

Agenda Item #:	7
Meeting Date:	October 6, 2026
Prepared By:	Michelle Nielsen, Planwest Partners, Inc.
Subject:	7th Cycle Housing Element Update Process Overview and Upcoming Community Engagement
Recommended	That the City Council:
Action:	Review the Draft 7th Cycle Housing Element, accept public comments, provide comments to staff on recommended revisions, and adopt Resolution No. 1273, approving submission of Blue Lake's Draft 7th Cycle Housing Element to the California Department of Housing and Community Development (HCD)

BACKGROUND

The purpose of the Housing Element is to identify and analyze existing and projected housing needs in order to preserve, improve, and develop housing for all economic segments of the community. The Housing Element is one of seven required elements of the General Plan. However, it has several unique requirements that set it apart from the other six elements. State law (Government Code Section 65580 (et seq.)) specifies in detail the topics that the Housing Element must address and sets a schedule for regular updates. State law requires each local government to update its Housing Element every eight years.

The Housing Element is also the only element reviewed and certified by the State for compliance with State law. The Department of Housing and Community Development (HCD) is the State department responsible for this certification. The Humboldt region's deadline for submission of a substantially compliant and adopted housing element to HCD is July 15, 2027. Penalties for non-compliance include legal challenges, ineligibility for many State and regional grants, and, in extreme cases, loss of land use control.

The current draft Housing Element document is not the final adopted/certified document. There will be future public hearings and public comment opportunities. This is a draft that will be submitted to HCD for their review. Unfortunately, the draft is incomplete because it does not include a finished regional housing needs assessment (Appendix D). (HCD committed to the seven incorporated cities and Humboldt County to complete the needed analysis and tables.)

Upon receipt, HCD will have 90 days to review the draft and report its findings in writing (California Government Code § 65585(b)(1)). Once the City receives HCD's written findings, the housing element will be revised to address HCD's comments and findings. The City will post the revised draft on the website, and it will email individuals who requested notification about the draft's availability at least seven days before submitting the revised draft to HCD for a 60-day review.

Following HCD's 60-day review, the City expects the draft Housing Element to be close to substantial compliance, allowing the City to begin the adoption process. The City will hold public hearings before the Planning Commission and City Council in Spring 2027. The City will then submit the adopted Housing Element document to HCD for a final 60-day review and certification.

In accordance with State Housing Element law and the City's MOU with HCD, this public hearing is for the City Council to give input to staff, accept public comment, and approve submittal of the draft 7th Cycle Housing Element to HCD.

OVERVIEW OF STATE LAW REQUIREMENTS FOR HOUSING ELEMENTS

State law requires that a Housing Element be consistent with other General Plan elements. It must provide clear policy direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. State law (California Government Code Sections 65580-65589) mandates that Housing Elements must contain the following:

- An assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs;
- An assessment of fair housing needs;
- An inventory of land suitable for housing;
- An assessment of special housing needs, including the identification of zones where emergency shelters are allowed by-right;
- An assessment of "at-risk" assisted housing developments;
- The identification of quantified objectives; and
- A set of goals, policies and programs that set forth an eight-year schedule of actions that further the goals and objectives of the Housing Element.

The Housing Element must also identify adequate residential sites available for a variety of housing types for all income levels; provide assistance in developing adequate housing to meet the needs of low- and moderate-income households; address governmental constraints on the maintenance, improvement, and development of housing; conserve and improve the condition of the existing stock of affordable housing; and promote housing opportunities for all persons.

HOUSING ELEMENT OUTLINE

Chapter 1 – Introduction. This is an overview of the purpose, regional housing needs allocation, data sources, and community participation undertaken to update the housing element.

Chapter 2 – Public Participation. This chapter describes the public engagement undertaken to develop the 7th Cycle Housing Element, and summarizes the results of those efforts.

Chapter 3 – Evaluation of Previous Housing Element. This chapter provides an overview of the effectiveness of the programs in Blue Lake's 6th Cycle Housing Element. It also reviews the City's progress on implementing its 6th Cycle programs.

Chapter 4 – Housing Goals, Objectives, and Programs. As the title states, this chapter contains the City’s 7th Cycle programs that intend to meet the requirements of State law and address Blue Lake’s housing needs.

Chapter 5 – Assessment of Housing Needs and Special Populations. This chapter analyzes the City’s population, household composition, employment base, and population characteristics to identify housing needs.

