects development fees to recover the costs of providing public services and the administrative costs associated with application processing. The City collected fees are important to ensure new development does not result in inadequate public facilities. If

new development occurs without improving public facilities, the long-term costs for maintenance and upgrades would be much greater. The approach the City has taken is to have new development pay its fair share of the cost of the public infrastructure needed to accommodate it so that the costs are not borne by the existing residents through general fund subsidies. Line item fees related to processing, inspections and installation services are limited by California law to the cost to the agencies of performing these services. The City of Ferndale does not charge impact fees that are commonplace in larger California jurisdictions except for a drainage fee. The table below describes City fees for typical planning permits. The fees are comparable or less than those charged by other jurisdictions in Humboldt County and are not considered a barrier to residential development.

The following discussion of fees does not take into consideration land costs or other mitigation fees outside the control of the City. There are several planning and development fees that are charged for the review and approval of general plan amendments, zone changes, conditional use permits, variances, subdivision maps, site plans and service requests. Depending on the complexity of the requests, these fees can total several hundred to several thousand dollars per unit.

Table 3. 5: Planning and Development Fees – Ferndale

Fee Category	Fee Amount
BUILDING, PLANNING AND APPLICATION FEES	
Variance	\$696.00
Conditional Use Permit	\$696.00
Home Occupation Permit	\$150.00
General Plan Amendment	\$2,000.00
Zone Change	\$1,500.00
Lot Line Adjustments	\$1,196.00
Minor Subdivision (cost varies on number of lots and complexity)	\$2,200.00
Major Subdivision (cost varies on number of lots and complexity)	\$4,000 + \$ 50.00/lot
Plan Check, Single Family Residence	\$ cost
Design Review	\$0.00-377.00
Plot Plan Review	\$40.00
Sewer Hookup Fees- First new hookup; (each additional hookup up to 4 units \$400, over 4 units \$200)	\$5,180.16
Drainage Fee per subdivided lot	\$1,500.00

New housing typically requires payment of the following fees: sewer and water connection, building permit, and drainage. In addition, subdivisions and multifamily projects may incur the cost of preparing environmental documents, soils reports, and tentative and final map filing fees. In 2012, typical fees for a new single family home would be approximately \$9,913 and fees would be approximately \$13,030 for a four-plex. This represents about 4.4% of the total development cost for a single family unit and 3.3% for

a four-plex. Fees for sewer and water connection and the drainage fee have not increased since 2012. While fees increase residential construction costs, Ferndale's fees are generally lower than those charged throughout the County and do not act as an undue constraint on development.

Processing and Permit Procedures

Developers must negotiate several steps to secure all necessary approvals to build housing on a given parcel of land. From the standpoint of the City, this process is necessary to ensure that new development adequately complies with local regulations that are meant to protect the health, safety, and welfare of the community. From the developer's standpoint, this process can complicate and lengthen the development process, increasing difficulty and cost to develop new housing.

Often, the building permit process can act as a governmental constraint. City staff continuously endeavors to streamline the building and land use permit processes. The application guides for development permits continue to be revised and standardized, and all updated permits and procedures are available on the city's web page (<https://ci.ferndale.ca.us/documents/permits/>). This has made it easier for citizens to obtain applications and to understand the period of time involved in processing the application.

The City currently contracts for Planning and Engineering services; all planning and development application are reviewed and processed by the contract City Planner and Engineer as applicable. The City also contracts for Building Inspection services, which are conducted on an as needed basis.

The City Clerk continues to organize the City's filing system and enter new permits in a database. This ongoing effort has made previous permit information more accessible and, along with other City efforts, has streamlined the permit process. City staff has made progress toward implementing a long-term plan to re-write and standardize all city ordinances. The City has recently amended its Zoning Ordinance, including revisions to clarify the Design Review process and to allow secondary dwelling units by right in single- and multi-family zones, adopted a new Sign Ordinance, and is currently updating its Nuisance Ordinance. As the ordinances are adopted by the City Council, they are posted to the City's web page.

Amendments to the Design Review section of the Zoning Ordinance included clarification of the Committee's roles, responsibilities and appointment process; addition of a provision to impose time limits on projects requiring a building permit; and allowance for a ministerial Design Review Permit extension. The amendments also changed language to specify the City's commitment to protecting the historic appearance of the Design Review zone rather than just the Victorian appearance. This clarifies to applicants, City staff, committees and commissions that the City will review projects for consistency with all historical styles represented within the City. The City has additionally revised the Design Review Permit application materials to clarify the process and review criteria. These and other efforts by the City serve to reduce uncertainty and standardize the Design Review process, with the ultimate goal of facilitating restoration and rehabilitation of historic buildings.

- **Use Permits**

Use permits may be granted by the Planning Commission for any use for which the City of Ferndale Zoning Ordinance requires a use permit. The purpose of the use permit process is to ensure consistency of a proposed land use with City regulations and compatibility of the use with surrounding properties. Use permits are required for any use permitted with a use permit as specified in the Zoning Ordinance regulations for the Principal Zones. Applications are filed at the

office of the City Clerk and are accompanied by such information as may be required to describe fully the proposed use for which the permit is sought. A Public Hearing date is set. Staff prepares a report outlining the proposed project and recommends conditions for approval as necessary.

The Planning Commission may impose whatever conditions it deems appropriate or necessary in approving a Use Permit and may periodically review a use which was granted in a Use Permit to ensure that the use continues to operate in accordance with conditions of approval.

- **Home Occupation Permits**

A home occupation is any use which, as determined by the Zoning Ordinance, is customarily carried on within a dwelling or unattached structure by the inhabitants thereof, and which is clearly incidental and secondary to the residential use of the dwelling.

