
FINAL
Butte County
Regional Housing Needs Plan
January 1, 2001 – July 1, 2008

Prepared by:
Butte County Association of Governments
ADOPTED
January 23, 2003



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Resolution #2002/03-13

**RESOLUTION OF THE BUTTE COUNTY ASSOCIATION OF GOVERNMENTS
ADOPTING THE BUTTE COUNTY ASSOCIATION OF GOVERNMENTS REGIONAL
HOUSING NEEDS PLAN**

WHEREAS, Cities and Counties are required by State Law to prepare and adopt a general plan with a housing element that addresses the need to attain housing goals; and

WHEREAS, Government Code Section 65580 directs each City and County to address the housing needs of all segments of the community in the housing element of its general plan; and

WHEREAS, Government Code Section 65584 directs Councils of Governments to prepare regional housing needs plans, and requires that regional housing needs determinations make allocations specific to jurisdictions, including consideration of housing needs of all income levels;

NOW THEREFORE BE IT RESOLVED that the Butte County Association of Governments Regional Housing Needs Plan responds to State guidelines by identifying:

1. Existing and projected housing need within the Butte County Region during the time period January 1, 2001 to July 1, 2008; and
2. Projected housing need among jurisdictions; and
3. Projected housing need by income group among jurisdictions; and
4. Other factors as required by statute.

BE IT FURTHER RESOLVED that the Butte County Association of Governments does hereby approve and adopt the Butte County Regional Housing Needs Plan.

BCAG Resolution 2002/03-13

PASSED AND ADOPTED by the Butte County Association of Governments on this 23rd day of January 2003 by the following vote:

AYES: Houx, Yamaguchi, Beeler, Josiassen, Dolan, Jarvis, Andoe, White

NOES: 0

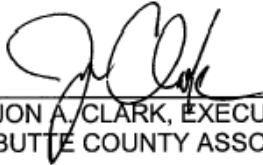
ABSENT: Cook, Markle

ABSTAIN: 0



GORDON ANDOE, CHAIR
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS

ATTEST:



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

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 (2001-2008) 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 Twenty-Nine, page twenty-eight, 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 Seventeen through Twenty-Eight indicate how the allocation in Table Twenty-Nine was developed, and Appendix A includes supplemental data and information used in the allocation process. Appendix B contains the complete text of state law relating to regional housing needs plans, Appendix C addresses the policy for RHNP redistribution upon annexation or incorporation, and Appendix D contains letters received by BCAG from member jurisdictions expressing concern over HCD’s RHNP process.

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.

BCAG staff would like to express our concerns with the RHNP process, specifically the countywide allocation of housing units as provided by the State Department of Housing and Community Development (HCD) to BCAG for the development of the RHNP. Our concerns center around the fact that the countywide allocation of housing units that were provided by HCD for Butte County were very high and generally not reflective of the growth trends that Butte County and the incorporated Cities and Town have experience over the last 20 years.

HCD provided BCAG with two sets of housing unit numbers that BCAG could chose from to develop the RHNP, which covers a 7.5 year period: a “middle” housing unit number of 20,505, and a “low” housing unit number of 18,393.

To provide context, approximately 10,700 housing units were constructed in Butte County during the 11-year period from 1990 to 2000. As might be expected, this has raised much concern from City, County and Town planners who must use their RHNP allocation to develop their General Plan Housing Element updates next year.

Butte County is not alone in facing unrealistically high allocations by HCD, as most counties and COG’s statewide have faced the same problem, resulting in several agencies taking up lawsuits against HCD.

BCAG staff, along with staff from Butte County Development Services, met with the Deputy Director and staff members of HCD for a special meeting to address BCAG and County concerns regarding the unrealistically high allocation of housing units, as well as to address several methodological concerns with HCD’s calculation of the allocation. At this meeting, HCD held steadfast to their methodology and would not consider reducing Butte County’s allocation.