Chapter 6 – Housing Constraints. The constraints analysis chapter reviews the governmental and non-governmental constraints to the City of Blue Lake meeting its identified housing needs.

Chapter 7 – Sites Inventory. This chapter reviews the number and types of housing units constructed during the 6th Cycle Housing Element. It reviews environmental and infrastructure conditions that may limit housing construction. This chapter contains the City’s inventory of sites that are available and are suitable to accommodate residential development for economic segments.

Chapter 8 – Affirmatively Further Fair Housing. This chapter walks through disparities in access to opportunity, a key component of affirmatively further fair housing (AFFHO).

Appendices – This includes the results of the community survey, 1:1 interviews, a glossary, comment letters received during the first 30-day public review period that ended in August 2026, and the “skeleton” of HCD’s regional housing needs assessment report.

HOUSING ELEMENT PROGRAMS

Housing elements must contain programs. Each program sets forth a schedule of actions the city is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element, and to make adequate provision for the housing needs of all economic segments of the community. Chapter 4 contains Blue Lake’s draft 7th Cycle Housing Element programs, and they are outlined below in Table 1. A jurisdiction’s housing element programs are commitments to take specific actions and to allocate resources needed to carry them out. Moreover, unlike other general plan elements, progress on implementing housing element programs is monitored by HCD.¹ While the programs represent a commitment by the City and its residents, adopting and completing them during the 7th cycle will retain local control, remove existing barriers (particularly regulatory barriers), and improve opportunities for residents to obtain safe and attainable housing.

Table 1 – Housing Element Program Table

Program	Program Title	Priority
Program HI-1	Improve Funding Availability to Support Implementation	Highest

¹ In recent years, HCD has proactively contacted jurisdictions that were behind schedule on implementing their programs. For more information, visit HCD’s Technical Assistance and Enforcement Letters Dashboard <https://www.hcd.ca.gov/hau/enforcement-letters>.

Program	Program Title	Priority
Program HI-2	State Law Compliance A) Accessory dwelling units B) Manufactured housing and mobile homes C) Single room occupancy units D) Transitional and Supportive Housing E) Supportive housing developments F) Emergency shelters and low barrier navigation centers G) Employee housing H) Housing for Persons with Disabilities I) Density Bonus J) Non-conforming multi-family residential	Highest
Program HI-3	Remove PDR Zone Development Constraints	High
Program HI-4	Residential Development Regulatory Procedure	High
Program HI-5	Discretionary Permit Procedures and Findings that Provide for Approval Certainty	High
Program HI-6	Removal of Other Regulatory Barriers and Constraints: A) Use gross acreage for density calculations and define density. B) Establish rules for rounding residential density calculations for non-density bonus projects. C) Allow smaller parcels in the Special Density (D) Combining Zone to support a variety of housing types and planned densities. D) Either exempt or add qualifying language to § 17.16.120(C.2) of the Design Review requirements for housing developments. E) Remove “new housing concepts” language from the Special Study Zone regulations in § 17.24.160. F) Exempt ADUs and JADUs from the 20-foot minimum-width requirement in § 17.24.260. G) Optional: Consider an adaptive reuse ordinance to allow commercial buildings to be converted to residential uses.	A) through F): High. G): Low
Program HI-7	Water and Sewer Capacity	Highest
Program HI-8	No Net Loss of Residential Capacity to Accommodate the RHNA by Income Category, and Monitoring of Overall Progress	High
Program HI-9	Improve Transparency, Visibility, and Awareness of the City’s Regulatory Improvements and Initiatives for Housing	Medium
Program HI-10	Voluntary Upzoning to Improve the Supply of Land for a Variety of Housing Types and Tenures	Low
Program HI-11	Collaboration with Regional Partners: A) Assist in coordinating a countywide Housing Element Working Group (HEWG) with HCD, HCAOG, and other	A) to G) Medium. H): High