Home occupations are permitted as appurtenant and accessory uses to any residential uses. If the applicant complies with Zoning Ordinance Section 7.11, the permit is issued administratively (over the counter). The Home Occupation Permit shall:

- Be a legal and lawful business.
- Produce no evidence of its existence in the external appearance of the dwelling or premises including but not limited to exterior displays such as signs, or in the creation of offensive noise, vibration, smoke, dust, odors, heat or glare, parking or traffic, or other nuisances to a degree greater than normal for the neighborhood.
- Is confined completely within the dwelling or unattached structure and occupies not more than 25% of the total floor space of the main dwelling (or its equivalent in an unattached structure).
- Be an owner- or renter-occupied home and business.
- Meet the requirements of the building inspector and fire district of jurisdiction.
- Possess a current business license.
- At time of business license renewal, produce a copy of the applicant's Liability Insurance on which a rider has been placed for the Home Occupation.

- **Lot Line Adjustment and Mergers**

The Lot Line Adjustment process is intended solely for adjustments in the boundary lines between two or more parcels in instances where no additional parcels are created. This process may also be used to dissolve property lines.

Due to the relatively simple nature of lot line adjustments, applications may be handled administratively (i.e. principally the City Engineer and City Planner) in order to expedite processing. Referral to the Planning Commission and City Council is not required, except in instances of an appeal of an administrative determination, in which case the application is referred to the Planning Commission. Mergers are currently reviewed by the City Council; the 6th cycle Housing Plan contains a Program to address if there is potential for mergers to be processed administratively in a manner similar to Lot Line Adjustments.

- **Plan Check/ Plot Plan Review**

Plan Check for a Single Family Residence is an administrative approval process. The plans are reviewed by the City Planner for land use issues, and by the Plan Checker for construction issues. As noted elsewhere, the plan check process takes about a week.

The Plot Plan Review is performed by the in-house Planner and generally takes no more than a day. The Planner prepares a memo for the file and for the plan checker outlining any land use issues discovered during the review.

- **Design Review**

All external changes to any structure within the Design Control Combining Zone (-D) require a Design Review Permit granted by the Design Review Committee (DRC) or Planning Commission. Per Zoning Ordinance Section 6.05 a Design Review Permit must be obtained before any structure may be erected, structurally altered, or in any way remodeled or improved so as to change the outward appearance. The DRC is made up of two Planning Commissioners and three Ferndale residents, preferably with design background in planning, architecture, landscape architecture, historical restoration, or other similar experience.

Design Review Permit applications are reviewed by the DRC; if three members approve the project, the City Clerk issues the permit; if three members deny the project the applicant can change the design, or request that the application go to the Planning Commission at a fee as set by the Fees and Fines Schedule. The Design Review procedures are established to:

- Ensure that new structures and/or modification, alteration, enlargement of existing structure occur in a manner consistent with Ferndale General Plan policies.
- Preserve the natural beauty of the town's site and setting.
- Ensure that the architectural design of structures and their materials and colors are visually harmonious with and conceptually consistent in character and scale with surrounding area.
- Ensure that the design and location of signs and their material and colors are visually harmonious with surrounding development.
- Allow the City to make appropriate determination of environmental effects.

The following findings of fact are required for approving a Design Review Use Permit.

1. The proposed design, materials, and colors are visually harmonious with and conceptually consistent in character and scale with surrounding area.

2. The existing project, as outlined and with conditions:

- Conforms to and is consistent with the Ferndale General Plan;
- Does not impair the natural beauty of the town's site and setting; and
- Will not be unsightly, obnoxious or undesirable in appearance to the extent that it will hinder the harmonious development of the zone, impair the desirability of the zone for the uses permitted therein, or limit the opportunity to attain optimum use and value of the land and improvements or otherwise adversely affect the general property and welfare.

- **Subdivisions**

The Subdivision process and procedures apply to all land divisions governed by the City of Ferndale Subdivision Ordinance, including Parcel Maps and Tentative Subdivision Maps. Requirements for Tentative Subdivision Maps and requirements for Final and Parcel Maps are described in the Application Process. Requirement checklists for tentative and parcel/final maps are also included, as well as a timeline.

Tentative Parcel Maps require action by the Planning Commission only, except where public dedications are offered or when action is appealed to the City Council. Tentative Subdivision maps are considered by the City Council, following advisory action by the Planning Commission. A legislative body of a city or county (or advisory agency (i.e. Planning Commission) shall deny approval of a tentative map if it makes any of the following findings:

- That the proposed map is not consistent with applicable general and specific plans.
- That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.
- That the site is not physically suitable for the proposed density of development.
- That the site is not suitable for the type of development.
- That the design of the subdivision or the proposed improvements is likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.
- That the design of the subdivision or the type of improvements is likely to cause serious public health problems.
- That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.

- **Variances**

Variances are required in instances where strict application of the terms of the zoning regulations. A variance can only be approved by the Planning Commission following a noticed Public Hearing. Staff prepares a report outlining the proposed project. Conditions may be imposed in the approval of a variance in order to reduce or eliminate potentially adverse impacts of proposed development allowed by the variance. A variance may be granted upon certain findings:

- That any variance granted shall be subject to such conditions as will assure that the adjustment thereby authorized shall not constitute a grant of special privilege, inconsistent with the limitations upon other properties in the vicinity and zone in which the subject property is situated, and
- That because of special circumstances applicable to subject property, including size, shape, topography, location or surroundings, the strict application of the zoning regulations is found to deprive the subject property of privileges enjoyed by other properties in the vicinity and under identical zone classification, and
- That any variance granted will not be contrary to the intent of the zoning regulations or to the public interest, safety, health and welfare, and,
- Where due to special conditions or exceptional characteristics of such property, or its location or surroundings, a literal enforcement of the zoning regulations would result in practical difficulties or unnecessary hardships.

