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**FINAL**  
**Butte County**  
**Regional Housing Needs Plan**  
**January 1, 2007 – June 30, 2014**

**Prepared by:**  
**Butte County Association of Governments**  
**ADOPTED**  
**April 24, 2008**





**BUTTE COUNTY ASSOCIATION OF GOVERNMENTS  
RESOLUTION NO 2007/2008 - 15**



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**ADOPTION OF THE REGIONAL HOUSING NEEDS PLAN (2007-2014) FOR BUTTE COUNTY**

**WHEREAS**, the Butte County Association of Governments (BCAG) is a joint powers agency formed pursuant to California Government Code 6500, *et seq.*, and is the council of governments (COG) for the Butte County area;

**WHEREAS**, pursuant to the Housing Element Law ("Act") at California Government Code 65580, *et seq.*, each COG and the California Department of Housing and Community Development (HCD) are required to determine the existing and projected housing needs in the COG's region;

**WHEREAS**, under the Act, BCAG determines each city's, town and county's share of the regional housing need through the regional housing need allocation process (RHNA);

**WHEREAS**, BCAG issued the Final Regional Housing Needs Plan on April 2<sup>nd</sup>, 2008, following a 30-day appeal period established by the BCAG Board of Directors;

**WHEREAS**, BCAG received no appeals from the jurisdictions during the 30-day appeals period;

**NOW THEREFORE BE IT RESOLVED** that the Butte County Association of Governments does hereby approve and adopt the Final Regional Housing Needs Plan for Butte County.

**BE IT FURTHER RESOLVED** that in the interest of project delivery, the Butte County Association of Governments authorizes its staff to make minor technical corrections in cooperation with HCD as needed to ensure the timely submittal of the Final Regional Housing Needs Plan for Butte County.

**PASSED AND ADOPTED** by the Butte County Association of Governments on the 24th day of April, 2008 by the following vote:

AYES:

Dolan, Connelly, Kirk, Josiassen, Yamaguchi, Gruendl, Fichter, White

NOES:

None

ABSENT:

Arnold, Jernigan

ABSTAIN:

None

APPROVED:

  
\_\_\_\_\_  
JANE DOLAN, CHAIR  
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS

ATTEST:

  
\_\_\_\_\_  
JON A. CLARK, EXECUTIVE DIRECTOR  
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS

**Butte County Association of Governments  
Board of Directors**

Supervisor Bill Connelly - <i>Vice-Chair</i>	District 1
Supervisor Jane Dolan - <i>Chair</i>	District 2
Supervisor Maureen Kirk	District 3
Supervisor Curt Josiassen	District 4
Supervisor Kim Yamaguchi	District 5
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Councilmember Scott Gruendl	City of Chico
Mayor Jerry Ann Fichter	City of Gridley
Mayor Steven Jernigan	City of Oroville
Mayor Alan White	Town of Paradise

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## **REGIONAL HOUSING NEEDS PLAN**

This document is the Regional Housing Needs Plan (RHNP) for the Butte County Association of Governments (BCAG), comprising the cities of Biggs, Chico, Gridley, Oroville, the Town of Paradise, and Butte County. The purpose of the RHNP is to allocate to the Cities and County their “fair share” of the region’s projected housing need by household income group over the seven and a half year (2007-2014) planning period covered by the plan. The plan is required by State Law (Government Code, Section 65584) and is based on countywide housing projections developed by the California Department of Housing and Community Development.

Each BCAG member’s share of the regional housing need shown in this plan must be used in that member’s housing element as the local goal for accommodating additional housing. The number of dwelling units allocated to each BCAG member should be considered as minimum growth needs. Nothing in this plan restricts or prohibits BCAG members from planning for a higher number of dwelling units than its regional allocation.

The major goal of the RHNP is to assure a fair distribution of housing among cities and county, so that every community provides an opportunity for a mix of housing affordable to all economic segments. The housing allocation targets are not building requirements, but goals for each community to accommodate through appropriate planning policies and land use regulations. They are not housing unit quotas that jurisdictions must achieve within the time frame of their next housing element update. Allocation targets are intended to assure that adequate sites and zoning are made available to address anticipated housing demand during the planning period and that market forces are not inhibited in addressing the housing needs of all economic segments of a community.

The core of the RHNP is Table Ten, page twelve, which indicates for each jurisdiction, the distribution of housing needs for each of four household income groups, and the projected new housing unit targets by income group for the ending date of the plan. These units are considered the basic new construction need to be addressed by individual city and county housing elements. Tables One through Nine indicate how the allocation in Table Ten was developed. Appendix A contains the selected portions of state law relating to regional housing needs plans, the Butte Regional Growth Projections 2006 – 2030 and associated Regional Guiding Principles are included as Appendix B and C, Appendix D is the final determination received from Housing and Community Development, and Appendix E is a summary of assisted housing units developed by the California Housing Partnership Corporation.

The regional housing allocation provided for in this plan meets only one of several requirements of state housing element law. For example, each jurisdiction in its housing element must evaluate the needs of special population groups, the number of households overpaying for housing, and the number of overcrowded households. In addition, Butte County will need to apportion its share among unincorporated communities, or planning areas, within the County.

This RHNP is the result of numerous meetings with the City/Town/County Planning Directors group, both in the development of this plan and the underlying growth

projections. Thus, we have developed a RHNP that all jurisdictions are reasonably comfortable with, although it has been expressed that the overall allocations are unrealistic in terms of production, in particular as they relate to very-low and low income households.

To provide context, the City of Chico maintains a reasonable affordable housing program, and for the previous RHNP period (2001-2008), the City, as of November 2007, had produced 438 very-low income households of the 2,905 allocated by the plan. Similarly, the City produced 141 of the 1,987 low income households allocated.

BCAG staff and the jurisdictions recognize that the allocations provided in this plan are significantly lower than those determined in the last planning period, although we feel it is still optimistic to think that production of units included in the basic new construction need (Table Ten) will actually be realized, even with proper planning and the appropriate programs in place.

## **REQUIREMENTS OF STATE LAW**

State housing element law (Section 65583 of the California Governments Code) requires that each city and county adopt a share of the regional housing needs that shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county. Section 65584(d) of the Government Code specifies that BCAG develop a regional housing needs plan which is consistent with the following objectives:

- 1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
- 3) Promoting an improved intraregional relationship between jobs and housing.
- 4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

BCAG, working in cooperation with HCD, is responsible for the details of the methodology which is used in determining each jurisdictions “fare share” of the regional housing allocation within Butte County.

State Law requires that BCAG take into consideration several factors, based on available data, when developing the methodology for distribution, as described in the Factors to Consider section of this plan. The statutes also specify that BCAG may not limit a jurisdictions allocation based on “existing zoning ordinances and land use restrictions”, in addition, a city or county may not receive a reduced share based on self imposed policies which “directly or indirectly limits the number of residential building permits issued”.

The procedure outlined by state law requires the California Department of Housing and Community Development (HCD), based on population projections provided by the California Department of Finance, or council/associations of governments, to apportion the statewide housing need among housing market regions. These regions coincide with council of government areas, except for those parts of the state not covered by councils of governments (HCD determines the housing market regions in those portions of the state). The portion of the statewide housing need assigned to the Butte County Association of Governments covers the period January 1, 2007 through June 30, 2014 and totals 13,944 housing units.

The adoption of a draft Regional Housing Needs Plan by BCAG requires a sixty-day comment period during which the jurisdictions and public will review and comment on



the proposed plan. After this sixty-day period expires, BCAG will have sixty days to adopt any proposed changes, modify its prior determination, or make no change to the plan and indicate why the proposed change is inconsistent with the regional housing need.

If a BCAG member still wishes to contest the determination of the Board, it may submit an appeal based upon the criteria outlined in Section 65584.05(d) of the Government Code and a public hearing will be held. Such a request must be made within 30 days after BCAG's adoption of the draft plan. BCAG will then adopt a final housing allocation plan subsequent to the public hearing.

As described in Section 65584.07 of the Government Code (Appendix F), once the final housing allocation plan has been adopted, members of BCAG may request a change of the plan for one purpose only: to transfer a portion of the county's allocation to one or more cities within the county. The transfer must meet the standards applicable to the original allocation of BCAG's housing need and be approved by Butte County, the affected city or cities, and BCAG. Such a transfer might be justified by substantial changes in the local economy after the adoption of the plan, changes in annexation policies, the incorporation of a new city, or new information about the ability of BCAG members to accommodate population growth.

The selected portion of state law relating to regional housing need plans appears in Appendix A.

## REGIONAL HOUSING NEEDS PLAN – METHODOLOGY

The methodology for the housing needs allocation can essentially be broken down into two components:

1. Allocation of Housing Units by Jurisdiction
2. Allocation of Housing Units by Income Group

### Allocation of Housing Units by Jurisdiction

The first component involves distributing the countywide housing allocation (Housing Units) provided by HCD (Table One), among BCAG’s six member jurisdictions.

Allocations are based on each jurisdictions share of growth forecasted in the Butte Regional Growth Projections 2006–2030 for the period from 2007 to 2014. The Butte Regional Growth Projections 2006-2030 was developed by BCAG in cooperation with the local jurisdictions for use in their General Plan update efforts and BCAG’s updates of the 2007 Regional Transportation Plan (RTP), 2007/08 traffic model, and 2007/08 Regional Housing Needs Allocation.

<b>Table 1. Butte County Regional Housing Needs Determination January 2007- June 30, 2014.</b>	
<b>Income Group</b>	<b>Housing Units</b>
Very Low	3,369 (24%)
Low	2,272 (16%)
Moderate	2,371 (17%)
Above Moderate	5,933 (43%)
Total	13,944 (100%)

*Source: California Department of Housing and Community Development.*

The first step is to separate out from HCD’s countywide housing need determination, the number of replacement units needed. According to HCD, of the 13,944 units to be planned for over the next 7.5 years, 185 units will go towards replacing dilapidated housing (Table Two). This is based on a replacement allowance of 1.39%, estimated by HCD.

<b>Table 2. Housing Need by Component</b>	
<b>Component</b>	<b>Housing Units</b>
Household Increase	13,759
Replacement Housing Need	185
Total	13,944

The second step is to determine the initial allocation of housing needs to each jurisdiction, which was based on each jurisdiction’s projected share of the household increase over the 7.5-year period covered by the plan.

The following four steps detail the methodology used to allocate the 13,994 housing units among BCAG’s six member jurisdictions.

