

## 3.2 POPULATION AND HOUSING

This section evaluates the population and housing impacts of the proposed Fortuna General Plan Update 2030 (proposed plan) in terms of: (1) population growth inducement; (2) population and housing displacement; and (3) consistency with adopted regional fair-share housing demand forecasts. This section is based, in part, on information contained in Chapter 2 of the Fortuna General Plan Background Report (Mintier & Associates, 2007). The Background Report is included in its entirety as Appendix G of this PEIR.

### Environmental Setting

#### Population

**Existing Population.** The existing (2009) City of Fortuna population is 11,351 persons (DOF 2009a). This represents 8.6% of Humboldt County's existing (2009) countywide population of 132,755 persons (DOF 2009).

**Historic Population Growth.** Table 3.2-1 identifies City of Fortuna and Humboldt County's population growth between 1980 and 2009. As indicated, the City's population increased from 7,591 to 11,351 persons over the last 29 years representing an average annual growth rate of approximately 1.5 percent. During this period, the largest population gain occurred in the 1990s when the City grew by 1,710 persons; the slowest gain has occurred since 2000 when the City grew by only 853 persons. This compares to a countywide population increase from 108,525 to 132,755 persons or 0.7 percent over the last 29 years, with the greatest gain occurring in the 1980s.

**Table 3.2-1  
City and County Populations (1980-2009)**

Year	City of Fortuna		Humboldt County	
	Population	Percent Change	Population	Percent Change
1980	7,591 <sup>1</sup>	N/A	108,525 <sup>1</sup>	N/A
1990	8,788 <sup>2</sup>	15.8	119,118 <sup>2</sup>	9.8
2000	10,498 <sup>2</sup>	19.5	126,518 <sup>2</sup>	6.2
2009 (existing)	11,351 <sup>3</sup>	8.1	132,755 <sup>3</sup>	4.9
<sup>1</sup> DOF, 1984. <sup>2</sup> DOF, 2009b. <sup>3</sup> DOF, 2009a. Source: Compiled by Planwest Partners, 2009.				

**Population Projections.** Table 3.2-2 projects City and County population for the period 2009 to 2030 based on existing growth rates. As indicated, the City's population is projected to increase by 48.2 percent or 5,466 persons during this period, while the County's population is projected to increase by just 10.9% or 14,462 persons.

**Table 3.2-2  
City and County Population Projections (2010-2030)**

Year	City of Fortuna <sup>1</sup>	Humboldt County <sup>2</sup>
2010	12,940	134,785
2020	14,752	142,167
2030	16,817	147,217
<sup>1</sup> Based on the average percent change in the City's population between 1980 and 2009 of 14.5% per decade (1.5% annual). <sup>2</sup> DOF, 2009c. Source: Compiled by Planwest Partners, 2009.		

Three factors may explain the higher population growth rate in Fortuna relative to that of the county as a whole. The city has a larger proportion of Hispanic families. According to U.S. Census data, Hispanic families have higher birth rates than the County's Caucasian majority. Second, the presence of a lumber mill in town during the latter half of the twentieth century greatly increased the population of the City. Third, cities within the county, including Fortuna, have experienced immigration from more rural areas over the last century. The closing of the Fortuna Palco Mill in 2005 may also explain the recent decline in the population growth rate. Nonetheless, it is still higher than the countywide growth rate.

## Housing

**Existing Housing.** As of 2009, the City of Fortuna contains 4,859 existing housing units (DOF 2009a). This includes 3,474 single-family units, 938 multi-family units and 447 mobile homes, representing 8.1% of Humboldt County's existing (2009) countywide housing stock of 59,687 units (DOF 2009a). The existing (2009) vacancy rate in the City is 5.2%, and the City's existing average persons per unit is 2.34 (DOF 2009a)

**Historic Housing Stock.** Table 3.2-3 shows an increase in the City and County housing stock between 1980 and 2009. As indicated, over the last 29 years, Fortuna's housing stock increased from 3,008 to 4,859 units and represents an average annual growth rate of approximately 2.1 percent. This is compared with the countywide housing stock which increased from 46,356 to 59,687 units and represents an average annual growth rate of approximately 1.0 percent.