- **Zone Change and General Plan Amendment**

The Zoning Ordinance may be amended as other ordinances are adopted or amended; regulations may be amended by changing the boundaries of zones, changing property from one zone to another, and by removing or modifying adopted regulations whenever the public necessity, convenience, and welfare require such amendment, in accordance with the procedures set forth in the Zoning Ordinance, or by action of the Planning Commission, or the City Council. General Plan amendments may only be initiated by the City Council based upon a recommendation by motion of the Planning Commission or requested by members of the public. Applications by the public are submitted on forms provided by the Planning Department. Fees are established by the City Council.

All amendments must follow the procedures outlined in the California Government Code. An amendment to the General Plan constitutes a project under the California Environmental Quality Act (CEQA) and, therefore, must be evaluated for its effect on the environment. In addition, proposed amendments should be referred to all interested government agencies for comment prior to adoption. As with adoption of General Plan elements themselves, a legally noticed Public Hearing is required before both the Planning Commission and City Council prior to adoption of any plan amendment. Any changes made by the City Council must have been considered previously by the Planning Commission, or the City Council must refer the amendment back to the Commission for its consideration and report.

Processing Timeliness

The City processes various permits related to residential development. It must be recognized that State law dictates much of the time required for permit processing. Statutory time frames are specified for noticing of discretionary permits and environmental review under the California Environmental Quality Act (CEQA). Additionally, the time frames are dependent upon factors beyond the control of the City, including the completeness of the application, whether the application requires submittal of technical studies (e.g. geological reports), and the applicant's ability to respond promptly to requests for clarification or supplemental materials.

The City continually evaluates how to streamline permit processing procedures and updates handouts that clearly explain the process and requirements. The estimated time for processing is largely dictated by the complexity of the individual project application. However, minimum processing timeframes do apply since the City must comply with procedural requirements set forth in State law as noted above. These requirements are not only mandatory but require a specific sequence of processing steps, including public notification and review periods for various actions which local governments must comply with. Table 37 describes typical timelines for permit procedures.

The City maintains a tracking system of permits and development applications based on a system that shows where projects are within the review process from submittal date, to application completion date, to approval date. The City's Zoning Ordinance defines the residential types permitted, permitted with a use permit, or prohibited in each zoning district. Permitted uses are those uses allowed without discretionary review except for design review, in designated areas, as long as the project complies with all development standards. Conditional use permits are approved by the Planning Commission. Typical use permit findings include that the project is consistent with the General Plan, the use is compatible with surrounding uses, and the project does not impact public health, safety, and general welfare.

For a typical project, an initial pre-application meeting with City staff can be arranged to discuss the development proposal. Then an application with a description of project and a site plan must be filed, which is first reviewed for application completeness and then by the City staff and other agencies such as public works for consistency with City ordinances and General Plan guidelines. If design review is required the project is forwarded to the Design Review Committee which meets once per month. Depending on the complexity of the project, a single-family project is approved in 4 to 6 weeks from date of plan submission; if no variances, exceptions, or zone changes are needed. After the project is approved, the building official performs plan checks and issues building permits. Larger projects requiring use permits are sent to the Planning Commission. Use permit hearings are publicly noticed and generally take place at the regular Planning Commission meetings which occur once per month. This process does not seem to put an undue time constraint on most developments. Depending on the scale and complexity of the project, it typically takes 3-9 months for an applicant to request building permits once entitlements have been issued.

There have been no multi-family development projects in the recent past, therefore a typical or average permit processing and City review time is not available. With the inclusion of the new program to allow for more than 4 units in the R3 and R4 zones (Program 1) and revision of the zoning ordinance, review procedures for multi-family development would expect to be similar to single-family development, depending on the number of units, site constraints and project complexity.

As noted previously, changes in the review process and personnel has reduced the turn-around time on building permits; due to the relatively small number of permits applied for in Ferndale, the City's processing and permit procedures have effectively been reduced to about a week including building plan review, plot plan review, and design review.

Table 3. 6: Timelines for Permit Procedures - City of Ferndale

Type of Approval or Permit	Typical Processing Time
Conditional Use Permit	30-60 days
Zone Change	60-90 days
General Plan Amendment	60-90 days
Plot Plan Review	7 days
Plan Check	7 days
Design Review	7 - 14 days
Tract Maps / Major Subdivision	90 days
Parcel Maps / Minor Subdivision	90 days
Initial Study (CEQA)	30-60 days
Environmental Impact Report (CEQA)	90-180 days

Constraints on Persons with Disabilities

Government Code §65583(a)(4) requires an analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing.

This section analyzes the governmental constraints that may exist on the development of housing for persons with disabilities. Recent legislation (SB520) requires the City to analyze the governmental constraints on the development of housing for persons with disabilities and demonstrate the City's efforts to remove such constraints, including accommodating procedures for the approval of group homes, ADA retrofit efforts, and evaluation of the Zoning Code for ADA compliance or other measures that provide flexibility in development of housing for persons with disabilities. Constraints can take many forms including inflexibility within zoning and land use regulations, unduly restrictive permit processing or procedures, and outdated building codes. The City's analysis of actual and potential governmental constraints in each of these areas is discussed below.

The City has analyzed its land use, zoning and building code provisions and processes to determine what accommodations and constraints exist relative to housing for persons with disabilities. Persons with disabilities may reside in residential units in any zoning district that allows residential uses. Some may choose to reside in a residential facility or group home designed for occupancy by or with supportive services for persons with disabilities. One or more persons inhabiting a residence are treated as a matter of right in all zoning districts that permit single family residences in accordance with state law. There is no limit to the number of group homes that may be located in an area.