- 1) Summarize each jurisdictions individual projected household growth rates from the Butte Regional Growth Projections 2006 -2030 for the period 2007 to 2014. Totals for each year were added from the period 2007 to 2013, along with half of the total for the year 2014, to derive a sum for the 7.5 year period. A percentage of the total household increase could then be determined for each jurisdiction (Table Three).

<b>Table 3. Percentage of Household Increase</b>		
<b>Jurisdiction</b>	<b>*Projected HH Increase 2007-2014</b>	<b>Percentage of Total HH Increase</b>
City of Biggs	141	1.11%
City of Chico	5,264	41.38%
City of Gridley	984	7.74%
City of Oroville	2,167	17.04%
Town of Paradise	1,128	8.87%
Unincorporated	3,036	23.87%
<b>Butte County Total</b>	<b>12,720</b>	<b>100.00%</b>

*\* Source: BCAG Butte Regional Growth Projections 2006 - 2030*

- 2) Apply percentage of Total Household Increase to HCD’s 13,759 housing units (13,994 minus 185 replacements units) (Table Four).

<b>Table 4. Jurisdiction Share of Regional Housing Need</b>		
<b>Jurisdiction</b>	<b>HH Growth 2007-2014</b>	<b>Share of Regional Housing Needs 2007-2014</b>
City of Biggs	1.11%	153
City of Chico	41.38%	5,694
City of Gridley	7.74%	1,064
City of Oroville	17.04%	2,344
Town of Paradise	8.87%	1,220
Unincorporated	23.87%	3,284
<b>County Total</b>	<b>100.00%</b>	<b>13,759</b>

- 3) Make adjustments for Replacement Need (Dilapidated units) to be applied to each jurisdiction's final share or regional housing needs.
- a. The allocation of the 185 replacement units among BCAG's member jurisdictions is based on the estimated percentage of housing stock of each jurisdiction that is considered in need of substantial rehabilitation or "dilapidated" (Table Five). Dilapidated percentages were obtained from each jurisdiction's General Plan Housing Element.

<b>Table 5. Percent Dilapidated Units</b>	
<b>Jurisdiction</b>	<b>Percent Dilapidated Units</b>
Biggs	0.5%
Chico	0.2%
Gridley	0.5%
Oroville	0.9%
Paradise	0.5%
Unincorporated	1.0%

*Source: City of Biggs, Chico, Gridley, Oroville, Town of Paradise, and Butte County General Plans Housing Elements.*

- b. Each jurisdiction's Percent Dilapidated Units was then applied to California Department of Finance 2007 housing unit estimates to determine the Percent of County Total (Table Six).

<b>Table 6. Percent of County Total Based on Current Housing Estimates</b>				
<b>Jurisdiction</b>	<b>*Housing Estimates 2007</b>	<b>Percent Dilapidated Units</b>	<b>Total Estimated Dilapidated Units</b>	<b>Percent of County Total</b>
Biggs	625	0.5%	3	1%
Chico	35,505	0.2%	71	12%
Gridley	2,331	0.5%	12	2%
Oroville	6,254	0.9%	56	10%
Paradise	12,729	0.5%	64	11%
Unincorporated	37,355	1.0%	374	64%
<b>Butte County Total</b>	<b>94,799</b>		<b>580</b>	<b>100%</b>

*\* Source: California Department of Finance 2007 housing unit estimates*

- c. Each jurisdiction's Percent of County Total was then applied to HCD's 185 Replacement units (13,944 minus 13,759 Household Increase) (Table Seven).

<b>Table 7. Jurisdiction Share of Regional Housing Need Replacement Units</b>		
<b>Jurisdiction</b>	<b>Percent of County Total</b>	<b>Share of Replacement Units 2007-2014</b>
City of Biggs	1%	2
City of Chico	12%	22
City of Gridley	2%	4
City of Oroville	10%	19
Town of Paradise	11%	20
Unincorporated	64%	118
<b>Butte County Total</b>	<b>100%</b>	<b>185</b>

- 4) Add Replacement Need (Dilapidated units) to Housing Need and determine each jurisdiction's total share of the Regional Housing Need (Table Eight).

<b>Table 8. Jurisdiction Share of Regional Housing Need</b>			
<b>Jurisdiction</b>	<b>Initial Distribution Housing Needs</b>	<b>Replacement Need Adjustment</b>	<b>Jurisdiction Share of Regional Housing Needs 2007-2014</b>
City of Biggs	153	2	155
City of Chico	5,694	22	5,716
City of Gridley	1,064	4	1068
City of Oroville	2,344	19	2,363
Town of Paradise	1,220	20	1,240
Unincorporated	3,284	118	3,402
<b>County Total</b>	<b>13,759</b>	<b>185</b>	<b>13,994</b>

### Allocation of Housing Units by Income Group

The second component breaks out each jurisdiction’s housing unit allocation into the following income groups: very low, low, moderate, and above moderate. The income distribution for each BCAG jurisdiction is based on the relative income distribution of each community in 2000 (Table Nine), in comparison to the change in income distribution for the entire county projected by HCD (income percentages in Table One).

<b>Table 9. Butte County Households by Income Group</b>					
<b>Jurisdiction</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Totals</b>
City of Biggs	23%	16%	17%	44%	100%
City of Chico	28%	16%	15%	41%	100%
City of Gridley	31%	21%	15%	33%	100%
City of Oroville	37%	19%	15%	29%	100%
Town of Paradise	23%	18%	18%	42%	100%
Unincorporated	20%	16%	18%	46%	100%
<b>Butte County Total</b>	<b>24%</b>	<b>16%</b>	<b>17%</b>	<b>43%</b>	<b>100%</b>

Source: 2000 U.S. Census

For incorporated communities with a relatively high percentage of lower-income households, the basic construction need by income group table (Table Ten) reflects an adjustment to reduce the lower-income share of those communities, and to increase the lower-income share of those communities with a smaller percentage of low-income households. This adjustment is based on the state requirement that the regional share allocation avoid further impacting communities with a higher than average percentage of lower-income households in comparison to the region. The method for accomplishing this adjustment is explained below.

First, the percentage point difference between each jurisdiction’s income distribution and the countywide distribution is calculated for 2000.

Second, an adjustment is made in the opposite direction to determine the desired income distribution for 2014. For example, if the proportion of a community’s very low-income population is three percentage points higher than the county-wide proportion in 2000, its recommended share for 2014 is set at three percentage points lower than the countywide average.

Third, adjustments are then made to add or subtract the remaining units needed to meet the allocation for each individual income group. These adjustments are applied by first determining the gap between the target HCD allocation and the preliminary allocation as a percentage. This percentage is then applied to each jurisdictions allocation for that particular income group. For example, if the preliminary numbers for the low income group show a 10% percent deficit, each jurisdiction (excluding Unincorporated) shares an increase of 10% across the board for that income group. Adjustments are made to all income groups in order to meet the HCD requirements.

The Unincorporated allocation of housing units by income group was not adjusted from the 2000 U.S. Census estimates, but rather was kept consistent with their existing distribution of housing types as identified in the 2000 U.S. Census. This follows the same methodology that was used in the 2001 Regional Housing Needs Plan (RHNP) due to the fact that very low and low income households are better developed in incorporated areas where infrastructure and services exist to accommodate this housing type. Thus, the methodology does not make an adjustment to give the Unincorporated area an increased share of very low and low income housing, but rather keeps their allocation consistent with their existing distribution of housing types as identified in the 2000 U.S. Census.

<b>Table 10. (as revised by HCD*) Basic Construction Need by Income Group 2007-2014</b>									
<b>Jurisdiction</b>	<b>Very Low</b>		<b>Low</b>		<b>Moderate</b>		<b>Above Moderate</b>		<b>Total Allocation</b>
	<b>%</b>	<b>Allocation</b>	<b>%</b>	<b>Allocation</b>	<b>%</b>	<b>Allocation</b>	<b>%</b>	<b>Allocation</b>	
City of Biggs	33%	51	17%	27	14%	22	36%	55	155
City of Chico	27%	1,560	17%	1,007	17%	960	39%	2,189	5,716
City of Gridley	24%	258	12%	133	17%	182	47%	495	1,068
City of Oroville	17%	403	15%	362	18%	421	51%	1,177	2,363
Town of Paradise	33%	412	15%	189	14%	174	38%	465	1,240
Unincorporated	20%	684	16%	554	18%	612	46%	1,552	3,402
<b>County Total</b>	<b>24%</b>	<b>3,368</b>	<b>16%</b>	<b>2,272</b>	<b>17%</b>	<b>2,371</b>	<b>43%</b>	<b>5,933</b>	<b>13,944</b>
<b>HCD Requirement</b>	<b>24%</b>	<b>3,368</b>	<b>16%</b>	<b>2,272</b>	<b>17%</b>	<b>2,371</b>	<b>43%</b>	<b>5,933</b>	<b>13,944</b>

\* HCD Revised on June 24, 2008 (see Appendix H)

## **REGIONAL HOUSING NEEDS PLAN - FACTORS TO CONSIDER**

In developing the methodology used in the Regional Housing Needs Plan (RHNP), BCAG is required to consider several factors as defined in State Law (Government Code, Section 65584.04(d)). These factors are listed below:

- a) Member jurisdictions' existing and projected jobs and housing relationship.
- b) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:
  - i. Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
  - ii. The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.
  - iii. Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long term basis.
  - iv. County policies to preserve prime agricultural land within an unincorporated area.
- c) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
- d) The market demand for housing.
- e) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.
- f) The loss of units contained in assisted housing developments that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.



- g) High-housing costs burdens.
- h) The housing needs of farmworkers.
- i) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
- j) Any other factors adopted by the council of governments.

The foundation for BCAG’s RHNP methodology is the regional growth projections developed by BCAG in collaboration with the City/Town/County Planning Directors Group. Complete descriptions of the regional growth projections, its incorporated methodology and detailed tables, and the associated guiding principles have been provided in Appendix B and C.

The development of the growth projections included the consideration of a substantial number of the factors required by State Law, and therefore have been incorporated into the RHNA methodology. The remaining factors that were not directly considered in the development of the growth projections were further reviewed by BCAG staff and City/Town/County Planning Directors Group. These factors and a summary of their evaluation have been provided below:

- **The loss of units contained in assisted housing developments.**

Assisted housing developments are multi-family rental complexes that receive government assistance which are eligible to change to market rate housing due to termination of a rent subsidy contract (e.g. Section 8), mortgage repayment, or other expiring use restrictions.