BCAG staff, as well as City and County planning staff have come to a point where we realize that we must work within the confines of the RHNP process as set up by the State. Thus, we have developed a final RHNP that all member jurisdictions are reasonably comfortable with in light of the overall high allocations. This RHNP is the result of numerous meetings with City, Town and County planning staff, as well as the testing of six different methodologies.

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 in the housing market region in which it is located. Section 65584 of the Government Code specifies the considerations and procedure for determining what each jurisdiction's share of a region's housing needs should be. According to state law:

A locality's share of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a jurisdiction's general plan. The distribution of regional housing needs shall, based on available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, and the housing needs of farm-workers. The distribution shall seek to avoid further impactation of localities with relatively high proportions of lower income households.

Although state law includes the availability of suitable sites and public facilities among the criteria for apportioning a region's housing needs, the application of these criteria should not be used as a pretext for reducing a jurisdiction's share based on past land use or planning practices which have limited the availability of sites or public facilities for new development. The methodology in this plan must recognize that there may be legitimate environmental or other barriers that could constrain a jurisdiction from designating suitable sites and planning for public facilities to meet its housing needs. BCAG must balance such an acknowledgement, however, against the affirmative responsibility that all local governments have under state law to plan for their share of the region's future housing needs, despite past policies that may affect their ability to do so.

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, 2001 through July 1, 2008 and totals 18,393 housing units (using HCD's "Low" range).

The adoption of a draft Housing Needs Plan by BCAG requires a ninety-day period during which the Cities and County will review and comment on the proposed plan. After this ninety-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 request a public hearing to discuss the revision of the draft plan. Such a request must be made within thirty days after BCAG's adoption of the plan. BCAG will then adopt a final housing allocation plan subsequent to the public hearing.

Once a 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 complete text of state law relating to regional housing need plans appears in Appendix B.

ASSUMPTIONS

The Regional Housing Needs Plan includes the following assumptions.

- Employment-generated population growth will represent about half of the countywide population growth according to a California Employment Development Department projection of a 6,000-job increase in Butte County between 1999 and 2006. A comparison of 1990 and 2000 U.S. Census data did not indicate significant shifts in the proportion of residents employed in different types of jobs in each community at that time.
- Historic patterns of population growth (1980-2000) will continue over the period covered by this plan, with the exception that areas of southern Butte County will see an increase in residential growth.
- The primary employment centers will continue to be Chico and Oroville, and employment generated housing demand will affect these two communities the most.
- Enrollment at California State University, Chico will remain relatively stable at its current enrollment of 16,700 students throughout the planning period. Enrollment is expected to decrease slightly during the 2002/03 academic year, and then climb back up gradually until it reaches the current level near the end of the plan period.
- The residence and commuting patterns of Butte College students will not change between 2001 and 2008. There is no information, either from Butte College or from a review of the 1990 or 2000 Census to suggest that the proportion of residents from each community attending Butte College has changed.
- The percentage of homeowners relative to renters will remain stable between 2001 and 2008.
- Renters and students will continue to have a higher percentage of lower-income households than the population at large. The percentage of student households who are low income will be substantially less than the percentage of students, however, because most students share living accommodations. Many students who share accommodations might qualify individually as low income but do not, in fact, live in low-income households.
- The Town of Paradise and many of the unincorporated areas of the County will be affected more by retirement and commuter-driven population growth than by employment generated population growth. Despite the fact that the percentage of population 65 years of age or more has decreased by 3.4% in Paradise between 1990 and 2000 (Table Thirty-One), it is expected that retirees will continue to locate in these areas.
- Allocations for the incorporated areas are intended for the incorporated boundaries only. This means that it is assumed that all incorporated Cities

and Town will only use their incorporated boundaries in the Housing Element updates of their General Plans

Employment Opportunities

BCAG’s determination of regional housing needs is required to consider employment opportunities.

An inadequate supply of available housing can impede economic growth by driving up the price of available housing, making it difficult for companies to attract new employees and resulting in a mismatch in the “jobs-housing balance”.