Larger institutional group homes may also locate in the zoning districts that allow group homes (private institutions), subject to approval of a conditional use permit. Conditional use permits require a public hearing and are subject to conditions of approval that may be imposed by the Planning Commission in order to ensure compatibility with the surrounding neighborhood. There are no established standards for group homes in the City, so the Planning Commission looks to the individual circumstances of each group home and its particular neighborhood context. The requirement for a conditional use permit for large institutional group homes is an appropriate requirement because the impacts of such a home would generally be greater than that for a principally permitted residential use and therefore warrants a determination of the adequacy of the facility and improvements to ensure compatibility with the residential neighborhood.

The State has removed any City discretion for review of small group homes for persons with disabilities (six or fewer residents). The City does not impose additional zoning, building code, or permitting procedures other than those allowed by State law. The City Zoning Ordinance facilitates access for persons with disabilities by allowing uncovered porches, fire escapes, landings, and ramps to extend into setbacks. The City has not identified any zoning or other land-use regulatory practices that could discriminate against persons with disabilities and impede the availability of such housing. Additionally, the City has adopted Ordinance 2014-05 Reasonable Accommodation that establishes procedures to provide people with disabilities reasonable accommodation in rules, policies, practices and procedures that may be necessary to ensure equal access to housing. No unique restrictions are in place for disabled housing, such

as minimum distances, special conditions for disabled housing, or other such regulations that could constrain the development, maintenance, improvement, or alteration of housing for disabled persons.

In an effort to bring the city's sidewalks and curb corners up to date, any sidewalk replacement in the city must be ADA compliant. During a walking tour, intersections were identified that need ADA corners, and these have been entered in a request for funding using Transportation Funds. ADA requires one handicap-parking stall for up to 25 parking spaces where parking is provided for the public, guests, or employees.

Residential parking standards for persons with disabilities are the same as other parking standards. The Reasonable Accommodation procedure may allow for the reduction of parking requirements for special needs housing if a project proponent can demonstrate a reduced need for parking.

Short-Term Rental (Vacation Rental) Ordinance

Ferndale's Short-Term Rental Ordinance impacts the cost and supply of housing by limiting the zones and terms by which Ferndale residents can operate vacation rentals. As discussed elsewhere in this document, Ferndale has a high vacancy rate, with 129 vacant units, 49 of which are "seasonally occupied". Staff's assumption is that this refers to vacation dwelling units (VDUs). In 2017, Ferndale passed Ordinance 2017-01, amending the Zoning Ordinance to add regulations for Vacation Rental Uses. At the adoption meetings, the City Council held a public hearing and received testimony from the public on potential benefits and drawbacks associated with vacation rentals. The final adopted definition of "vacation rental" reads as follows:

VACATION RENTAL. *An entire residential property containing a single-family residence including any detached guest quarters that is rented to one party at a time for transient use with no owner or manager on site. The dwelling shall provide complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.*

The ordinance contains language addressing several items including:

- Permitting process, business license and TOT payments, expiration and renewal;
- Contact information for a responsible person (property owner or agent) who lives within 30 miles of Ferndale for responding to emergencies;
- Quiet hours, limits on number of overnight guests and visitors;
- Violations or complaints and penalties;
- Off street parking; and
- Cap on number of and minimum distances between vacation rentals.

The adopted Ordinance allows VDUs as follows:

- Vacation rentals are allowed in the R-S, R1, R2, R4, C1, C2 and AE zones
- A Bed & Breakfast (Airbnb), one bedroom with bath, are allowed in any owner-occupied residence, to address situations in which VDUs replace needed housing stock. A home occupation permit, business license, and payment of TOT is required.

3.3 Non-Governmental Constraints

The ability to address the underserved needs of the citizens of the City of Ferndale is challenging, especially since so many of the impediments to providing services are beyond the scope of municipal governments. Funding limitations exist at all levels. All resources needed to develop housing in Ferndale are subject to the laws of supply and demand, meaning that these resources may not always be available at prices that make housing development attractive. Thus, cost factors are the primary non-governmental constraint upon development of housing in Ferndale. This is particularly true in the case of housing for low- and moderate-income households, where the basic development cost factors such as the cost of land, required site improvements, and basic construction are critical in determining the income a household must have in order to afford housing.

Land Costs

The cost of raw, developable land has a direct impact on the cost of a new home and is, therefore, a potential non-governmental constraint. The higher the raw land cost, the higher the price of a new home. Normally, developers will seek to obtain City approval for the largest number of lots obtainable on a given parcel of raw land. This allows the developer to spread the costs for off-site improvements over the maximum number of lots. Ferndale has very few vacant lots left to develop for residential uses, and even fewer lots of sufficient size to realistically facilitate the production of affordable housing.

A review of land values from Zillow Website on June 11, 2019 in the City and surrounding areas showed a variety of prices for developed and undeveloped land. The majority of properties for sale are historic and on small lots ranging from 0.04 to 0.13 acres. As property values are high, even on small City lots, the value of developed in the heart of Ferndale currently runs as high as \$280 per square foot (Victorian home constructed in 1884, four bedrooms and two baths, 0.26 acre lot lot, priced at \$695,000).

Undeveloped properties with lower values per acre may be found outside of City limits within the County, with land prices as low as \$2,125 per acre; however, these properties tend to be large and are typically large acreage properties in outlying areas with no urban services and limited physical capability for residential development. Property with higher values are typically those that are “ready to build” with urban services and/or zoning entitlements. The lowest-priced undeveloped property within City limits based on the price alone is a 0.28 acre (12,196 square foot) lot for \$150,000; this property is priced at \$535,714 per acre. Another undeveloped 15-acre parcel within City limits is listed at \$675,000, or \$45,000 per acre; however, the parcel is split-zoned and the majority of the parcel is only zoned for agricultural development.

It is very uncommon for existing residential structures to be demolished to make way for new residential development within residential zones. A review of building permit records indicate there have been no residential structures demolished within the last cycle.