The California Housing Partnership Corporation (CHPC) has identified 11 projects (670 units) within Butte County as “at-risk” of being loss to market rate housing (see Appendix E). This data, however, does not recognize specific locations or jurisdictions within the county that reside over these projects nor does it account for new projects being developed over the RHNA timeline. Compiling assisted housing data, in general, is very difficult due to the array of programs and agencies involved. BCAG determined that the available data is insufficient for being incorporated into the methodology. Each individual jurisdiction should consider this category of need in their respective housing elements.

- **The housing needs of farmworkers.**

Farmworkers provide an important contribution to the economy of Butte County. Agricultural production for 2005 employed 2,700 people, with countywide agricultural production value totaling \$432 million. The ten leading crops identified by their 2005 dollar value are shown in Table Eleven.

The California Employment Development Department (EDD) projects farm industry average annual employment to decline from 2,700 in the year 2004 to 2,500 in the year 2014. A clear reason for this decline has not been identified; it is assumed that factors such as mechanization and a reduction in farmland are contributing.

The farmworker population experiences a distinct set of issues that contribute to unique housing challenges, including seasonal income fluctuations, very low incomes, and a severe deterioration of existing housing stock.

There are several different groups within the farmworker population, each with their own set of housing issues. *Regular* or year-round farmworkers are defined by the EDD as those working 150 or more days for the same employer. *Seasonal* workers are those who work less than 150 days annually for the same employer. *Migrant* seasonal workers are defined as those who travel more than 50 miles across county lines to obtain agricultural employment.

The Regional Housing Need Plan concentrates on determining a needed increase in housing available for year-round occupancy. It is assumed that seasonal and migrant workers will continue to be housed in non-year-round units. For planning purposes, this means that no net increase in seasonal or migrant housing is anticipated. Regular farmworker housing has been addressed, in part, in the allocation for very-low and low income housing. Each city and county, however, should consider this category of need in individual housing elements.

<b>Table 11. Leading Agricultural Commodities with Value of Production, 2005.</b>	
<b>Commodity</b>	<b>\$ Mill.</b>
Almonds	187.4
Rice	86.1
Walnuts	76.7
Nursery Stock	11.1
Peaches, Clingstone	10.1
Cattle and Calves	9.0
Plums, Dried	7.3
Kiwifruit	6.7
Fruit and Nut Crops	4.7
Field crops	4.7
<i>Source: Department of Finance</i>	

- **The housing needs generated by California State University, Chico.**

The student population, generated by California State University, Chico (CSUC), is a significant and unique group within the City of Chico and adjoining unincorporated area. Unlike the general population, students tend to prefer shared accommodations and may qualify individually as low income but do not, in fact, live in low-income households.

Enrollment at CSUC is projected to increase at an annual average rate of 1.8% during the timeframe of this plan (Table Twelve), according to projections developed by the California State University, and are based on the enrollment of full-time equivalent students (FTES). This percentage is slightly less than the average annual projected population growth rate of 2% for the City of Chico, as determined in the regional growth projections, for the same period.

For the purposes of this plan, it is assumed that the housing needs generated by CSUC have been addressed, in part, as a share of the City of Chico’s regional growth projections. The City of Chico, however, should consider this category of need in their individual housing element.

<b>College Year</b>	<b>Estimated Enrollment (FTES)</b>	<b>Enrollment Increase</b>
2006-07	14,800	-----
2007-08	15,100	2.0%
2008-09	15,400	2.0%
2009-10	15,700	1.9%
2010-11	16,050	2.2%
2011-12	16,290	1.5%
2012-13	16,543	1.5%
2013-14	16,782	1.4%
Projected Average Annual Increase		1.8%
<i>Source: California State University</i>		

- **Any other factors adopted by BCAG.**

At this time, BCAG has no adopted policy which has been considered as a factor in the RHNA methodology.

## APPENDIX A

### REGIONAL HOUSING NEEDS

#### (Selected Portions from Section 65584 of the Government Code)

65584. (a) (1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) While it is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.

(b) The department, in consultation with each council of governments, shall determine each region's existing and projected housing need pursuant to Section **65584.01** at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections **65584.04** and **65584.05** with the advice of the department.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall be consistent with all of the following objectives:

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.

(3) Promoting an improved intraregional relationship between jobs and housing.

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high

share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

(e) For purposes of this section, "household income levels" are as determined by the department as of the most recent decennial census pursuant to the following code sections:

(1) Very low incomes as defined by Section 50105 of the Health and Safety Code.

(2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.

(3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.

(4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.

(f) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section **65584.01**, **65584.02**, **65584.03**, **65584.04**, **65584.05**, **65584.06**, **65584.07**, or **65584.08** are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

**65584.01.** (a) For the fourth and subsequent revision of the housing element pursuant to Section 65588, the department, in consultation with each council of governments, where applicable, shall determine the existing and projected need for housing for each region in the following manner:

(b) The department's determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. If the total regional population forecast for the planning period, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 3 percent of the total regional population forecast for the planning period over the same time period by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region. If the difference between the total population growth projected by the council of governments and the total population growth projected for the region by the Department of Finance is greater than 3 percent, then the department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If no agreement is reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.

(c) (1) At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

(A) Anticipated household growth associated with projected population increases.

(B) Household size data and trends in household size.

(C) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(D) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs.

(E) Other characteristics of the composition of the projected population.

(2) The department may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (E), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments.

(d) (1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (c). Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (b), and shall identify the population projection which the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (c). The objection shall include a proposed alternative determination of its regional housing need based upon the determinations made in subdivision (c), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (c).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this section, the department shall consider the objection and make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made.

**65584.02.** (a) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the existing and projected need for housing may be determined for each region by the department as follows, as an alternative to the process pursuant to Section **65584.01:**

(1) In a region in which at least one subregion has accepted

delegated authority pursuant to Section **65584.03**, the region's housing need shall be determined at least 26 months prior to the housing element update deadline pursuant to Section 65588. In a region in which no subregion has accepted delegation pursuant to Section **65584.03**, the region's housing need shall be determined at least 24 months prior to the housing element deadline.

(2) At least six months prior to the department's determination of regional housing need pursuant to paragraph (1), a council of governments may request the use of population and household forecast assumptions used in the regional transportation plan. For a housing element update due date pursuant to Section 65588 that is prior to January 2007, the department may approve a request that is submitted prior to December 31, 2004, notwithstanding the deadline in this paragraph. This request shall include all of the following:

(A) Proposed data and assumptions for factors contributing to housing need beyond household growth identified in the forecast. These factors shall include allowance for vacant or replacement units, and may include other adjustment factors.

(B) A proposed planning period that is not longer than the period of time covered by the regional transportation improvement plan or plans of the region pursuant to Section 14527, but a period not less than five years, and not longer than six years.

(C) A comparison between the population and household assumptions used for the Regional Transportation Plan with population and household estimates and projections of the Department of Finance.

The council of governments may include a request to extend the housing element deadline pursuant to Section 65588 to a date not to exceed two years, for the purpose of coordination with the scheduled update of a regional transportation plan pursuant to federal law.

(b) The department shall consult with the council of governments regarding requests submitted pursuant to paragraph (2) of subdivision (a). The department may seek advice and consult with the Demographic Research Unit of the Department of Finance, the State Department of Transportation, a representative of a contiguous council of governments, and any other party as deemed necessary. The department may request that the council of governments revise data, assumptions, or methodology to be used for the determination of regional housing need, or may reject the request submitted pursuant to paragraph (2) of subdivision (a). Subsequent to consultation with the council of governments, the department will respond in writing to requests submitted pursuant to paragraph (1) of subdivision (a).

(c) If the council of governments does not submit a request pursuant to subdivision (a), or if the department rejects the request of the council of governments, the determination for the region shall be made pursuant to Sections **65584** and **65584.01**.

**65584.03.** (a) At least 28 months prior to the scheduled housing element update required by Section 65588, at least two or more cities and a county, or counties, may form a subregional entity for the purpose of allocation of the subregion's existing and projected need for housing among its members in accordance with the allocation methodology established pursuant to Section **65584.04**. The purpose of establishing a subregion shall be to recognize the community of interest and mutual challenges and opportunities for providing housing within a subregion. A subregion formed pursuant to this section may include a single county and each of the cities in that

county or any other combination of geographically contiguous local governments and shall be approved by the adoption of a resolution by each of the local governments in the subregion as well as by the council of governments. All decisions of the subregion shall be approved by vote as provided for in rules adopted by the local governments comprising the subregion or shall be approved by vote of the county or counties, if any, and the majority of the cities with the majority of population within a county or counties.

(b) Upon formation of the subregional entity, the entity shall notify the council of governments of this formation. If the council of governments has not received notification from an eligible subregional entity at least 28 months prior to the scheduled housing element update required by Section 65588, the council of governments shall implement the provisions of Sections **65584** and **65584.04**. The delegate subregion and the council of governments shall enter into an agreement that sets forth the process, timing, and other terms and conditions of the delegation of responsibility by the council of governments to the subregion.

(c) At least 25 months prior to the scheduled revision, the council of governments shall determine the share of regional housing need assigned to each delegate subregion. The share or shares allocated to the delegate subregion or subregions by a council of governments shall be in a proportion consistent with the distribution of households assumed for the comparable time period of the applicable regional transportation plan. Prior to allocating the regional housing needs to any delegate subregion or subregions, the council of governments shall hold at least one public hearing, and may consider requests for revision of the proposed allocation to a subregion. If a proposed revision is rejected, the council of governments shall respond with a written explanation of why the proposed revised share has not been accepted.

(d) Each delegate subregion shall fully allocate its share of the regional housing need to local governments within its subregion. If a delegate subregion fails to complete the regional housing need allocation process among its member jurisdictions in a manner consistent with this article and with the delegation agreement between the subregion and the council of governments, the allocations to member jurisdictions shall be made by the council of governments.

**65584.04.** (a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall be consistent with the objectives listed in subdivision (d) of Section **65584**.

(b) (1) No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).

(2) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the



region and utilize readily available data to the extent possible.

(3) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section **65584.01**.

(4) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).

(c) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship.

(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.

(D) County policies to preserve prime agricultural land, as

defined pursuant to Section 56064, within an unincorporated area.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(4) The market demand for housing.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(6) The loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(7) High-housing costs burdens.