**Table 3.2-3  
City and County Housing Stock (1980-2009)**

Year	City of Fortuna	Humboldt County
1980	3008 <sup>1</sup>	46,356 <sup>1</sup>
1990	3,711 <sup>2</sup>	51,134 <sup>2</sup>
2000	4,414 <sup>2</sup>	55,912 <sup>2</sup>
2009 (existing)	4,859 <sup>3</sup>	59,687 <sup>3</sup>
<sup>1</sup> Estimated by Planwest based on the difference between the 1990 and 2000 populations <sup>2</sup> DOF, 2007. <sup>3</sup> DOF, 2009a Source: Compiled by Planwest Partners, 2009.		

**Housing Demand.** The Humboldt County Association of Governments (HCAOG) is a Joint Powers Authority comprising The County of Humboldt and seven incorporated cities within the County including the City of Fortuna. As directed by State Government Code §65584, the California Department of Housing and Community Development (HCD) determines the existing and projected regional housing needs in the state, including affordable housing needs. Based on these projections the HCAOG is required to adopt a Regional Housing Need Allocation (RHNA) Plan to assigning a share of the regional housing need to the county and each city. Each jurisdiction is required to plan for the assigned housing demand in their local housing element (HCAOG 2009).

HCAOG adopted a housing allocation in September 2009 and is in the process of completing a new RHNA for the Humboldt County. The City of Fortuna's portion of this allocation represents the City's fair-share of regional forecasted housing demand and is identified in Table 3.2-4. As indicated, the City will be required to provide a total of 586 new housing units between 2007 and 2014, including 129 very low income units, 105 low income units, 105 moderate income units, and 247 above moderate income units. The City is required to demonstrate how it plans to meet this obligation in its Housing Element. An update has been prepared by the City and is scheduled for adoption in the third quarter of 2010.

**Table 3.2-4  
Adopted Regional Fair-Share Housing Allocation for Fortuna (2007-2014)**

Housing Type by Income	Percent of Total City Allocation <sup>1</sup>	Required New Housing Units
Very Low Income	22	129 <sup>2</sup>
Low Income	18	105 <sup>2</sup>
Moderate Income	18	105 <sup>2</sup>
Above Moderate Income	42	247 <sup>2</sup>
<b>total</b>	<b>100</b>	<b>586<sup>3</sup></b>
<sup>1</sup> HCAOG, 2003. These percentages are based on the household projections by income group from HCAOG's 2003 RHNA. These percentages are used because HCAOG is working on but has not yet adopted its 2009 RHNA which is to include an updated percentage breakdown. <sup>2</sup> Derived by multiplying the percent of total City allocation by total required housing units. <sup>3</sup> HCAOG 2009. Source: Compiled by Planwest Partners, 2009.		

Assuming current trends continue, it is estimated (Table 3.2-5) that the City's fair-share housing allocation by 2030 will total 1,932 housing units, including 425 very low income units, 348 low income units, 348 moderate income units, and 811 above moderate income units.

**Table 3.2-5  
Estimated Regional Fair-Share Housing Allocation for Fortuna (2007-2030)**

<b>Housing Type by Income</b>	<b>Percent of Total City Allocation<sup>1</sup></b>	<b>Required New Housing Units</b>
Very Low Income	22	425 <sup>2</sup>
Low Income	18	348 <sup>2</sup>
Moderate Income	18	348 <sup>2</sup>
Above Moderate Income	42	811 <sup>2</sup>
<b>total</b>	<b>100</b>	<b>1,932<sup>3</sup></b>
<p><sup>1</sup> HCAOG, 2003. These percentages are based on the household projections by income group from HCAOG's 2003 RHNA. These percentages are used because HCAOG is working on but has not yet adopted its 2009 RHNA which is to include an updated percentage breakdown.</p> <p><sup>2</sup> Derived by multiplying the percent of total City allocation by total required housing units.</p> <p><sup>3</sup> Derived by estimating the annual housing demand in Fortuna from Table 3.2-4 (e.g., 586 units/7 years = 84 units per year), and multiplying this annual estimate by the number of years between 2007 and 2030 (e.g., 84 units x 23 years = 1,932 units).</p> <p>Source: Compiled by Planwest Partners, 2009.</p>		

## Applicable Plans, Policies, Codes and Regulations

### State

**State Housing Law.** State Housing Law (Government Code §65580) requires an assessment of housing needs and an inventory of resources and constraints affecting housing needs. As directed by State Government Code §65584, the California Department of Housing and Community Development (HCD) determines the existing and projected regional housing needs including affordable housing, and the Association of Governments for each region is required to adopt a Regional Housing Need Allocation (RHNA) Plan that allocates a share of the regional housing need to each county and city. Based on this allocation, counties and cities are required to plan for the assigned need by updating their local housing elements (HCAOG 2009).