Construction Costs

The costs of labor and materials have a direct impact on the price of housing and are the main components of housing costs. Residential construction costs vary greatly depending upon the quality, size, and the materials being used. Residential construction costs are projected to be on average \$101.95 per square foot, which is unchanged from 2014 (City Building Official, 2019).

According to the Northern California Association of Homebuilders (2018) hard construction costs for one a multi-family residential development range from approximately \$165 to \$205 per square foot.

Construction costs, however, vary significantly depending on building materials and quality of finishes. Owner-occupied multi-family units have higher soft costs than renter-occupied units due to the increased need for construction defect liability insurance. Permanent debt financing, site preparation, off-site infrastructure, impact fees, and developer profit add to the total development cost of a project.

Financing Availability

An important consideration in the assessment of the housing needs in Ferndale is the availability of financing. This issue raises several concerns: the ability of homebuilders to obtain construction financing, the ability of households to obtain single-family home loans, and the opportunity for all households of similar economic characteristics to have equal access to financing. Fluctuating interest rates can eliminate many potential homebuyers from the housing market or render a housing project infeasible that could have been successfully developed or marketed at lower interest rates.

First-time homebuyers are the group most impacted by financing requirements. Mortgage interest rates for new home purchases range from 6.5% to 8% for a fixed-rate 30-year loan. Lower initial rates are available with graduated payment mortgages, adjustable rate mortgages, and buy-down mortgages; however, the subprime crisis has affected the availability of dollars for home mortgages. Variable interest rate mortgages on affordable homes may increase to the point where the interest rate exceeds the cost of living adjustments, which is a constraint on affordability. Although rates are currently low, they can change significantly and substantially impact the affordability of housing stock. Interest rates at the present time are not a constraint to affordable housing. Financing for both construction and long-term mortgages is generally available in Humboldt County subject to normal underwriting standards. A more critical impediment to homeownership involves both the affordability of the housing stock and the ability of potential buyers to fulfill down payment requirements. Conventional home loans typically require 5% to 20% of the sales price as a down payment, which is the largest constraint to first-time homebuyers. This indicates a need for flexible loan programs and a method to bridge the gap between the down payment and a potential homeowner's available funds. The availability of financing for developers under current economic conditions generally poses a constraint on development outside of the City's control.

In addition to traditional housing development, Accessory Dwelling Units (ADUs) can also be challenging to finance. The problem for most traditional banks is that they can only lend against the value of existing equity (typically to 80% [90% max] loan-to-value). Such "traditional" loans can be made via using the lendable equity to extend a credit line (typically secured by a 2nd deed of trust) to the borrower, or via refinancing the property - based upon its existing (pre-ADU) value on a new 1st deed of trust loan. Projected income from the rents of a completed ADU cannot typically be utilized in making the credit (loan approval) decision for a proposed ADU borrower. Thus proposed borrower has to have significant amount of existing income to service projected credit line debt, regardless of the additional rental income that would be available from renting the ADU. The result being that many "otherwise qualified" borrowers cannot get financing for ADU additions. Thus, it becomes very difficult even for borrowers with good character and credit to "borrow" if they have limited existing equity and/or limited existing income more than adequate to service the new additional debt (not counting the projected ADU rental income). Local banks have verified that there are a good number of such loans requests that make it difficult for the banks to lend on ADUs. This has led the City to consider creating a program in conjunction with lenders (like Arcata Economic Development Corporation; US Bank & Tri-Counties Bank) wherein limited (in scope, amount, and time) municipal guarantees (not cash) could be provided to enable/facilitate the financing of ADUs.

Units At-risk of Converting to Market Rate Uses

According to California Housing Partnership Corporation (CHPC) and USDA Rural Development, there are no State or Federally assisted units in Ferndale at risk of converting to market rate uses in the planning period. There are no locally assisted units at risk of converting to market rate between 2014 and 2024.

Environmental/Infrastructure Constraints

Some properties in Ferndale are considered unsuitable for development due to environmental constraints such as steep slopes and flooding. These properties are accounted for by using the realistic unit capacity for analysis. The City's existing Public Safety and Unique Resources (Conservation) Elements and the draft Safety Element Update contain analysis and policies regarding flood hazards and management in compliance with GC Section 65302. The City has also adopted a Floodplain Ordinance (Ordinance 08-02) to promote the public health, safety, and general welfare, and to minimize public and private losses due to flood conditions in specific areas within the City. The areas of special flood hazard are identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRM). The City designated Floodplain Administrator reviews all development permits within the flood hazard area for conformance with Floodplain Ordinance requirements.

3.4 Opportunities for Energy Conversion

The purpose of this analysis is to ensure localities consider the long- and short-term benefits of energy conservation in residential development, including how energy conservation requirements can contribute to reducing overall development costs and monthly payments for households.

Major Subdivisions in Ferndale are required to provide a solar-shading map to assist lot purchasers and homebuilders to site their homes to make best use of natural light. Pacific Gas and Electric Company (PG&E), Ferndale's regional utility company, has several programs that help homeowners and renters with energy conservation. PG&E customers have expressed great interest in being part of the solution to the energy situation in California. The utility has developed a simple 3-step program to make saving energy easy. Customers can reduce energy consumption if they take advantage of the information and incentives available for:

1. Taking no-cost, energy-saving actions.
2. Installing low-cost, energy-saving measures.
3. Investing in energy-efficient equipment, appliances and building shell retrofits.

In addition, "Energy Partners" is Pacific Gas and Electric Company's free weatherization program. Utility-approved contractors work with low-income customers to make their homes more energy efficient.

On a local level, the Redwood Coast Energy Authority (RCEA) was formed in 2003 as a Joint Powers Association, representing seven municipalities including the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Trinidad and Rio Dell, and Humboldt County. RCEA's purpose is to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient and renewable resources available in the region. The 6th Cycle Housing Plan contains Programs designed to support the ongoing efforts of RCEA, and educate the Public about opportunities for energy conservation.