(8) The housing needs of farmworkers.

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

(10) Any other factors adopted by the council of governments.

(e) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of Section **65584**. The methodology may include numerical weighting.

(f) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(g) In addition to the factors identified pursuant to subdivision (d), the council of governments, or delegate subregion, as applicable, shall identify any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation to those local governments by the council of governments or delegate subregion pursuant to Section **65584.05**.

(h) Following the conclusion of the 60-day public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate subregion, as applicable, shall adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

**65584.05.** (a) At least one and one-half years prior to the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, based on the methodology adopted pursuant to Section **65584.04**. The draft allocation shall include the underlying data and methodology on which the allocation is based. It is the intent of the Legislature that the draft allocation should be distributed prior to the completion of the update of the applicable regional transportation plan. The

draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined pursuant to Section **65584.01** or within subregions, as applicable, the subregion's entire share of the regional housing need determined pursuant to Section **65584.03**.

(b) Within 60 days following receipt of the draft allocation, a local government may request from the council of governments or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) to (9), inclusive, of subdivision (d) of Section **65584.04**, including any information submitted by the local government to the council of governments pursuant to subdivision (b) of that section. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation.

(c) Within 60 days after the request submitted pursuant to subdivision (b), the council of governments or delegate subregion, as applicable, shall accept the proposed revision, modify its earlier determination, or indicate, based upon the information and methodology described in Section **65584.04**, why the proposed revision is inconsistent with the regional housing need.

(d) If the council of governments or delegate subregion, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government, may appeal its draft allocation based upon either or both of the following criteria:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section **65584.04**, or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The council of governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section **65584.04**.

(e) The council of governments or delegate subregion, as applicable, shall conduct public hearings to hear all appeals within 60 days of the date established to file appeals. The local government shall be notified within 10 days by certified mail, return receipt requested, of at least one public hearing on its appeal. The date of the hearing shall be at least 30 days and not more than 35 days from the date of the notification. Before taking action on an appeal, the council of governments or delegate subregion, as applicable, shall consider all comments, recommendations, and available data based on accepted planning methodologies submitted by the appellant. The final action of the council of governments or delegate subregion, as applicable, on an appeal shall be in writing and shall include information and other evidence explaining how its action is consistent with this article. The final action on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the allocation of a local government that is not the subject of an appeal.

(f) The council of governments or delegate subregion, as applicable, shall issue a proposed final allocation within 45 days of the completion of the 60-day period for hearing appeals. The proposed final allocation plan shall include responses to all comments received on the proposed draft allocation and reasons for any significant revisions included in the final allocation.

(g) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the appeals process specified in this section. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section **65584.01**, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section **65584.03**, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. In no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section **65584.01**, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section **65584.03**. Two or more local governments may agree to an alternate distribution of appealed housing allocations between the affected local governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these communities, then the council of governments shall include the alternative distribution in the final allocation plan.

(h) Within 45 days of the issuance of the proposed final allocation plan by the council of governments and each delegate subregion, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section **65584.01**, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section **65584.01**. Within 60 days of adoption by the council of governments, the department shall determine whether or not the final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section **65584.01**. The department may revise the determination of the council of governments if necessary to obtain this consistency.

(i) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

**65584.07.** (a) During the period between adoption of a final regional housing needs allocation until the due date of the housing element update pursuant to Section 65588, the council of governments, or the department, whichever assigned the county's share, shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(1) One or more cities within the county agree to increase its share or their shares in an amount equivalent to the reduction.

(2) The transfer of shares shall only occur between a county and cities within that county.

(3) The county's share of low-income and very low income housing

shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(4) The council of governments or the department, whichever assigned the county's share, shall approve the proposed reduction, if it determines that the conditions set forth in paragraphs (1), (2), and (3) above have been satisfied. The county and city or cities proposing the transfer shall submit an analysis of the factors and circumstances, with all supporting data, justifying the revision to the council of governments or the department. The council of governments shall submit a copy of its decision regarding the proposed reduction to the department.

(b) The county and cities which have executed transfers of regional housing need pursuant to this section shall amend their housing elements and submit them to the department for review pursuant to Section 65585.

All materials and data used to justify any revision shall be made available upon request to any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship. A fee may be charged to interested parties for any additional costs caused by the amendments made to former subdivision (c) of Section **65584** that reduced from 45 to 7 days the time within which materials and data were required to be made available to interested parties.

(c) In the event an incorporation of a new city occurs after the council of governments, or the department for areas with no council of governments, has made its final allocation under this section, the city and county may reach a mutually acceptable agreement on a revised determination and report the revision to the council of governments and the department, or to the department for areas with no council of governments. If the affected parties cannot reach a mutually acceptable agreement, then either party may request the council of governments, or the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and make the revised determination.

The revised determination shall be made within one year of the incorporation of the new city based upon the methodology described in subdivision (a) and shall reallocate a portion of the affected county's share of regional housing needs to the new city. The revised determination shall neither reduce the total regional housing needs nor change the previous allocation of the regional housing needs assigned by the council of governments or the department, where there is no council of governments, to other cities within the affected county.

**65584.09.** (a) For housing elements due pursuant to Section 65588 on or after January 1, 2006, if a city or county in the prior planning period failed to identify or make available adequate sites to accommodate that portion of the regional housing need allocated pursuant to Section **65584**, then the city or county shall, within the first year of the planning period of the new housing element, zone or rezone adequate sites to accommodate the unaccommodated portion of the regional housing need allocation from the prior planning period.

(b) The requirements under subdivision (a) shall be in addition to any zoning or rezoning required to accommodate the jurisdiction's share of the regional housing need pursuant to Section **65584** for the new planning period.

(c) Nothing in this section shall be construed to diminish the requirement of a city or county to accommodate its share of the regional housing need for each income level during the planning period set forth in Section 65588, including the obligations to (1) implement programs included pursuant to Section 65583 to achieve the goals and objectives, including programs to zone or rezone land, and (2) timely adopt a housing element with an inventory described in paragraph (3) of subdivision (a) of Section 65583 and a program to make sites available pursuant to paragraph (1) of subdivision (c) of Section 65583, which can accommodate the jurisdiction's share of the regional housing need.

**65584.1.** Councils of government may charge a fee to local governments to cover the projected reasonable, actual costs of the council in distributing regional housing needs pursuant to this article. Any fee shall not exceed the estimated amount required to implement its obligations pursuant to Sections **65584**, **65584.01**, **65584.02**, **65584.03**, **65584.04**, **65584.05**, and **65584.07**. A city, county, or city and county may charge a fee, not to exceed the amount charged in the aggregate to the city, county, or city and county by the council of governments, to reimburse it for the cost of the fee charged by the council of government to cover the council's actual costs in distributing regional housing needs. The legislative body of the city, county, or city and county shall impose the fee pursuant to Section 66016, except that if the fee creates revenue in excess of actual costs, those revenues shall be refunded to the payers of the fee.

**65584.2.** A local government may, but is not required to, conduct a review or appeal regarding allocation data provided by the department or the council of governments pertaining the locality's share of the regional housing need or the submittal of data or information for a proposed allocation, as permitted by this article.

**65584.5.** (a) A city or county may transfer a percentage of its share of the regional housing needs to another city or county, if all of the following requirements are met:

(1) Both the receiving city or county and the transferring city or county comply with all of the conditions specified in subdivision (b).

(2) The council of governments or the department reviews the findings made pursuant to paragraph (2) of subdivision (c).

(3) The transfer does not occur more than once in a five-year housing element interval pursuant to subdivision (b) of Section 65588.

(4) The procedures specified in subdivision (c) are met.

(b) (1) Except as provided in paragraph (5) of subdivision (c) of Section **65584**, a city or county transferring a share of its regional housing needs shall first have met, in the current or previous housing element cycle, at least 15 percent of its existing share of the region's affordable housing needs, as defined in Section **65584**, in the very low and lower income category of income groups defined in Section 50052.5 of the Health and Safety Code if it proposes to transfer not more than 15 percent. In no event, however, shall the city or county transfer more than 500 dwelling units in a housing element cycle.

(2) A city or county shall transfer its regional housing needs in

the same proportion by income group as the jurisdiction has met its regional housing needs.

(3) The transfer shall be only between jurisdictions that are contiguously situated or between a receiving city or county that is within 10 miles of the territory of the community of the donor city or county. If both the donor community and receiving community are counties, the donor county shall be adjacent to, in the same council of governments region as, and in the same housing market as, the receiving county. The sites on which any transferred housing units will be constructed shall be in the receiving city or county, and within the same housing market area as the jurisdiction of the donor city or county.

(4) The transferring and receiving city or county shall have adopted, and shall be implementing, a housing element in substantial compliance with Section 65583.

(5) The transferring city or county and the receiving city or county shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

(c) (1) The donor city or county and the receiving city or county shall, at least 45 days prior to the transfer, hold a public hearing, after providing notice pursuant to Section 6062, to solicit public comments on the draft contract, including its terms, conditions, and determinations.

(2) The transferring and the receiving city or county shall do all of the following:

(A) Adopt a finding, based on substantial evidence on the record, that the transfer of the regional housing need pursuant to the terms of the agreement will not cause or exacerbate racial, ethnic, or economic segregation and will not create a detrimental financial impact upon the receiving city or county.

(B) Adopt a finding, based on substantial evidence on the record, that the transfer of the regional housing need will result in the construction of a greater number of similar type dwelling units than if the transfer does not occur.

(3) (A) The transferring city or county and the receiving city or county shall enter into an agreement to transfer units eligible under subdivision (b). A copy of this agreement shall be sent to the council of governments and the department to be kept on file for public examination.

(B) The agreement shall include a plan and schedule for timely construction of dwelling units, including, in addition to site identification, identification of and timeframes for applying for sufficient subsidy or mortgage financing if the units need a subsidy or mortgage financing, and a finding that sufficient services and public facilities will be provided.

(4) At least 60 days prior to the transfer, the receiving city or county planning agency and the transferring city or county planning agency shall submit to the department a draft amendment to reflect the identified transferred units. A transferring agency may reduce its housing needs only to the extent that it had not previously reduced its housing needs pursuant to paragraph (2) of subdivision (b) of Section 65583. A county planning agency that has its share of the regional housing need reduced pursuant to paragraph (5) of subdivision (c) of Section **65584** shall comply with this section. A receiving city or county shall, in addition to any other provisions of the article, identify in its housing element sufficient sites to meet its initial low- and moderate-income housing needs and sufficient sites to meet all transferred housing needs.