HCAOG adopted a housing allocation for Humboldt County in September 2009, and is in the process of completing a new RHNA for the County distributing the adopted allocation between the unincorporated county and the incorporated cities. The City of Fortuna's portion of this allocation represents the City's fair-share of forecasted housing demand (Table 3.2-4). The City is required to demonstrate how it plans to meet this obligation in its Housing Element scheduled for adoption in the third quarter of 2010.

**State Housing Element Requirements.** The Housing Element is one of seven state-mandated elements that every General Plan must contain. Although the Housing Element must follow all the requirements of the General Plan, several of the Housing Element's requirements distinguish it from other General Plan elements. Whereas the State allows local government the ability to decide when to update its General Plan, State law sets a schedule for regular updates of the

housing element in five-year time-frames. Local governments are also required to submit draft and adopted housing elements to the California Department of Housing and Community Development (HCD) for review of compliance with State law. This review helps ensure that the housing element meets State mandates. Should HCD find that a city has satisfied these requirements, the State will “certify” that the element is legally adequate. Failing to comply with State law can result in serious consequences (e.g., reduced access to funding for infrastructure, transportation, and housing as well as being vulnerable to lawsuits).

The City of Fortuna has produced a Draft Housing Element Update (October 2009) and is preparing separate CEQA documentation for it. The General Plan’s PEIR addresses the Housing Element Update by: (1) identifying relevant policies from the Update; and (2) evaluating the potential to induce growth, displace existing housing stock and create inconsistencies with regional fair-share housing allocations.

## **Methodology**

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### **Policy Background**

The following policy background is used to assess the population and housing impacts of the proposed plan:

- New housing, population, and employment growth in the City will continue to occur at current growth rates;
- Although the Housing Element is a component of the City’s General Plan, the term “General Plan” as used in this chapter refers to the other updated elements of the Plan, excluding the Housing Element; and
- The City has prepared an update of its Housing Element, and that update is expected to be adopted and certified in the first quarter of 2010.

### **Thresholds of Significance**

The proposed plan will have a significant housing and population impact if it:

- Induces substantial population growth in the area, either directly (e.g., proposing new homes and businesses) or indirectly (through, extension of roads or other infrastructure;
- Displaces substantial numbers of people or existing housing, necessitating the construction of replacement housing elsewhere; or
- Limits housing development substantially below the adopted regional fair-share housing allocation, thereby requiring other jurisdictions to pick up this demand.

## Implications of the Draft Land Use Diagram

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The proposed plan includes ten General Plan elements (land use, conservation, open space, transportation, housing, natural & cultural resources, health & safety, public facilities, community design, and economic development) that outline goals, policies and programs to guide future development in the City of Fortuna. The proposed plan also defines land use designations that describe the type, density and intensity of development permitted, and a proposed Land Use Diagram that identifies the planned pattern of development.

As discussed in Chapter 2 (Plan Description) and Section 3.1 (Land Use) of this PEIR, the proposed plan identifies 16 land use designations. Of these, five identify residential development as the primary use and four identify residential development as an allowable but not necessarily primary use. These designations are:

### **Residential as Primary Use**

Residential Rural (RR)  
 Residential Very Low (RVL)  
 Residential Low (RL)  
 Residential Medium (RM)  
 Residential High (RH)

### **Residential as Allowed Use**

Central Business District (CBD)  
 Mill District (MD)  
 Corridor Mixed Use (CMU)  
 Agriculture (AG)

Table 3.1-2 provides a summary of existing land uses by acre within the City and its SOI. The City and its SOI contain 3,348.5 acres of land where the primary use is residential, 1,162.6 acres where a residential use is a permitted but not as the primary use (e.g., agriculture), and 2,599.0 acres of non-residential land. Table 3.1-5 lists the proposed land use designations for the City and its SOI under the proposed plan. Approximately 3,697.9 acres (52.0%) have residential as the primary use, 1,443.5 acres (20.3%) allow residential as a permitted but not necessarily a primary use, and 1,968.7 acres (27.7%) have designations that do not allow residential use (e.g., commercial, industrial, public, open space, etc.). Based on this, the proposed plan will increase the area of land where residential is the primary use by 413.1 acres, increase the area of land where residential uses are allowed but not necessarily the primary use by 280.9 acres, and decrease the amount of non-residential land by 630.3 acres.