Part Four: Previous Program Evaluation

The review and revise requirement is an important feature of the Housing Element update. The review analyzes the City's accomplishments over the past planning period. The 2019 Housing Element programs/policies, along with progress, effectiveness and appropriateness of each program/policy are detailed on the following pages.

In summary, several of the important zoning amendments were undertaken, and others have been carried over to the 6th cycle (e.g. zoning changes related to R3 and R4 zoning). Program related to grant management including applying for CDBG and HOME funds have been altered to ensure feasibility will be determined by the end of this cycle; if there is not currently administrative capacity for the management of these grant programs, they will be removed from the 7th cycle Program list. Programs related to energy conservation have been merged to ensure more efficient implementation. Ultimately, roughly half of the 5th cycle Programs will be continued on into the 6th cycle.

Table 4. 1 Previous Program Evaluation

2014 Program Language	Continue? (Y/N)	Reasoning	Updated Language	Progress to Date	Effectiveness/Appropriateness
1) Encourage the acquisition of housing by lower income persons to achieve a greater balance of affordable owner- and renter-households by ensuring sites are available and/or zoned to allow owner-occupied and rental multifamily residential uses by right.	Y		NA	The Zoning Code was updated in 2014 to update language of manufactured homes and families to encourage multifamily uses by right. A density bonus ordinance was also passed in 2014. R3 and R4 zones still need updating (see #6 below)	This program has been effective and as zoning changes are one of the few mechanisms available to Ferndale to encourage the creation of housing, this is still appropriate for Ferndale.
2) Research and analyze governmental and non-governmental constraints to providing affordable housing to City residents by end of 2015.	N	Done as part of HFE		This is done as part of each Housing Element Update (2019)	This program is effective in reviewing constraints to housing production with staff, elected officials, and the community. As this is required by law as part of each housing element update cycle and is guaranteed to be carried out, this Program is deemed unnecessary and will not be carried over.
3) Maintain GIS database to reflect all vacant and underutilized parcels in the City so that information is easily accessible for developers.	N	Too much staff effort to create/maintain for not enough return.		The GIS database was updated as part of most recent Housing Element Update (2019)	This Program is not realistic due to financial constraints. Ferndale's GIS services are undertaken by the contract Planners at Planwest Partners, and there is not adequate communication between contract and permanent staff or capacity to continually maintain a database. City staff has in-depth knowledge of Ferndale's new construction to use the most recent cycle's map in conversations with developers if necessary.
4) Preserve Zoning Ordinance amendments that include definitions of an emergency shelter, transitional housing, and supportive housing and allow for emergency shelters by right in specific land use designations/zones for compliance with SB2.	N	Required by law.		The pertinent zoning ordinances have been preserved.	This program is effective in reviewing constraints to housing production with staff, elected officials, and the community. As this is required by law as part of each housing element update cycle and is guaranteed to be carried out, this Program is deemed unnecessary and will not be carried over.
5) Consider amending the Zoning Ordinance to permit multi-family housing with more than four units by right in the R3 and R4 zones.	Y		Amend the Zoning Ordinance to permit multi-family housing with more than four units by right in the R3 and R4 zones.	This Program has not been undertaken.	This program has been effective and as zoning changes are one of the few mechanisms available to Ferndale to encourage the creation of housing, this is still appropriate for Ferndale.
6) Evaluate and identify sites of adequate size for potential rezoning to allow for multifamily uses by right (R3 and/or R4 zones).	Y		NA	This Program has not been undertaken.	As zoning changes are one of the few mechanisms available to Ferndale to encourage the creation of housing, this is still appropriate for Ferndale.

Table 4-1: Previous Program Evaluation

7) At least annually contact property owners and developers, including affordable developers, to encourage development and consolidation on identified target sites to accommodate the housing needs of lower income households. To encourage development and consolidation on target sites, the City will adopt incentives by 2016 for consolidation of smaller sites including priority processing, parking reductions, modification of development standards and ministerial lot line adjustments. When available, the City will consider providing or assisting with applying for financial resources to facilitate lot consolidation.	Y		Adopt incentives for consolidation of smaller sites including priority processing, parking reductions, modification of development standards and ministerial lot line adjustments.	The City adopted a density bonus in 2014 that incentivizes the creation of multifamily housing to accommodate housing needs of lower-income households.	This program has been effective and as zoning changes are one of the few mechanisms available to Ferndale to encourage the creation of housing, this is still appropriate for Ferndale.
8) Analyze parking regulations to assess whether they facilitate or restrict mixed-use development.	Y			This Program has not been undertaken.	As zoning changes are one of the few mechanisms available to Ferndale to encourage the creation of housing, this is still appropriate for Ferndale.
9) Determine aspects of development that should be given consideration for an increase in density bonus percentage or additional incentives.	Y		Offer incentives such as density bonuses, permit streamlining and/or permit fee reductions/waivers to developers to build senior and affordable housing.	The City adopted a density bonus in 2014 that incentivizes the creation of multifamily housing to accommodate housing needs of lower-income households. Further density bonuses can be explored.	This program has been effective and as zoning changes are one of the few mechanisms available to Ferndale to encourage the creation of housing, this is still appropriate for Ferndale. The City will continue to explore financial incentives for the creation of multifamily housing.
10) Support site identification for lower-income housing, including senior housing and eligible low income households, and assist with entitlement processing, and funding applications.	N	Already done as part of Housing Element; not adequately specific.		This program has not been undertaken.	It has been determined this Program is has not been effective, as it is not adequately specific and significant elements are not within Ferndale's control. Therefore this Program has been determined to not be appropriate for Ferndale's current needs.
11) Consider applying for CDBG funding.	Y		Consider applying for CDBG funding. Make official determination on feasibility by next housing cycle, if not feasible, remove from list of Implementation Programs.	This Program has not been undertaken.	This program has not been effective, but the updated language will hopefully increase the likelihood of improvements; as grant programs are the only way small jurisdictions can construct or rehabilitate housing, this program is still deemed appropriate.
12) Consider implementing the Federal HOME first time homebuyers assistance program (FTHAP)	Y		Consider implementing the Federal HOME first time homebuyers assistance program (FTHAP). Make official determination on feasibility by next housing cycle, if not feasible, remove from list of Implementation Programs.	This Program has not been undertaken.	This program has not been effective, but the updated language will hopefully increase the likelihood of improvements; as grant programs are the only way small jurisdictions can construct or rehabilitate housing, this program is still deemed appropriate.