(5) The department shall review the draft amendment and report its

written findings to the planning agency within 45 days of its receipt.

(6) The department's review shall follow the same procedure, requirements, and responsibilities of Sections 65583, 65585, 65587, and 65589.3. The court shall consider any written findings submitted by the department.

(d) No transfer made pursuant to this section shall affect the plans for a development that have been submitted to a city or county for approval 45 days prior to the adoption of the amendment to the housing element.

(e) No transfer made pursuant to this section shall be counted toward any ordinance or policy of a locality that specifically limits the number of units that may be constructed.

(f) The Attorney General or any other interested person shall have authority to enforce the terms of the agreement and the provisions of this section.

(g) For a period of five years after the transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer contract, and information on any dwelling units actually constructed, including the number, type, location, and affordability requirements in place for these units.

(h) (1) At least 60 days prior to the proposed transfer, the donor city or county shall submit the proposed agreement to the council of governments, or to the department if there is no council of governments that serves the city or county, for review. The governing board of the council or the director shall determine whether there is substantial evidence to support the terms, conditions, and determinations of the agreement and whether the agreement complies with the substantive and procedural requirements of this section. If the council or the director finds that there is substantial evidence to support the terms, conditions, and determinations of the agreement, and that the agreement complies with the substantive and procedural requirements of this section, the participating jurisdictions may proceed with the agreement. If the governing board or the director finds that there is not substantial evidence to support the terms, conditions, and findings of the agreement, or that the agreement does not comply with the substantive and procedural requirements of this section, the board or the director may make recommendations for revising or terminating the agreement. The participating jurisdictions shall then include those revisions, if any, or terminate the agreement.

(2) The council or the director may convene a committee to advise the council or the director in conducting this review. The donor city or county and the receiving community shall pay the council's or the department's costs associated with the committee. Neither the donor city or county, nor the receiving city or county, may expend moneys in its Low and Moderate Income Housing Fund of its redevelopment agency for costs associated with the committee.

(3) Membership of the committee appointed pursuant to paragraph (2) shall include all of the following:

(A) One representative appointed by the director.

(B) One representative appointed by the donor agency.

(C) One representative appointed by the receiving community.

(D) Two low- and moderate-income housing advocates, appointed by the director, who represent those persons in that region.

(i) (1) The receiving city or county shall construct the housing units within three years of the date that the transfer contract is entered into pursuant to this section. This requirement shall be met



by documenting that a building permit has been issued and all fees have been paid.

(2) Any portion of a regional share allocation that is transferred to another jurisdiction, and that is not constructed within the three-year deadline set forth in paragraph (1), shall be reallocated by the council of governments to the transferring city or county, and the transferring city or county shall modify its zoning ordinance, if necessary, and amend its housing element to reflect the reallocated units.

(3) If, at the end of the five-year housing element planning period, any portion of a regional share allocation that is transferred to another jurisdiction is not yet constructed, the council of governments shall add the unbuilt units to the normal regional fair share allocation and reallocate that amount to either of the following:

(A) The receiving city, if the three-year deadline for construction has not yet occurred; or

(B) The transferring city, if the three-year deadline for construction has occurred.

(4) If the transferred units are not constructed within three years, the nonperforming jurisdictions participating in the transfer of regional share allocations shall be precluded from transferring their regional shares, pursuant to this section, for the planning period of the next periodic update of the housing element.

(j) On or after January 1, 2000, no transferring city or county shall enter into an agreement pursuant to this section unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

(k) If Article XXXIV of the California Constitution is applicable, the receiving city or county shall certify that it has sufficient authority under Article XXXIV of the California Constitution to allow development of units transferred pursuant to this section.

(l) The receiving city or county shall not, within three years of the date of the transfer agreement entered into pursuant to this section, or until transferred units are constructed, whichever is longer, enter into a contract to transfer units outside the territorial jurisdiction of the agency pursuant to this section.

(m) Communities that have transferred a portion of their share of the regional housing need to another city or county pursuant to this section shall comply with all other provisions of law for purposes of meeting the remaining regional housing need not transferred, including compliance with the provisions of Section 65589.5.

(n) As used in this section, "housing market area" means the area determined by a council of governments or the department pursuant to Section **65584**, and based upon market demand for housing, employment opportunities, the availability of suitable sites and public facilities, and commuting patterns.

(o) This section shall not be construed to interfere with the right of counties to transfer shares of regional housing needs pursuant to paragraph (5) of subdivision (c) of Section **65584**.

## **APPENDIX B**

### **BUTTE REGIONAL GROWTH PROJECTIONS 2006 – 2030**

The regional growth projections below reflect the growth trends that are anticipated to occur within Butte County and incorporated cities and town during the next twenty-four years.

BCAG staff collaborated and reached consensus with city, town and county planning staff on the development of the projections. This was accomplished through meetings of the City/Town/County Planning Directors Group. Each jurisdiction will be integrating the growth projections into their General Plan updating efforts and the projections will also be integrated into BCAG's Regional Transportation Plan update in 2007 and traffic model update in 2007/08. The projections will also form the basis for the 2007/08 Regional Housing Needs Plan update.

#### Housing Projection Methodology

The first step in developing the housing projections was to review building permit data for each jurisdiction from the past 15 years and develop an average annual growth rate based on these past trends. This average rate was then extended out into the future to get an idea of the level of housing growth that would be realized if past trends continue.

Next, discussions on current development activity were held with planning staff from each jurisdiction and current subdivision applications were reviewed to get an idea of how housing growth trends may be changing due to new and continuing development activities. Based on these discussions, growth rates were developed for each year out to the year 2030.

For the City of Biggs, past growth trends showed a very anemic level of housing development; however, discussion with the Biggs planning staff and examination of current submitted development projects revealed that there has been development applications submitted for a total of several hundred housing units, with the potential for a significantly greater number.

It is expected that it will take several years before these units materialize, so a relatively slow rate of growth of 1.5-2.5% (9-16 units) per year was assumed from 2006 – 2009. Housing growth is expected to increase to 3.0-3.5% (20-26 units) annually from 2010-2014, with the greatest rates of growth experienced between the years 2015 and 2019 (4.0-8% annually resulting in 31-72 units being built per year). From 2020-2030, the rate of growth is expected to taper off back down to 4.0-2.5% annually, consistent with the downward trend expected in the Department of Finance projections. Overall, the City of Biggs is expected to add approximately 775 new housing units by 2030.

For the City of Gridley, similar to the City of Biggs, past growth trends showed a very slow level of housing development. Again discussions with Gridley city planning staff and examination of current submitted development projects revealed that there has been a huge increase in development activity, with all development applications submitted totaling over 2,000 units.

Gridley has already seen several new housing developments get underway, with the Department of Finance estimating 104 new housing units already added between 2005 and 2006. City of Gridley staff expects this pace of housing development to continue and even increase slightly over the next 10-15 years. From 2006-2014, it was assumed that a 5.0% compound annual increase in housing units would occur (111-156 units/year).

The rate of growth from 2015-2020 is expected to decrease slightly to 4.0-3.0% annually (131-118 units/year), and continue at 2.0% from 2021-2030. This reflects the Department of Finance's projected trend of slowing housing production in this time frame. Overall, it is expected that the City of Gridley will add approximately 2,699 new housing units over the 24-year period.

The City of Chico has experienced a fairly constant annual housing unit growth rate of 2% over the past 10-15 years, and despite a significant number of development projects in the pipeline, city staff expects to see a continuation of their 2% annual growth rate throughout the horizon of the projections. Based on these projections, the City of Chico will add approximately 19,996 new housing units by 2030.

The City of Oroville is another jurisdiction that has experienced very slow growth over the last 15 years or so, but is expecting a housing boom in the coming years. Submitted subdivision applications in the City of Oroville area total almost 5,000 units, with several developments already under construction.

Housing growth in the Oroville area is expected to occur at a 2.0-4.0% annual rate from 2006-2009 resulting in approximately 116-245 new housing units per year. The peak of the housing boom is expected to occur between the years 2010 and 2015 with a 5.0% annual rate resulting in the production of approximately 319-407 housing units per year.

From 2016-2019, the rate is expected to decrease to 4.0-3.0%, with the rate decreasing further to 2.0% from 2020-2030, consistent with Department of Finance projection trends. Overall, the City of Oroville should see approximately 6,418 new units developed by 2030.

It should be noted that the demand for housing in the Cities of Oroville, Gridley and Biggs is expected to be primarily due to the above average job growth and increasing land costs in the Sacramento metropolitan area (including Roseville). This has resulted in housing development spilling into neighboring counties in order to try and satisfy the metro region's need (market) for more "affordable" housing that is still within a reasonable distance to commute.

The Town of Paradise has experienced a slow rate of growth in the past, and this trend is expected to continue into the future. A contributing factor to Paradise's slow growth is the lack of sewer infrastructure and prohibitive geography that includes steep canyons and dense lava cap rock. The limited number of submitted development applications for large housing developments also suggest the continuation of Paradise's slow and steady housing growth. The town expects any new housing growth to primarily occur through infill developments and along the southern edge of the Town Limits.

The Town should see a continuation of its past annual housing unit growth rate of 0.90% until 2010, which will result in approximately 114-116 new housing units per year. Between 2010 and 2015, the rate is forecast to increase to 1.3% annually as the town does expect to have several larger developments build out in this timeframe, resulting in approximately 170-181 new housing units per year. From 2016-2030, it is expected that the Town of Paradise will slow back to its 0.90% annual compound growth trend resulting in 127-144 new units per year. Overall, the Town of Paradise expects to add approximately 3,427 new units by 2030.

The unincorporated County's housing growth projections are based on the premise that their past housing growth rate of 1.0% annually will continue into the future. It should be noted that the projections for the unincorporated county only account for the construction of new units that remain in the County's jurisdiction (unincorporated) - it is expected that new construction within city spheres of influence will be annexed into the municipalities. Based on the annual compound rate of 1.0%, the unincorporated county will produce approximately 10,568 units in the next 24 years that will remain under the jurisdiction of the County.