Program	Program Title	Priority
	jurisdictions. B) Meet annually with HEWG to evaluate Housing Element implementation and identify gaps and needs. C) Coordinate with HCAOG to identify opportunities to address regional housing issues. D) Participate in regional collaboration on housing programs, infrastructure, homelessness, fair housing, and disadvantaged communities. E) Coordinate with fair housing organizations on fair housing issues and education. F) Develop regional partnerships to increase housing opportunities for lower- and moderate-income households. G) Coordinate with other jurisdictions to develop and maintain a multilingual regional directory of housing services and resources, including resources for farmworkers. H) Collaborate with the Blue Lake Rancheria to implement SB 507 to explore counting eligible housing on Tribal land toward the City's RHNA.	
Program HI-12	Encourage Local Economic Opportunities	Medium
Program HI-13	Vulnerable Population Affordable Housing	Medium
Program HI-14	Housing Stock Rehabilitation and Weatherization	Medium
Program HI-15	Accessibility Outreach	Medium
Program HI-16	Affordable Housing Funding	Medium
Program HI-17	General Plan Element Review	Low
Program HI-18	ADU Monitoring	Medium

RHNA OVERVIEW

Each California jurisdiction must plan for its fair share of the region's housing need. This fair share is determined through a process called the Regional Housing Need Allocation (RHNA). HCD identifies the total housing need, by income category, for each region of the State. Regional councils of government, in this case the Humboldt County Association of Governments (HCAOG), are responsible for distributing this need to local governments in the region. On May 21, 2026, the HCAOG Board adopted the 7th Cycle Humboldt County Regional Housing Needs Assessment Plan.² Once a local government receives its RHNA, it must update its Housing Element. Blue Lake's RHNA for the 7th Cycle Housing Element (2027 to 2035), is 41 housing units across six income categories as shown in Table 2.

² <https://www.hcaog.net/programs-projects/housing#docaccess-ef68a8474b7e91b38f0abe2fbf9da055>

Table 2 – Blue Lake's 7th Cycle RHNA

Income Category ³	Number of Units	Percentage
Acutely Low (0-15% AMI)	3	7%
Extremely Low (15-30% AMI)	7	17%
Very Low (30-50% AMI)	4	10%
Low (50-80% AMI)	8	20%
Moderate (80-120% AMI)	4	10%
Above Moderate (>120% AMI)	15	37%
Total	41	100%

“AMI” means area median income.

As part of updating its housing element, each jurisdiction must show how its land planned and zoned for residential development will accommodate its share of the region’s housing need by the number of units and by income category.³ If the analysis finds a shortfall of land that is available and suitable for residential development, the jurisdiction will need to undertake a rezoning to remedy it. Demonstrating compliance with the RHNA is a key threshold requirement to achieve HCD support of the Housing Element. Table 3 of Blue Lake’s draft 7th Cycle Housing Element summarizes the site inventory analysis contained in Chapter 7. As shown, the City can meet its RHNA requirements without the need for any rezoning.

Table 3– Proposed 7th Cycle Residential Land Inventory⁴

APN	Acreage (Ac.)	Residentially Zoned Ac.	GP Des.	Zoning	Realistic Capacity (# of units)	Assumed Income Category ³
025-025-010	0.15	0.15	MD	R-1	1	Above Moderate
025-035-007	0.17	0.17	MD	PDR	1	Above Moderate
025-035-009	0.24	0.24	MD	PDR	1	Above Moderate
025-036-011	0.17	0.17	MF	R-3	2	Above Moderate
025-052-002	0.31	0.31	MD	R-1	1	Above Moderate
025-062-012	0.17	0.17	MD	R-1	1	Above Moderate
025-101-024	0.41	0.41	MD	PDR	5*	Above Moderate
025-101-025	0.40	0.40	MD	PDR	5*	Above Moderate
025-101-026	0.74	0.74	MD	PDR	6**	Moderate
025-101-027	1.51	1.51	MD	PDR	5*	Above Moderate
025-121-008	1.88	1.88	MD	PDR	1	Above Moderate
025-121-027	0.21	0.21	MD	PDR	1	Above Moderate

³ See Attachment B of this report.

⁴ This is a reproduction of Table 7-3 (without track changes) from the September 14, 2026 public review draft of the Housing Element.

APN	Acreage (Ac.)	Residentially Zoned Ac.	GP Des.	Zoning	Realistic Capacity (# of units)	Assumed Income Category ³
025-121-032	0.15	0.15	MD	PDR	1	Above Moderate
025-141-007	1.34	1.34	I	MU	4	Moderate
025-191-015	0.52	0.52	MD	PDR	1	Above Moderate
025-201-023	1.44	1.00	I	O-MF	16	Very Low, Extremely Low, Acutely Low ¹
312-161-015	4.56	3.40	I	O, X	40	Low, Very Low ²
17 sites	14.4	12.8			92	

CONCLUSION

Timely review and input from the community and City Council is necessary to complete this project by in accordance with the MOU schedule.