Table 4-1: Previous Program Evaluation

13) Consider offering incentives such as density bonuses, permit streamlining and/or permit fee reductions/ waivers to developers to build senior housing and low-moderate income housing.	Y		Explore offering permit streamlining and/or permit fee reductions/waivers to developers to build senior housing, Single Room Occupancy (SRO) and Family Room Occupancy (FRO) units, supportive/multifamily housing, and other units affordable to low income.	The City adopted a density bonus in 2014 that incentivizes the creation of multifamily housing to accommodate housing needs of lower-income households. Further density bonuses can be explored.	This program has been effective and as zoning changes are one of the few mechanisms available to Ferndale to encourage the creation of housing, this is still appropriate for Ferndale. The City will continue to explore financial incentives for the creation of multifamily housing.
14) Prioritize funding and regulatory concessions to encourage the development of Single Room Occupancy (SRO) and Family Room Occupancy (FRO) units, and other units affordable to low income, such as supportive and multifamily housing. Implement incentive based programs (e.g. fee reductions, fee waivers, flexible development standards, density bonuses, streamlining permit process, etc.) to encourage development of ELI housing.	N	Merged with the program listed above.		The City adopted a density bonus in 2014 that incentivizes the creation of multifamily housing to accommodate housing needs of lower income households. SRO and FRO units have not yet been specifically added to the list of permissibly permitted units in any zone. Further density bonuses can be explored.	This program has been effective and as zoning changes are one of the few mechanisms available to Ferndale to encourage the creation of housing, this is still appropriate for Ferndale. The City will continue to explore financial incentives for the creation of multifamily housing.
15) Amend the Zoning Ordinance to allow agricultural employee housing by-right, without a conditional use permit (CUP), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds as required by Health and Safety Code §17021.6.	Y		NA	This Program has not been undertaken.	As this Program is required by State Law, and zoning changes are one of the few mechanisms available to Ferndale to encourage the creation of housing, this is still appropriate for Ferndale.
16) Research and analyze best practices in design guidelines and Design Review Committee roles.	N	Determined complete.		Design Review processes and guidelines were re-evaluated during the 5th cycle. Guidelines and committee member roles were reviewed in a workshop with current committee members.	NA
17) Continue to clarify design guidelines appropriate for Ferndale so that Design Review Committee members will have clearly defined criteria to analyze projects.	N	Determined complete.		Design Review processes and guidelines were re-evaluated during the 5th cycle. Guidelines and committee member roles were reviewed in a workshop with current committee members.	NA
18) Complete the Safety Element update to minimize housing construction in environmentally hazardous areas and for compliance with Government Code §65032.	Y		Complete CEQA and certify the draft Safety Element update to minimize housing construction in environmentally hazardous areas and for compliance with Government Code §65032.	The Safety Element is drafted and is now awaiting CEQA review to be certified by Council. This has not yet happened, due to funding constraints.	To ensure General Plan consistency, it is necessary to ensure the Safety Element is updated. As the Program is now limited to finalizing CEQA, it is appropriate and necessary.
19) Apply for Federal and State funding for sewer and drainage facility improvements and expansion throughout the City.	Y		NA	Undertaken on an ongoing basis.	This Program is effective and appropriate in that it maximizes the City's ability to achieve infrastructure improvements.

Table 4-1: Previous Program Evaluation

20) Periodically review and update the city-wide drainage master plan and drainage impact fee ordinance.	Y		NA	The Drainage Master Plan is currently under review by the City Engineer, Floodplain Manager, and students from the local University (Humboldt State).	As drainage continues to be an issue in Ferndale, this is considered an appropriate Program. As the Plan outlines major improvement projects and costs, it is important to ensure it is kept current; this Program is an effective way to achieve this.
21) Give sewer hookup priority to developments that include housing units affordable to lower income households (GC §65589.7).	Y		NA	Undertaken on an ongoing basis, and required by State law.	As this Program is required by State law, it is considered appropriate. Although other Programs relating to State law have been phased out, this Program was deemed appropriate to keep, to ensure staff and elected remain aware of this provision of the Government Code.
22) Disseminate fair housing information throughout the City in a variety of public locations (e.g. City Hall, City website, library, and post office).	N	Redundant to the program below		Undertaken on an ongoing basis.	This Program is effective and appropriate in that it maximizes the City's ability to support fair housing practices.
23) Work with affordable housing providers and managers and other social service and non-profit tenant and landlord rights advocacy groups to inform the public of their responsibilities and rights under the law and to improve access to landlord and tenant mediation and fair housing services to resolve fair housing complaints. Maintain State complaint forms and refer fair housing complaints to appropriate agencies such as California Department of Fair Employment and Housing.	Y		NA	Undertaken on an ongoing basis.	This Program is effective and appropriate in that it maximizes the City's ability to support fair housing practices.
24) Seek State and Federal grants, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with disabilities, including persons with developmental disabilities.	Y		NA	Undertaken on an ongoing basis.	This Program is effective and appropriate in that it maximizes the City's ability to support fair housing practices.
25) The City will explore the potential to adopt and implement a rehabilitation loan program to income-qualified households to correct Health and Safety Code violations and make essential repairs.	Y		Explore the potential to apply for Federal and State grants to address housing rehabilitation needs, and adopt and implement a rehabilitation loan program to income-qualified households to correct Health and Safety Code violations and make essential repairs. Make official determination on feasibility by next housing cycle; if not feasible, remove from list of Implementation Programs.	This Program has not been undertaken.	This program has not been effective, but the updated language will hopefully increase the likelihood of improvements; as grant programs are the only way small jurisdictions can construct or rehabilitate housing, this program is still deemed appropriate.