Tables 3.1-6 and 3.1-7 provide development estimates for the City and SOI under existing conditions and proposed General Plan buildout. The City and its SOI currently contain 4,918 residential units, 476,900 square feet of non-residential development, 11,489 residents, and 821 employees. These numbers increase to 10,643 residential units, 1,850,360 square feet of non-residential development, 24,904 residents, and 3,096 employees under proposed General Plan buildout limits.

## General Plan Policy Response

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The proposed General Plan and draft Housing Element Update include the following policies and programs relevant to the environmental issues evaluated in this section (e.g., population growth inducement, population/housing displacement, and regional fair-share housing demand).

### Proposed General Plan

**Policy LU-1.5 Land Use Balance.** The City shall promote the development of a healthy balance of residential, commercial, open space, institutional, and industrial businesses.

**Policy LU-1.6 Infill Development.** The City shall encourage infill development and reuse of underutilized parcels to minimize outward growth and reduce the cost of providing public services and facilities.

**Policy LU-1.7 Infill Incentives.** The City shall establish incentives (e.g., streamlined permitting, specific plans, public-private partnerships) to encourage infill development.

**Policy LU-1.11 Leapfrog Development.** The City shall discourage leapfrog development and development in peninsulas extending into agricultural and open space lands.

**Policy LU-1.13 Annexation.** The City shall require that vacant unincorporated properties be annexed into the City prior to providing City services.

**Program LU-1.** The City shall monitor housing and population growth and regional growth projections and report annually to the City Council. HCAOG projects housing needs by income level for each jurisdiction in the County in its Regional Housing Needs Assessment plan.

**Policy LU-2.3 Infill/Replacement Housing.** The City shall collaborate with its Redevelopment Agency to promote Central Business District housing opportunities through infill projects and replacement housing.

**Policy LU-3.1 Regional Planning.** The City shall work with HCAOG and Humboldt County regarding regional planning efforts.

**Policy LU-3.2 Growth Coordination.** The City shall coordinate growth and development with surrounding jurisdictions, LAFCO, transit providers, and the County to promote common goals.

**Policy LU-4.1 Residential Growth.** The City shall support residential development at a manageable pace to achieve the City's fair share of regional housing demand and provide for orderly extension of infrastructure and public services.

**Policy LU-4.2 Range of Residential Densities.** The City shall promote new residential development in a range of residential densities that reflects the positive qualities of Fortuna.

**Policy LU-4.3 Multi-Family Housing.** The City shall encourage multi-family housing to be located throughout the community, but especially within or near major transportation corridors, Downtown, major commercial areas, and neighborhood commercial and employment centers.

**Policy LU-6.2 Reinforce Vitality of Existing Commercial Centers.** The City shall discourage isolated and sprawling commercial activities and instead reinforce existing commercial center vitality in the Downtown, along Fortuna Boulevard, and in the River District.

**Policy LU-6.4 Commercial Land Inventory.** The City shall strive to avoid creating an oversupply of commercial-designated land.

**Policy LU-6.6 Targeted Commercial Use Levels.** To growth consistent with projected commercial absorption rates and avoid overbuilding, the City shall designate commercial use development levels (square footage).

**Program LU-8.** The City shall allow new commercial development up to the following levels:

Commercial (COM)	168,000 sq. ft.
Office (OFF)	172,000 sq. ft.
Central Business District (CBD)	35,000 sq. ft.
Mill District (MD)	250,000 sq. ft.
Fortuna Blvd (CMU)	146,000 sq. ft.
Riverwalk District (RWD)	150,000 sq. ft.

**Policy LU-7.4 Targeted Industrial Use Levels.** To growth consistent with projected industrial absorption rates and avoid overbuilding, the City shall designate industrial use development levels (square footage).

**Program LU-9.** The City shall allow new industrial development up to the following levels:

South of Main Street in City	100,000 sq. ft.
Riverwalk District Annexation	150,000 sq. ft.
Rohnerville Airport Annexation	150,000 sq. ft.

**Policy ED-2.5 Range of Housing Opportunities.** The City shall provide zoning standards that set criteria for a range of housing choices for current and future residents.

### **Housing Element Update (October 2009 Draft)**

**Policy H-1.1.** Continue to encourage the development and provision of a variety of housing choices for all economic groups, including variety in residential type, tenancy, size, location and price.