City staff is asking for the following action items from the City Council:

1. To review the draft 7th Cycle Housing Element;
2. Accept public comment;
3. Provide comments to staff on recommended revisions; and
4. Adopt Resolution No. 1273, approving submission of Blue Lake's Draft 7th Cycle Housing Element to the California Department of Housing and Community Development (HCD) to begin the required 90-day review period.

ATTACHMENTS

- A. City Council Resolution 1273
- B. Link to website with the draft 7th Cycle Housing Element and table of the 2026 State Income Limits by Income Category
- C. Comment Letters
 - Hoover Comment Letter, received 9/22/2026
 - Whitcomb Comment Letter, received 9/18/202

Review Information:

City Manager: ☒ Legal Review: ☐ Finance Manager: ☐ Engineer: ☐

RESOLUTION NO. 1273

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLUE LAKE REGARDING THE
DRAFT 7TH CYCLE HOUSING ELEMENT

WHEREAS, the City of Blue Lake (City) desires to complete the 7th Cycle Housing Element, and

WHEREAS, the City Council's authorization to submit the Draft 7th Cycle Housing Element to the California Department of Housing and Community Development (HCD) for review does not constitute adoption of the Housing Element or approval of the actions contemplated by the Draft Housing Element; and

WHEREAS, the City Council finds that submission of the Draft 7th Cycle Housing Element to HCD is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15262 because the action involves planning for possible future actions that the City has not approved or adopted. Environmental review, as applicable, will be completed before the City takes action to adopt the Housing Element.

NOW, THEREFORE, the City Council of the City of Blue Lake does hereby resolve as follows:

1. The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.
2. Direct staff to incorporate the comments received from the public and the City Council into the draft 7th Cycle Housing Element; and
3. Direct staff to forward it to the California Department of Housing and Community Development upon the completion of the second thirty (30) day public review period on October 14, 2026, and upon completion of the mandatory ten business day period pursuant to California Government Code Section 65585(b)(1).

PASSED AND ADOPTED by the City Council of the City of Blue Lake at a special meeting duly held on the 6th of October 2026 by the following vote:

AYES: _____
NOES: _____
ABSTAIN: _____

John Sawatzky, Mayor

Attest:

Samantha Green, City Clerk
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I, Samantha Green, City Clerk of the City of Blue Lake, do hereby certify that the foregoing resolution, City of Blue Lake Resolution No. 1273 was passed and adopted by the Blue Lake City Council at its regular meeting on October 6, 2026.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed the official Seal of the City of Blue Lake.

\_\_\_\_\_  
Samantha Green  
City Clerk of the City Council of the City of Blue Lake,  
County of Humboldt, State of California

# ATTACHMENT B

1. The draft 7th Housing Element for the City of Blue Lake is available for review and download at:

<https://www.bluelakehousingelement.com/documents>

## *2. 2026 State Income Limits, Humboldt County*

| Income Category | Number of Persons in Household |          |           |                 |           |           |           |           |
|-----------------|--------------------------------|----------|-----------|-----------------|-----------|-----------|-----------|-----------|
|                 | 1                              | 2        | 3         | 4               | 5         | 6         | 7         | 8         |
| Acutely Low     | \$10,200                       | \$11,650 | \$13,100  | \$14,550        | \$15,700  | \$16,900  | \$18,050  | \$19,200  |
| Extremely Low   | \$20,450                       | \$23,350 | \$27,320  | \$33,000        | \$38,680  | \$44,360  | \$50,040  | \$55,720  |
| Very Low        | \$34,000                       | \$38,850 | \$43,700  | \$48,550        | \$52,450  | \$56,350  | \$60,250  | \$64,100  |
| Low             | \$54,400                       | \$62,200 | \$69,950  | \$77,700        | \$83,950  | \$90,150  | \$96,350  | \$102,600 |
| Median          | \$67,950                       | \$77,700 | \$87,400  | <b>\$97,100</b> | \$104,850 | \$112,650 | \$120,400 | \$128,150 |
| Moderate        | \$81,550                       | \$93,200 | \$104,850 | \$116,500       | \$125,800 | \$135,150 | \$144,450 | \$153,800 |

Source: California Department of Housing and Community Development, May 2026.