Table 4-1: Previous Program Evaluation

26) Apply for Federal and State grants to address housing rehabilitation needs.	N	Merged with program above		This Program has not been undertaken.	This program has not been effective, but the updated language will hopefully increase the likelihood of improvements; as grant programs are the only way small jurisdictions can construct or rehabilitate housing, this program is still deemed appropriate.
27) There are currently no housing units at risk of conversion, but if this issue is presented in the future, the City will work to preserve at-risk housing units.	N	Not applicable to this cycle, therefore unnecessary			
28) Partner with RCAA to take advantage of their Housing Rehabilitation program.	Y		Explore a partnership with RCAA to take advantage of their Housing Rehabilitation program. Make official determination on feasibility by next housing cycle. If not feasible, remove from list of Implementation Programs.		
29) Research and analyze information on how to incorporate energy saving features and materials into new and existing housing units that either meet or exceed Title 24 energy efficiency standards for California.	N	Unnecessary with updates to Title 24 taking place in 2020		This Program has not been undertaken.	Due to staff constraints and anticipated changes to State law taking place in 2020, this Program has been determined to no longer be necessary or appropriate.
30) Post and distribute information on energy conservation and weatherization techniques.	Y		Develop and update a master informational handout on weatherization and energy conservation techniques, including a referral listing of public and private grant/loan assistance programs for weatherization, including RCEA. Make available at City Hall and the Ferndale Public Library.	This Program has not been undertaken.	This Program is effective and appropriate in that it maximizes the City's ability to support energy efficiency practices.
31) Develop and update a referral listing of public and private grant/loan assistance programs for weatherization.	N	Merged with Above		This Program has not been undertaken.	When merged with the above, this Program is effective and appropriate in that it maximizes the City's ability to support fair energy efficiency practices.
32) Research and analyze conservation incentives for the building industry and residents including services offered by local organizations (e.g. Redwood Coast Energy Authority (RCEA)). RCEA services include compact fluorescent light bulb exchanges and energy conservation awareness campaigns.	N	Merged with above		This Program has not been undertaken.	When merged with the above, this Program is effective and appropriate in that it maximizes the City's ability to support fair energy efficiency practices.

Part Five: Community Engagement

State law requires a “diligent effort” must be made to engage all economic levels of the community. In the past, Ferndale has met this directive through a series of publicly noticed meetings and information sent to various news sources. For the 6th cycle, Ferndale proposes to continue with these methods due to time and staff constraints.

Public participation ~~will be~~is encouraged throughout Housing Element update development and implementation, and ~~will occur~~s in several ways. The primary public participation method is noticed Planning Commission and Council study sessions. The first study session was exploratory and mostly for the Council and Commission; the second study session was held during a regularly scheduled council meeting as a discussion item, and was meant for the public at large. This study session announcement was posted on the City’s website, at City Hall and advertised in the Ferndale Enterprise. Additional information on the City’s Housing Element and “Framing the Challenge” of Ferndale’s housing was shared with the Ferndale Enterprise to provide more information to the public. Additionally, the Planning Commission and Council will review the Housing Element again after receiving HCD comments at a regularly scheduled meeting open to the public. Public and Planning Commission guidance will be considered in developing programs that comprehensively addresses the needs and intentions of the community with regard to its housing.

To promote public participation and comment on the Draft Housing Element, a news release in English and Spanish summarizing key matters and inviting the public to review the Draft and attend the Planning Commission public hearing ~~will be~~was published and posted on the City’s website, and a Notice of Draft availability will be sent to the local Spanish newspaper, “El Llendor”, and shared with the local Spanish radio broadcast station. ~~Once the City has received HCD’s comments, t~~The Planning Commission will review and forward their comments and recommendations to the City Council, who ~~will hold~~held an additional hearing prior to adoption. Both the Planning Commission and City Council hearings ~~will be~~were advertised in the local newspaper, as well as on the City’s Online News Page, inviting the public to review the Draft Housing Element and attend the hearings.

Copies of the Draft Housing Element ~~will be~~were made available at several locations to facilitate public review and comment, including Ferndale City Hall, 834 Main Street and the Ferndale Library, 807 Main Street. Electronic versions and /or hard copies will be provided for the public convenience. The draft will also be distributed to the Redwood Community Action Agency, Redwood Coast Energy Authority, El Centro Del Pueblo, the Portuguese Hall, The Bear River Rancheria, and the Ferndale Enterprise, as well as local developers and water and sewer providers.

Public Input received to date at the public meetings and any written comments received is summarized below:

- Educate and involve the public regarding any zoning changes. Make information clear and framed towards providing housing as applicable.
- Address roads and transit improvements as part of infrastructure goal.
- Continue to explore how/where to increase density – infill and/or rezoning
- Provide policies and programs addressing: high vacancy rates; promotion of ADUs through education, financing assistance; unmet transit needs; and job creation.

Note: The Draft Housing Element is scheduled for review on the 8/14 Planning Commission and 8/21 City Council meeting agendas, where public input will be encouraged. Additional input received will be summarized and incorporated into the element. Public input and how it is addressed in the element to be included here.