**Policy H-2.1.** Promote the provision of an adequate number of rental units affordable to low and moderate income households.

**Policy H-3.4.** Make a maximum effort to promote affordable housing for retired Fortuna residents, particularly those with limited fixed incomes.

**Policy H-5.8.** Continue to encourage the development of starter homes for first time homebuyers by providing funding to upgrade streets, drainage, water, and sewer facilities using the 20% Housing Set Aside funds from the Fortuna Redevelopment Project.

**Policy H-15. Housing Grants and Other Forms of Assistance.** The City shall pursue funding for housing programs, and/or assist private developers who pursue housing assistance programs, including but not limited to the First-time Homebuyers Program, HOME, CDBG Multifamily Housing Program, and California Housing Finance Authority Loans (CHFA).

**Policy H-16. Emergency Shelter Locations.** The City shall identify the zoning districts in which emergency shelters are principally permitted.

**Policy H-17. Supportive Housing and Single-room Occupancy.** The City shall amend the Zoning Ordinance to allow conversion of hotels and motels to single room occupancy units (SRO), under specified conditions, in accordance with AB 2634.

**Policy H-18. Secondary Dwelling Units.** The City shall review and modify standards to facilitate second units.

**Policy H-19. Efficiency Units.** The City shall consider adopting changes to the UBC to allow construction of efficiency units as small as 150 square feet in size consistent with state/local law.

**Program H-2. HOME-Financed First Time Homebuyer Program.** Work with developers to provide 25 single-family starter homes for young families by assisting with public improvements for those projects financed by the Home Investment Partnership Program (HOME).

**Program H-5.** Fortuna Redevelopment Agency 20% Set Aside Allocation. Use Fortuna Redevelopment Agency 20% Housing Set Aside Allocation funds to support the construction of new dwellings, rehabilitation of existing dwellings, and the conservation of existing dwellings of low and moderate-income residents.

**Program H-6. Density Bonus Program.** Existing State law requires that the City allow more dwellings to be built than the existing development standards allow if a developer agrees to make a certain number of dwellings available to the Target Income Group. This provision in State law is commonly referred to as a density bonus provision. The City should actively encourage developers to utilize the provision and provide affordable housing.

**Program H-7. Non-Profit Agency Homeless Program.** If a non-profit agency determines that a homeless shelter should be built, the City should work with such agency to determine an appropriate location – the City’s Zoning Ordinance currently allows a homeless shelter in several zone classifications with a use permit.

**Program H-8. State and Federal Housing Assistance.** The City and Fortuna Redevelopment Agency should continue to pursue federal Department of Housing and Urban Development (HUD) and Farmers Home Administration (FmHA) monies to construct new single family homes and apartments for low and moderate income residents.

## Impacts and Mitigation

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### Impact 3.2-1: Population Growth Inducement

*The proposed plan would not directly induce substantial population growth because it does not include specific development proposals. However, the proposed plan would indirectly induce substantial population growth by designating undeveloped land for urban development and re-designating existing urban land for more intensive urban development.*

#### Discussion

The proposed plan does not directly induce substantial population growth because it does not include specific proposals for development. However, the plan includes a proposed Land Use Diagram that designates currently undeveloped or under-developed portions of the City and its SOI for urban development. As discussed previously, the proposed plan will increase the amount of land within the City of Fortuna and its SOI, (a) where residential is the primary use, from 3,348.5 to 3,697.9 acres and (b) where residential is a allowed but is not necessarily the primary use, from 1,162.6 to 1,443.5 acres. This could result in an increase of residential units from 4,918 to 10,643 residential units, with the population increasing from 11,489 to 24,904 residents. In addition, the proposed plan increases the amount of land designated for commercial, office and industrial development that could increase the City's employee population from 821 to 3,096 persons.

The proposed plan includes policies and programs designed to reduce growth inducing development (e.g., leap-frog development, lack of coordination with regional planning, and the premature extension of services). These include: (1) Policies LU-1.6, -1.7 and -2.3 that require the City to encourage infill development, reuse, and replacement housing through the provision of incentives to minimize outward growth; (2) Policy LU-1.11 that discourages leapfrog development; (3) Policy LU-1.13 that requires annexation of vacant unincorporated land prior to receiving City services; (4) Policies LU-3.1 and -3.2 that requires the City to work with HCAOG, LAFCo, Humboldt County and regional transit providers to coordinate planning efforts to accommodate growth; (5) Policy LU-4.1 that requires the City to permit development at a manageable pace in order to accommodate the City's fair share of regional housing demand and provide for the orderly extension of infrastructure and services; (6) Policies LU-6.2, -6.4, -6.6 and -7.4 require the City to discourage isolated and sprawling commercial development, avoid an oversupply of commercial land, and avoid an oversupply of commercial and industrial development; and (7) Programs LU-8 and -9 place caps on the amount of new commercial and industrial development in the City. However, even with implementation of these policies and programs, the proposed plan will facilitate a substantial increase in the City's population. Therefore, the proposed plan will indirectly induce substantial population growth.