#### Population Projection Methodology

The population projections were developed by multiplying the housing unit projections by the average persons per housing unit estimate. The average persons per housing unit was calculated by dividing the 2006 Department of Finance population estimates for each jurisdiction, by the 2006 Department of Finance housing unit estimate for each jurisdiction. These numbers were used in favor of the 2000 U.S. Census Bureau's estimates of person per housing unit because they were considered more current.

#### Employment Projection Methodology

Employment projections are developed at the county level only and are based on a ratio of jobs per housing unit calculated using 2002 ABI jobs data and 2002 Department of Finance housing unit data. This resulted in an existing 2002 jobs to housing unit ratio of 0.95 jobs/housing unit. More current jobs data was not available at the time the projections were developed. This ratio was assumed to decrease to 0.925 in 2010, 0.90 in 2015 and 0.875 in 2020 due to the anticipated increase in housing in the southern part of the county that will likely create a "bedroom community" effect in these areas due to the fact that these developments will cater to employees in the Sacramento metropolitan area. For the years 2020 and 2025 the ratio increases back to 0.90 under the assumption that housing development will level off and job growth will begin to catch up within the county.

These growth projections will be updated again in three years to ensure that any unexpected changes in trends will be integrated into the projections.

### Regional Population Projections 2006 - 2030

Jurisdiction	2006*	2010	2015	2020	2025	2030	Total Increase 2006-2030	Percent Increase 2006-2030	Average Annual Growth Rate
Biggs	1,780	1,955	2,311	3,062	3,533	3,997	2,217	125%	5.2%
Chico	79,091	85,610	94,520	104,358	115,220	127,212	48,121	61%	2.0%
Gridley	5,949	7,231	9,141	10,804	11,928	13,170	7,221	121%	5.1%
Oroville	13,550	15,696	20,033	23,447	25,888	28,582	15,032	111%	4.6%
Paradise	26,516	27,592	29,433	30,781	32,192	33,667	7,151	27%	1.1%
Unincorporated	90,323	93,991	98,786	103,825	109,121	114,687	24,364	27%	1.1%
<b>Total County</b>	<b>217,209</b>	<b>232,075</b>	<b>254,224</b>	<b>276,277</b>	<b>297,882</b>	<b>321,315</b>	<b>104,106</b>	<b>48%</b>	<b>2.0%</b>

\*Source: Department of Finance

### Regional Housing Unit Projections 2006 - 2030

Jurisdiction	2006*	2010	2015	2020	2025	2030	Total Increase 2006-2030	Percent Increase 2006-2030	Average Annual Growth Rate
Biggs	622	683	807	1,070	1,234	1,397	775	125%	5.2%
Chico	32,864	35,573	39,276	43,363	47,877	52,860	19,996	61%	2.0%
Gridley	2,224	2,703	3,417	4,039	4,459	4,923	2,699	121%	5.1%
Oroville	5,785	6,701	8,553	10,010	11,052	12,203	6,418	111%	4.6%
Paradise	12,707	13,223	14,105	14,751	15,427	16,134	3,427	27%	1.1%
Unincorporated	39,181	40,772	42,852	45,038	47,335	49,749	10,568	27%	1.1%
<b>Total County</b>	<b>93,383</b>	<b>99,655</b>	<b>109,010</b>	<b>118,271</b>	<b>127,384</b>	<b>137,266</b>	<b>43,883</b>	<b>47%</b>	<b>2.0%</b>

\*Source: Department of Finance

### Employment Projections

Jurisdiction	2006	2010	2015	2020	2025	2030
Butte County	88,714	92,181	98,109	103,487	114,646	123,539

Note: 2006 estimate based on ratio of 0.95 jobs/housing unit ratio

This ratio decreases to 0.925 for 2010, 0.90 for 2015 and 0.875 for 2020

to reflect anticipated bedroom community effect in southern portion of county

The ratio then increases to 0.90 for 2025 and 2030

**Chico Housing and Population Growth Projections 2006 - 2030**

Year	Total Housing Units (HU's)	Annual Increase in HU's	Annual Housing Unit Growth Percentage (Compound)	Total Population	Annual New Population Due to New Consx	Annual Population Growth Percentage	Ave Persons Per HU**
2006*	32,864	--	--	79,091	--	--	2.4066
2007	33,521	657	2.00%	80,672	1,581	2.00%	2.4066
2008	34,192	670	2.00%	82,286	1,613	2.00%	2.4066
2009	34,876	684	2.00%	83,931	1,646	2.00%	2.4066
2010	35,573	698	2.00%	85,610	1,679	2.00%	2.4066
2011	36,285	711	2.00%	87,322	1,712	2.00%	2.4066
2012	37,010	726	2.00%	89,069	1,746	2.00%	2.4066
2013	37,750	740	2.00%	90,850	1,781	2.00%	2.4066
2014	38,505	755	2.00%	92,667	1,817	2.00%	2.4066
2015	39,276	770	2.00%	94,520	1,853	2.00%	2.4066
2016	40,061	786	2.00%	96,411	1,890	2.00%	2.4066
2017	40,862	801	2.00%	98,339	1,928	2.00%	2.4066
2018	41,679	817	2.00%	100,306	1,967	2.00%	2.4066
2019	42,513	834	2.00%	102,312	2,006	2.00%	2.4066
2020	43,363	850	2.00%	104,358	2,046	2.00%	2.4066
2021	44,231	867	2.00%	106,445	2,087	2.00%	2.4066
2022	45,115	885	2.00%	108,574	2,129	2.00%	2.4066
2023	46,018	902	2.00%	110,746	2,171	2.00%	2.4066
2024	46,938	920	2.00%	112,961	2,215	2.00%	2.4066
2025	47,877	939	2.00%	115,220	2,259	2.00%	2.4066
2026	48,834	958	2.00%	117,524	2,304	2.00%	2.4066
2027	49,811	977	2.00%	119,875	2,350	2.00%	2.4066
2028	50,807	996	2.00%	122,272	2,397	2.00%	2.4066
2029	51,823	1016	2.00%	124,718	2,445	2.00%	2.4066
2030	52,860	1036	2.00%	127,212	2,494	2.00%	2.4066
<b>Total</b>		19,996			48,121		

\*Source: Department of Finance 1/1/06 Estimate

\*\*Source: Calculated by dividing 2006 DOF total population by 2006 DOF total housing units

Note: Projections do not take into account annexations

**Oroville Housing and Population Growth Projections 2006 - 2030**

Year	Housing Units	Annual Increase in HU's	Annual Housing Unit Growth Percentage (Compound)	Total Population	Annual New Population Due to New Consx	Annual Population Growth Percentage	Ave Persons Per HU**
2006*	5,785	--	--	13,550	--	--	2.3423
2007	5,901	116	2.00%	13,821	271	2.00%	2.3423
2008	6,137	236	4.00%	14,374	553	4.00%	2.3423
2009	6,382	245	4.00%	14,949	575	4.00%	2.3423
2010	6,701	319	5.00%	15,696	747	5.00%	2.3423
2011	7,036	335	5.00%	16,481	785	5.00%	2.3423
2012	7,388	352	5.00%	17,305	824	5.00%	2.3423
2013	7,758	369	5.00%	18,171	865	5.00%	2.3423
2014	8,145	388	5.00%	19,079	909	5.00%	2.3423
2015	8,553	407	5.00%	20,033	954	5.00%	2.3423
2016	8,895	342	4.00%	20,834	801	4.00%	2.3423
2017	9,251	356	4.00%	21,668	833	4.00%	2.3423
2018	9,528	278	3.00%	22,318	650	3.00%	2.3423
2019	9,814	286	3.00%	22,987	670	3.00%	2.3423
2020	10,010	196	2.00%	23,447	460	2.00%	2.3423
2021	10,211	200	2.00%	23,916	469	2.00%	2.3423
2022	10,415	204	2.00%	24,394	478	2.00%	2.3423
2023	10,623	208	2.00%	24,882	488	2.00%	2.3423
2024	10,835	212	2.00%	25,380	498	2.00%	2.3423
2025	11,052	217	2.00%	25,888	508	2.00%	2.3423
2026	11,273	221	2.00%	26,405	518	2.00%	2.3423
2027	11,499	225	2.00%	26,933	528	2.00%	2.3423
2028	11,729	230	2.00%	27,472	539	2.00%	2.3423
2029	11,963	235	2.00%	28,021	549	2.00%	2.3423
2030	12,203	239	2.00%	28,582	560	2.00%	2.3423
<b>Total</b>		6,418			15,032		

\*Source: Department of Finance 1/1/06 Estimate

\*\*Source: Calculated by dividing 2006 DOF total population by 2006 DOF total housing units

Note: Projections do not take into account annexations

**Gridley Housing and Population Growth Projections 2006 - 2030**

Year	Housing Units	Annual Increase in HU's	Annual Housing Unit Growth Percentage (Compound)	Total Population	Annual New Population Due to New Consx	Annual Population Growth Percentage	Ave Persons Per HU**
2006*	2,224	--	--	5,949	--	--	2.6749
2007	2,335	111	5.00%	6,246	297	5.00%	2.6749
2008	2,452	117	5.00%	6,559	312	5.00%	2.6749
2009	2,575	123	5.00%	6,887	328	5.00%	2.6749
2010	2,703	129	5.00%	7,231	344	5.00%	2.6749
2011	2,838	135	5.00%	7,593	362	5.00%	2.6749
2012	2,980	142	5.00%	7,972	380	5.00%	2.6749
2013	3,129	149	5.00%	8,371	399	5.00%	2.6749
2014	3,286	156	5.00%	8,789	419	5.00%	2.6749
2015	3,417	131	4.00%	9,141	352	4.00%	2.6749
2016	3,554	137	4.00%	9,507	366	4.00%	2.6749
2017	3,696	142	4.00%	9,887	380	4.00%	2.6749
2018	3,807	111	3.00%	10,183	297	3.00%	2.6749
2019	3,921	114	3.00%	10,489	306	3.00%	2.6749
2020	4,039	118	3.00%	10,804	315	3.00%	2.6749
2021	4,120	81	2.00%	11,020	216	2.00%	2.6749
2022	4,202	82	2.00%	11,240	220	2.00%	2.6749
2023	4,286	84	2.00%	11,465	225	2.00%	2.6749
2024	4,372	86	2.00%	11,694	229	2.00%	2.6749
2025	4,459	87	2.00%	11,928	234	2.00%	2.6749
2026	4,548	89	2.00%	12,167	239	2.00%	2.6749
2027	4,639	91	2.00%	12,410	243	2.00%	2.6749
2028	4,732	93	2.00%	12,658	248	2.00%	2.6749
2029	4,827	95	2.00%	12,911	253	2.00%	2.6749
2030	4,923	97	2.00%	13,170	258	2.00%	2.6749
<b>Total</b>		2,699			7,221		