## **ATTACHMENT C**

### **Comment Letters**

- Hoover Comment Letter, received 9/22/2026
- Whitcomb Comment Letter, received 9/18/2026

Public Comment: Blue Lake Housing Element 7<sup>th</sup> Cycle

From: Lisa Hoover

Date: September 22, 2026

The following draws upon previous comments provided to the City and Council dated July 31, 2026 prior to the Public Workshop that I did not find addressed in the latest document:

**Pg 1-4/3.0 General Plan Consistency** and Section 2.2. Circulation Element Constraints

This section said that the “City reviewed the existing General Plan to identify any inconsistencies and to determine if amendments were necessary”. Per my input in July, I could not clearly locate the complete results of this review, likewise for this latest draft.

I would ask that the review results be summarized as a part of the document as well as what steps will be taken to rectify any inconsistencies. One specific General Plan inconsistency I mentioned was the Circulation Element. While there are some references to improvements in road sections that would be needed e.g. South Railroad Avenue which is a one-way road, this updated Housing Element document did not address the General Plan update that is needed and which was raised in my last comment.

Related is section 2.1.1 General Plan pg. 6-1 of the Public Review Draft *“The General Plan establishes goals and policies that guide all new development, including residential land uses.”* In light of the General Plan Consistency comment above, what is the status of the “goals and policies” related to the Housing Element update? Are these possibly addressed on pg. 6-4 Section 2.1.2 Residential Zoning Districts and Standards?

**Program H1-10 Upzoning Properties**

This section that I commented on in July, was updated to include the following:

*“It is anticipated that the City will establish eligibility requirements that nominated parcels must meet in order to advance in the upzoning process, which will require amendments to the zoning map. Eligibility requirements may include proximity to City services and public infrastructure, and that natural hazards and/or resources are not present.”*

My previous comment/question had to do with the application of upzoning to open space, agriculturally exclusive parcels or parcels with wetlands, riparian/creek and forested settings or where there is potential for run-off related to development—all of which, I am not in support of for any upzoning. Question: does the text of this update, specifically “Eligibility requirements (for upzoning) may include... that “natural hazards and/or resources are not present”? Does this

addition incorporate the agriculture and environmental settings I mentioned in my previous comments?

**Program HI-17 General Plan Element Review**

The document includes the following statement “The City will review the City’s Safety and Conservation Elements and any other General Plan Elements, as required, and ensure compliance with new State Law”. Please clarify what is meant by or included in “Conservation Elements”. Also please elaborate on what is meant by “stand-alone” Conservation Elements?

**2.0 Analysis of Blue Lake’s Environmental and Infrastructure Constraints (pg. 7.5, Chapter 6)**

To be clear, does this analysis in Chapter 6 link to or guide most of what is covered in the previous chapters related to environmental and circulation issues?

If possible, I would appreciate hearing back about my questions so I can better understand the Housing Element development process and that my input about clarifications needed, might guide some updates.

Sincerely,

/s/ Lisa D. Hoover

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**Fwd: Second Draft Housing Element**

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**From** Jennie Short <citymanager@bluelake.ca.gov>

**Date** Thu 9/24/2026 2:40 PM

**To** Michelle Nielsen <MichelleN@planwestpartners.com>

FYI

----- Forwarded message -----

**From:** **dennis whitcomb** <[REDACTED]>

**Date:** Fri, Sep 18, 2026 at 8:52 AM

**Subject:** Second Draft Housing Element

**To:** <[comments@bluelake.ca.gov](mailto:comments@bluelake.ca.gov)>

Good job. I only have a couple of minor questions.

Section 2, page 3-1/2

The project was proposed on an approximately 3-acre portion of City-owned land known as APNs 312-161-018 and 312-161-015.

Should 312-161-018 be 25-201-023? Or I am confused because I couldn't find 018 on the inventory map figure 7-2

Section 3.1, page 7-11/12

(Housing Element law, however, does require the jurisdiction to build the housing, as that decision remains with the private property owner.)

Shouldn't that say "however, does not require the jurisdiction ..." ?

I'm looking forward to the HCD decision on the Danco 40 unit project that may meet all of the low income requirements far into the future (55 years) so we don't have to depend on homeowners, or landlords annual rent decisions. I note that this is what the residents need and want according to the survey.

Den