## Determination of Level of Significance

No impact (directly induce substantial population growth)

Significant and unavoidable (indirectly induce substantial population growth)

## Mitigation

No mitigation is available short of substantially reducing proposed urban densities. However, substantially reducing proposed urban densities would be inconsistent with multiple objectives of the proposed plan, including but not limited to the following:

- To create a balanced community where residents can live, work, play and shop;
- To encourage mixed use, infill, and sustainable development;
- To establish a dynamic waterfront that is easily accessible, that provides scenic and recreational opportunities, and development complimentary to the riverfront;
- To maintain the Downtown area as the established city center and the social, institutional,
- To stimulate economic growth and diversity, particularly through local businesses, retail development, and employment opportunities that will provide city residents with a living wage;
- To respond to significant demographic shifts and adequately provide services;
- To encourage housing types that meet the community's needs, such as senior housing, residential mixed use (such as what exists in Downtown), townhouses, apartments, or second units;
- To expand Riverwalk and recreational and visitor serving uses in the vicinity of the River Lodge Conference Center;
- To capitalize on the airport as an economic development asset; and
- To create a well-planned and well-designed Mill District for the old PALCO mill site and adjacent area.

In addition, substantially reducing proposed urban densities would be inconsistent with community desires as stated at the Planning Commission hearings conducted on the proposed plan, would be inconsistent with the County identifying the City's environs as within a Community Plan Area and thus appropriate for urban development, and would be inconsistent with the City meeting its regional fair-share housing allocation under the HCAOG's RHNA.

## **Impact 3.2-2: Population and Housing Displacement**

*The proposed plan would not displace substantial numbers of existing people or housing, and thus would not necessitate the construction of replacement housing elsewhere.*

### **Discussion**

The proposed plan does not include specific development proposals. Therefore, the proposed plan would not have the potential to directly displace substantial numbers of existing people or housing,

The proposed plan includes a proposed Land Use Diagram that designates land for a range of land uses. As discussed previously, the Land Use Diagram increases the amount of land designated for residential and non-residential urban development and decreases the amount of land designated for non-urban uses (especially agriculture, timber and open space uses). While the proposed plan would facilitate infill, reuse and redevelopment in the urban core, especially in the proposed Focus Areas, and would facilitate new development at the urban/rural interface, especially within the future Annexation Areas, this re-designation of land would not require that newly non-conforming residential uses be removed. The proposed plan and the Housing Element Update currently being prepared by the City include policies and programs designed to avoid population and housing displacement: (1) Policy LU-2.3 requires the City to work with its redevelopment agency to promote CBD housing opportunities through infill projects and replacement housing; (2) Policy LU-5.1 requires the City to ensure that land use and development decisions are not detrimental to the positive character/identity of existing residential neighborhoods; and (3) Policy H-4.1 requires the City to continue to monitor housing conditions and implement steps to upgrade housing that needs repair; (4) Policy H-15 requires the City to pursue funding for housing rehabilitation, including HOME, CDBG, MHP and other funding; and (5) Program H-1 requires the City to work to obtain State and Federal assistance to expand the housing Rehabilitation Program and thereby allow low-income persons to stay in their homes. In addition, Fortuna City Code §17.54.185 specifically permits the continued occupancy and operation of nonconforming uses, and even permits certain improvements to nonconforming uses under specified conditions. With implementation of these policies, programs and City Code section, the proposed plan would not indirectly displace substantial numbers of existing people or housing, and the impact would be less-than-significant.