\*Source: Department of Finance 1/1/06 Estimate

\*\*Source: Calculated by dividing 2006 DOF total population by 2006 DOF total housing units

Note: Projections do not take into account annexations



**Paradise Housing and Population Growth Projections 2006 - 2030**

Year	Housing Units	Annual Increase in HU's	Annual Housing Unit Growth Percentage (Compound)	Total Population	Annual New Population Due to New Consx	Annual Population Growth Percentage	Ave Persons Per HU**
2006*	12,707	--	--	26,516	--	--	2.0867
2007	12,821	114	0.90%	26,754	238	0.90%	2.0867
2008	12,937	115	0.90%	26,995	241	0.90%	2.0867
2009	13,053	116	0.90%	27,238	243	0.90%	2.0867
2010	13,223	170	1.30%	27,592	354	1.30%	2.0867
2011	13,395	172	1.30%	27,951	359	1.30%	2.0867
2012	13,569	174	1.30%	28,314	363	1.30%	2.0867
2013	13,745	176	1.30%	28,682	368	1.30%	2.0867
2014	13,924	179	1.30%	29,055	373	1.30%	2.0867
2015	14,105	181	1.30%	29,433	378	1.30%	2.0867
2016	14,232	127	0.90%	29,698	265	0.90%	2.0867
2017	14,360	128	0.90%	29,965	267	0.90%	2.0867
2018	14,489	129	0.90%	30,235	270	0.90%	2.0867
2019	14,620	130	0.90%	30,507	272	0.90%	2.0867
2020	14,751	132	0.90%	30,781	275	0.90%	2.0867
2021	14,884	133	0.90%	31,058	277	0.90%	2.0867
2022	15,018	134	0.90%	31,338	280	0.90%	2.0867
2023	15,153	135	0.90%	31,620	282	0.90%	2.0867
2024	15,290	136	0.90%	31,905	285	0.90%	2.0867
2025	15,427	138	0.90%	32,192	287	0.90%	2.0867
2026	15,566	139	0.90%	32,481	290	0.90%	2.0867
2027	15,706	140	0.90%	32,774	292	0.90%	2.0867
2028	15,847	141	0.90%	33,069	295	0.90%	2.0867
2029	15,990	143	0.90%	33,366	298	0.90%	2.0867
2030	16,134	144	0.90%	33,667	300	0.90%	2.0867
<b>Total</b>		3,427			7,151		

\*Source: Department of Finance 1/1/06 Estimate

\*\*Source: Calculated by dividing 2006 DOF total population by 2006 DOF total housing units

Note: Projections do not take into account annexations

**Biggs Housing and Population Growth Projections 2006 - 2030**

Year	Housing Units	Annual Increase in HU's	Annual Housing Unit Growth Percentage (Compound)	Total Population	Annual New Population Due to New Consx	Annual Population Growth Percentage	Ave Persons Per HU**
2006*	622	--	--	1,780	--	--	2.8617
2007	631	9	1.50%	1,807	27	1.50%	2.8617
2008	647	16	2.50%	1,852	45	2.50%	2.8617
2009	663	16	2.50%	1,898	46	2.50%	2.8617
2010	683	20	3.00%	1,955	57	3.00%	2.8617
2011	704	20	3.00%	2,014	59	3.00%	2.8617
2012	725	21	3.00%	2,074	60	3.00%	2.8617
2013	750	25	3.50%	2,147	73	3.50%	2.8617
2014	776	26	3.50%	2,222	75	3.50%	2.8617
2015	807	31	4.00%	2,311	89	4.00%	2.8617
2016	848	40	5.00%	2,426	116	5.00%	2.8617
2017	899	51	6.00%	2,572	146	6.00%	2.8617
2018	971	72	8.00%	2,778	206	8.00%	2.8617
2019	1,029	58	6.00%	2,944	167	6.00%	2.8617
2020	1,070	41	4.00%	3,062	118	4.00%	2.8617
2021	1,102	32	3.00%	3,154	92	3.00%	2.8617
2022	1,135	33	3.00%	3,249	95	3.00%	2.8617
2023	1,169	34	3.00%	3,346	97	3.00%	2.8617
2024	1,204	35	3.00%	3,446	100	3.00%	2.8617
2025	1,234	30	2.50%	3,533	86	2.50%	2.8617
2026	1,265	31	2.50%	3,621	88	2.50%	2.8617
2027	1,297	32	2.50%	3,711	91	2.50%	2.8617
2028	1,329	32	2.50%	3,804	93	2.50%	2.8617
2029	1,363	33	2.50%	3,899	95	2.50%	2.8617
2030	1,397	34	2.50%	3,997	97	2.50%	2.8617
<b>Total</b>		775			2,217		

\*Source: Department of Finance 1/1/06 Estimate

\*\*Source: Calculated by dividing 2006 DOF total population by 2006 DOF total housing units

Note: Projections do not take into account annexations

**Unincorporated Butte County Housing and Population  
Growth Projections 2006 - 2030**

Year	Housing Units	Annual Increase in HU's	Annual Housing Unit Growth Percentage (Compound)	Total Population	Annual New Population Due to New Consx	Annual Population Growth Percentage	Ave Persons Per HU**
2006*	39,181	--	--	90,323	--	--	2.3053
2007	39,573	392	1.00%	91,227	904	1.00%	2.3053
2008	39,969	396	1.00%	92,139	912	1.00%	2.3053
2009	40,368	400	1.00%	93,061	921	1.00%	2.3053
2010	40,772	404	1.00%	93,991	931	1.00%	2.3053
2011	41,180	408	1.00%	94,931	940	1.00%	2.3053
2012	41,591	412	1.00%	95,881	949	1.00%	2.3053
2013	42,007	416	1.00%	96,840	959	1.00%	2.3053
2014	42,427	420	1.00%	97,808	968	1.00%	2.3053
2015	42,852	424	1.00%	98,786	978	1.00%	2.3053
2016	43,280	429	1.00%	99,774	988	1.00%	2.3053
2017	43,713	433	1.00%	100,772	998	1.00%	2.3053
2018	44,150	437	1.00%	101,779	1,008	1.00%	2.3053
2019	44,592	442	1.00%	102,797	1,018	1.00%	2.3053
2020	45,038	446	1.00%	103,825	1,028	1.00%	2.3053
2021	45,488	450	1.00%	104,863	1,038	1.00%	2.3053
2022	45,943	455	1.00%	105,912	1,049	1.00%	2.3053
2023	46,402	459	1.00%	106,971	1,059	1.00%	2.3053
2024	46,866	464	1.00%	108,041	1,070	1.00%	2.3053
2025	47,335	469	1.00%	109,121	1,080	1.00%	2.3053
2026	47,808	473	1.00%	110,212	1,091	1.00%	2.3053
2027	48,286	478	1.00%	111,315	1,102	1.00%	2.3053
2028	48,769	483	1.00%	112,428	1,113	1.00%	2.3053
2029	49,257	488	1.00%	113,552	1,124	1.00%	2.3053
2030	49,749	493	1.00%	114,687	1,136	1.00%	2.3053
<b>Total</b>		10,568			24,364		

\*Source: Department of Finance 1/1/06 Estimate

\*\*Source: Calculated by dividing 2006 DOF total population by 2006 DOF total housing units

Note: Projections do not take into account annexations

## APPENDIX C

### REGIONAL GUIDING PRINCIPLES

The list of Regional Guiding Principles below was developed through the City/Town/County Planning Directors group in an effort to better coordinate the various General Plan updates that were being developed concurrently. The Regional Guiding Principles are intended to serve as general concepts that are common to all jurisdictions in Butte County, and should be incorporated into each General Plan update as they occur.

The Regional Guiding Principles can provide a regional framework to better guide growth and development on a regional, or macro, level and will ensure a consistent unifying theme between the many General Plan updates. Principles and guidelines specific to each jurisdiction will be developed as individual General Plan updates move forward.

No single Guiding Principle should be viewed independently, but instead all of the principles should be considered together as a framework for providing checks and balances for meeting the needs of a growing population while continuing to preserve and enhance the many resources that help define our unique identity.

- **Cultural Resources** – Identify, protect and celebrate cultural resources.
- **Natural Resources and Environment** –Conserve, enhance and protect natural resources and unique natural environments.
- **Employment Activity and Economic Development** – Ensure that adequate sites are available for commercial and industrial development and that there is a comprehensive proactive strategy for job creation and retention.
- **Housing-Jobs Balance** –Maintain a housing-jobs balance to avoid sprawl, shorten vehicle commute lengths, strengthen communities and provide an improved quality of life for area residents.
- **Range of Housing Choices** – Provide a range of housing opportunities affordable to low, middle and upper income families in a variety of densities.
- **Transportation and Circulation** – Enhance and strengthen local and regional multi-modal transportation systems to ensure the safe and efficient movement of people and goods within and through the region.
- **Agriculture** – Maintain, protect, promote and enhance agriculture which is an important component of the region’s economy and lifestyle.

- **Growth within Spheres of Influence** - Focus future growth in the region within city Sphere of Influence boundaries where infrastructure and services are more readily available and more compact urban forms can be realized, discouraging sprawl, traffic congestion and air pollution.
- **City, Community and Neighborhood Identity** – Maintain and enhance the unique identities of the region’s cities, unincorporated communities and neighborhoods.
- **Surface and Ground Water Quality** – Protect the water quality in the region’s creeks, rivers, lakes and aquifers.
- **Airports** – Protect airports to allow for future expansion of these facilities and their continued safe operation within communities.
- **Regional Recreation and Parks** – Encourage zoning for and development of parks and open space to maintain and encourage a healthy and active population.
- **Regional Cooperation** – Strengthen relationships and planning efforts with neighboring jurisdictions and special districts.
- **The Role of Downtown as the Heart of the Community** – Downtown areas play an important role in the social, as well as economic well being of communities. All incorporated cities and many unincorporated communities in the region are fortunate to have downtown areas that should be strengthened, enhanced and preserved.

## APPENDIX D

### HOUSING AND COMMUNITY DEVELOPMENT (HCD) LETTER OF DETERMINATION

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HPD

PAGE 02/05

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY

ARNO D SCHWARZENEGGER, Governor

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430  
P. O. Box 952053  
Sacramento, CA 94252-2053  
(916) 323-3177  
FAX (916) 327-2643



August 30, 2007

Mr. Jon Clark, Executive Director  
Butte County Association of Governments  
2580 Sierra Sunrise Terrace, Suite 100  
Chico, CA 95928-8441

Dear Mr. Clark:

**RE: Regional Housing Needs Determination**

This letter transmits the Regional Housing Needs Determination for Butte County Association of Governments (BCAG) region pursuant to Government Code Section 65584.01 of State housing element law. As you are aware, local governments play a critical role in advancing the State's housing goals through the update of their general plan housing elements. The determination of regional housing need is to be used for development of a regional housing need allocation plan (RHNP) to update housing elements.

On May 24, 2007, the Department of Housing and Community Development (Department) notified you that it extended the due date for jurisdictions to update their housing elements from June 30, 2009 to August 31, 2009. This extension was necessary to accommodate the Department of Finance's July 2007 update of the State's population projections.

The Department completed its consultation process after meeting with Chris Devine, Planning Manager on July 18, 2007. At this meeting, the Department provided a copy of its draft determination of the regional housing need. In addition, a briefing was given on applicable statutory requirements and changes relating to development of the distribution of the allocation and factors to be considered in the methodology of the RHNP. The Department informed representatives of the opportunity to provide comments and information for the Department to consider in finalizing its determination.

Attachment I represents the final determination of minimum housing need for BCAG to be allocated among cities and counties in the RHNP for the planning period 2007 – 2014. The RHNP is required to be consistent with the following objectives, as set forth in more detail in statute (Section 65584(d)):

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability;
- (2) Promoting infill development and socioeconomic equity, protection of environmental and agricultural resources, and encouragement of efficient development patterns;
- (3) Promoting an improved intraregional relationship between jobs and housing; and
- (4) Balancing the distribution of households by income category.

Mr. Jon Clark, Executive Director  
Page 2

Each jurisdiction must be allocated a share of housing need, by income category, to plan to accommodate in updating their housing elements by August 31, 2009. Regarding local government's regional housing need allocation, jurisdictions may take credit for housing units permitted since the January 2007 baseline of the housing element planning period that ends August 31, 2014.

Government Code Section 65584.01(d)(1) allows 30 days from the date of this letter to file an objection and proposed alternative to the Department's determination based only on demographic issues set forth in the statute. Pursuant to Government Code Section 65584.05 (h), the RHNP is to be submitted to the Department for review within 60 days of adoption by the council of governments. The Department is required to determine whether the RHNP is consistent with the regional housing need determination made by the Department (conveyed by this letter) and is authorized to revise the RHNP to obtain this consistency.

The Department appreciates the important role your organization plays in the regional housing needs process and the cooperation provided by representatives. Staff is available to further assist development and implementation of the RHNP and updates of the housing elements. For assistance, please contact Glen Campora, of our office, at (916) 327-2640.

Sincerely,



Cathy E. Creswell  
Deputy Director

Enclosures

**Attachment 1**  
**Regional Housing Need Determination**  
**Butte County**  
**For the Period January 2007 Through June 30, 2014**

<u>Income Category</u>	<u>Housing Unit Need</u>	<u>Percent</u>
Very Low	3,369	24
Low	2,272	16
Moderate	2,371	17
Above Moderate	<u>5,933</u>	<u>43</u>
Total	13,944	100%



## Attachment 2

**Explanation of Butte County Regional Housing Need Determination  
For the Period January 1, 2007 Through June 30, 2014**

Methodology, Assumptions, and Data Sources Used to Project Housing Unit Need:

1. Household (HH) growth (13,351) was derived by subtracting 1/1/2007 "Occupied Housing Units" (88,494) from 6/30/2014 "Projected Households" (101,845). The California Department of Finance (DOF) determines these figures. Occupied housing units are estimated by DOF in its E-5 report (Population and Housing Estimates for Cities, Counties and the State, 2001-2007, with 2000 Benchmark, May 2007). Population projections for 6/30/2014 are based on DOF's P-3 report (Population Projections by Race/Ethnicity, Gender and Age for California and Its Counties 2000-2050, July 2007). DOF 2014 projected HHs are derived using the cohort-component method by applying age- and ethnicity-specific HH formation ratios from Census 2000 to the projected population. Projected change in population (32,108) reflects the change between January 1, 2007 (218,069) through June 30, 2014 (250,177).
2. Homeowner and Renter households (HHs): allocation based on Census 2000 proportion of owner-occupied HHs (60.7%) held constant through projection period. Renter HHs reflect the difference in subtracting homeowner HHs from projected HH growth.
3. Vacancy allowance: rates of 1.8% (owner) and 5.0% (renter) reflect adjustments from standard targets of 2.0% and 6.0%, respectively, for current conditions. Standard targets identified by Office of Planning and Research, Economic Practices Manual (1984:37).
4. Replacement allowance: empirical demolition rate per housing unit averages .09% per year for 2001 through 2007 based on DOF demolition permit data (584 total demolition permits in Butte county, 2001-2007). The average rate is adjusted by a multiple of .2 to account for missing permits and use conversions not involving demolition. The adjusted rate is then multiplied by 7.5 (to derive percentage replacement over the entire planning period) to yield the 1.39% replacement allowance rate.
5. Income category allocation: each income category was calculated by multiplying total housing need by the proportion of HHs in each income category based on Butte County median income (Census 2000) and income definitions (Health and Safety Code Sections 50079.5 and 50105, et seq.).

Housing Unit Need Projection:

Household growth, Census 2000 headship rates (1)		13,351
Homeowner HHs (2)	60.7%	8,110
Homeowner HH vacancy allowance (3)	1.8%	146
Renter HHs	39.3%	5,241
Renter HHs vacancy allowance (3)	5.0%	262
	Subtotal	13,759
Replacement allowance (4)	1.39%	185
	Total	13,944

# APPENDIX E

## CALIFORNIA HOUSING PARTNERSHIP CORPORATION ASSISTED HOUSING UNITS SUMMARY

### Federally Assisted Multifamily Housing

#### Summary of Prepayment Eligible FHA Insured Mortgages and Expiring Section 8 Contracts

Butte County

Inventory	No. Projects	No. Units	Risk Assessment	No. Projects	No. Units
Section 8 only	10	448			
Sec. 236/221(d)(3) Mortgages w/ Sec. 8	4	376	At Risk	11	670
Sec. 236/221(d)(3) Mortgages - No Sec. 8	3	182	Lower Risk	2	62
Sec. 515 Mortgages w/ Sec. 8	1	62	Low Risk	3	216
Sec. 515 Mortgages & Rental Assistance	3	160	Lost To Conversion	5	280
Sec. 515 - No Rental Subsidy	0	0			
Type Unknown	0	Unknown			
<b>Total Federally Assisted</b>	<b>21</b>	<b>1,228</b>	<b>Preserved</b>	<b>21</b>	<b>1,228</b>
<b>Total Section 8</b>	<b>15</b>	<b>819</b>	Preserved	5	430
<b>Total Sec. 236/221(d)(3) Mortgages</b>	<b>7</b>	<b>558</b>			
<b>Total Sec. 515 Mortgages</b>	<b>4</b>	<b>222</b>			

*At Risk indicates that a property may convert to market rate within 5 years.  
Lower Risk indicates that a property may convert to market rate in 5 - 10 years.  
Low Risk indicates that a property cannot convert to market rate for at least 10 years.*

*\* Non-profit ownership of a property reduces its risk level (i.e., a property owned by a non-profit entity will be classified as Lower Risk if it may convert within 3 years.*

Section 8 Expirations by Year		Mortgages Prepaid by Year		Section 8 Opt-Outs by Year	
1997-2004	245	1996	0	1996	0
2005	267	1997	0	1997	0
2006	49	1998	2	1998	0
2007	18	1999	0	1999	0
2008	0	2000	2	2000	1
2009	0	2001	0	2001	1
2010	0	2002	0	2002	0
2011	0	2003	0	2003	1
2012	0	2004	0	2004	0
2013	0	2005	0	2005	0
2014-later	240	<b>Total</b>	<b>4</b>	<b>Total</b>	<b>3</b>
<b>Total Units</b>	<b>819</b>				<b>77</b>

*All Section 236 and 221 (d)(3) mortgages were eligible for prepayment beginning in 1996.*

Prepared by: California Housing Partnership Corporation  
 Prepared: February 14, 2006  
 Sources: U.S. Department of Housing and Urban Development, U.S. Department of Agriculture, California Housing Partnership Corporation  
 Note: Risk assessment is a subjective classification developed by CHPC based on available HUD data. Assessments are intended to help target preservation efforts, but are not necessarily a reliable predictor of a project's likelihood of market-rate conversion.  
 The information contained herein is intended only for the use of the individual or entity named as the recipient. You are hereby notified that any dissemination, copy or disclosure of this information is prohibited without the express written consent of the Executive Director of the California Housing Partnership Corporation. If you have any questions about this policy, please contact Elyse Perry at CHPC at 415-433-9804 x13 or via email at eperry@chpc.net.

## **APPENDIX F**

### **TRANSFER OF ALLOCATIONS BETWEEN JURISDICTIONS FOLLOWING FINAL ADOPTION OF THE RHNP**

California Government Code Section 65584.07 sets forth specific provisions under which BCAG is required to reduce the share of the regional housing needs of a county. This reduction applies only to transfers agreed to between a county and a city after the adoption by BCAG of the Final RHNP.

Section 65584.07(a) states:

“During the period between adoption of a final regional housing needs allocation until the due date of the housing element update pursuant to Section 65588, the council of governments, or the department, whichever assigned the county's share, shall reduce the share of regional housing needs of a county if all of the following conditions are met:

- (1) One or more cities within the county agree to increase its share or their shares in an amount equivalent to the reduction.
- (2) The transfer of shares shall only occur between a county and cities within that county.
- (3) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.
- (4) The council of governments or the department, whichever assigned the county's share, shall approve the proposed reduction, if it determines that the conditions set forth in paragraphs (1), (2), and (3) above have been satisfied. The county and city or cities proposing the transfer shall submit an analysis of the factors and circumstances, with all supporting data, justifying the revision to the council of governments or the department. The council of governments shall submit a copy of its decision regarding the proposed reduction to the department.”