### **Determination of Level of Significance**

Less-Than-Significant

### **Mitigation**

No mitigation necessary

### **Impact 3.2-3: Consistency with Adopted Regional Fair-Share Housing Demand Forecasts**

*The proposed plan would not limit housing development substantially below forecasted growth, and thus would not require other jurisdictions in the region to accommodate this growth.*

#### **Discussion**

The proposed Land Use Diagram designates currently undeveloped or under-developed portions of the City and its SOI for urban development. It would increase the amount of land within the City of Fortuna and its SOI where residential is the primary use from 3,348.5 to 3,697.9 acres, and would increase land where residential is a permitted but not necessarily the primary use from 1,162.6 to 1,443.5 acres. By 2030, the proposed plan will increase the number of residential units from 4,918 to 10,643, and increase the population from 11,489 to 24,904 residents.

HCAOG's adopted regional fair-share housing allocation (2007 – 2014) for the City of Fortuna is 586 new units (Table 3.2-9). Based on HCAOG's adopted 2007-2014 allocation, 1,932 new units will be required by 2030 (Table 3.2-10). Because buildout under the proposed Land Use Diagram will permit up to 5,725 new housing units between by 2030, buildout under the proposed plan will allow the City to meet its 2007-2030 projected regional fair-share housing allocation.

It is impossible to accurately predict whether the proposed plan will meet HCAOG's adopted 2007-2014 regional fair-share housing allocation for the City, since no specific development proposals are being made. An estimate for the number of new residential units that could be developed under the proposed plan during the five year period between 2007 and 2014 can be made by using a straight-line projection between the number of housing units in the City under existing (2009) and buildout (2030) conditions. Assuming an incremental increase of 5,725 residential units between 2009 and 2030, this equates to 273 new units per year or 1,365 new units every five years. Based on these numbers, the City would meet its 2007-2014 adopted regional fair-share housing allocation under the proposed plan.

Five hundred eighty-six new housing units are required to meet the City's 2007-2014 HCAOG-adopted regional fair-share housing allocation including 129 very low income units, 105 low income units, 105 moderate income units, and 247 above moderate income units. Because no specific development proposals are being made under the proposed plan, it is impossible to predict the number of very low, low, moderate and above moderate income units that will be developed in the City between 2007 and 2014 under the proposed plan. However, the proposed Plan will designate enough land for 5,725 new residential units at buildout (2030) or 1,365 new units every five years between 2009 and 2030. If only 17% of the units are constructed as very low or low-income units, this would be sufficient to meet the City's 2007-2014 allocation. It is a reasonable expectation that the proposed plan will designate 183.0 acres as Residential Medium (RM) and Residential High (RH), and that high-density housing units (e.g. apartments and townhomes) most often represent very low and low income housing. The proposed plan includes policies and programs designed to provide a range of housing opportunities for all income levels, including: (1) Program LU-1 that requires the City to monitor housing and population growth in

the context of the regional fair-share housing allocation and report annually to the City Council; (2) Policies LU-4.2, ED-2.5 and H-1.1 that require the City to promote new residential development with a range of residential densities and through zoning standards for a range of housing choices; (3) Policy LU-4.3 that requires to the City to encourage multi-family housing; (4) Policies H-2.1 and -3.4 that call for promoting development of an adequate number of rental units affordable to low and moderate income households, including retired households on fixed incomes; (5) Policy H-5.8 that requires the City to continue to encourage the development of starter homes for first time homebuyers by providing funding to upgrade streets, drainage, water and sewer facilities using 20% Housing Set Aside funds from the Fortuna Redevelopment Project; (6) Policy H-15 that requires the City to pursue funding for housing programs, including HOME, CDBG, MFH and CHFA funding; (7) Policy H-16 that requires the City to identify zoning districts in which emergency shelters are principally permitted; (8) Policy H-17 that requires the City to amend its Zoning Ordinance to allow conversion of hotels and motels to single room occupancy units in accordance with AB 2634; (9) Policy H-18 that requires the City to review/modify standards to facilitate second units; (10) Policy H-19 that requires the City to consider adopting changes to the UBC to allow efficiency units as small as 150 square feet; and (11) Program H-5 that calls for the use of Fortuna Redevelopment Agency 20% Housing Set Aside Allocations funds to support construction of new dwellings, rehab of existing dwellings, and the conservation of existing dwellings of low and moderate income residents; and (12) Program H-6 which requires the City to permit density bonuses for development of affordable housing.

With implementation of these policies and programs, it is anticipated that the proposed plan will not limit housing development below forecasted growth, and thus will not require other jurisdictions in the region to accommodate the anticipated growth. Therefore, the potential impact is a less-than-significant.

### **Determination of Level of Significance**

Less-Than-Significant

### **Mitigation**

No mitigation necessary

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