Table 1. Butte County Employment by Industry.

Industry	Number	Percent
Educational, health and social services	22,978	27.9%
Retail trade	10,840	13.2%
Arts, entertainment, recreation, accommodation and food services	7,618	9.2%
Manufacturing	6,098	7.4%
Professional, scientific, management, administrative, and waste management services	6,067	7.4%
Construction	5,226	6.3%
Other services (except public administration)	4,811	5.8%
Finance, insurance, real estate, and rental and leasing	4,412	5.4%
Public administration	3,764	4.6%
Transportation and warehousing, and utilities	3,344	4.1%
Agriculture, forestry, fishing and hunting, and mining	3,064	3.7%
Wholesale trade	2,368	2.9%
Information	1,813	2.2%

Source: 2000 U.S. Census

Butte County’s economic structure is defined by education, health, social services, retail trade, and related industries. These industries alone account for 41.1% of all employment in Butte County. The high percentage of educational employees is affected by the high number of employees at California State University, Chico and Butte Community College. Enloe, Feather River, and Oroville Hospitals are the primary health care employers in Butte County. Arts, entertainment, recreation, accommodation and food services account for an additional 9.2% of employment in Butte County.

Table 2. Largest Employers – Butte County.

Employer	Number of Employees
California State University, Chico	1,000 to 2,499
CSU, Chico Research Foundation, Inc.	1,000 to 2,499
Enloe Medical Center, Inc.	1,000 to 2,499
County of Butte	1,000 to 2,499
Oroville Hospital	1,000 to 2,499
Feather River Health Home Agency	500 to 999
Associated Students Bookstore	500 to 999
Lifetouch National Studios	500 to 999
Staff Resources Inc.	500 to 999
Butte Community College	250 to 499

Source: Center for Economic Development, CSU Chico
2002 Butte County Profile

Table 3. Butte County Employment/Unemployment Data.

Area Name	Labor Force	Employment	Unemployment	
			Number	Rate
South Oroville - CDP	2,750	2,260	490	18.0%
Gridley - City	2,090	1,800	290	14.0%
Thermalito - CDP	2,510	2,190	320	12.6%
Oroville - City	4,380	3,870	510	11.7%
Biggs - City	720	640	80	11.4%
Palermo - CDP	2,330	2,080	250	10.8%
Magalia - CDP	3,090	2,780	310	10.1%
Chico - City	23,060	21,330	1,730	7.5%
Oroville East - CDP	3,750	3,480	270	7.3%
Concow - CDP	470	440	30	7.1%
Paradise - Town	10,490	9,850	640	6.1%
Durham - CDP	2,890	2,780	110	3.9%
Butte County	89,300	82,400	6,900	7.7%
California	17,579,800	16,480,600	1,099,200	6.3%

Source: California Employment Development Department. Data Current as of July 1, 2002.

Many incorporated cities and Census Designated Places (CDP's) in Butte County have unemployment rates much higher than the statewide average in California. For

example, for the month of July, 2002, South Oroville CDP has the highest unemployment rate in Butte County at 18.0%, well above the California statewide average of 6.3%. Other cities and CDP's in Butte County that exceed the statewide average for unemployment include Gridley with 14.0%, Thermalito CDP with 12.6%, the City of Oroville with 11.7%, the City of Biggs with 11.4%, Palermo CDP with 10.8%, Magalia CDP with 10.1%, the City of Chico with 7.5%, Oroville East CDP with 7.3%, and Concow CDP with 7.1%. The only areas that fall under the statewide average of 6.3% are the Town of Paradise (6.1%) and Durham CDP (3.9%). Looking at unemployment on a countywide scale, Butte County as a whole averaged 7.7% unemployment for July 2002, which is not too far off the 6.3% statewide average.

Butte County and its cities are not currently experiencing any major shifts in the distribution or type of new job growth. Efforts by both the City of Chico and City of Oroville to attract additional manufacturing and high-tech-type jobs has had mixed results, and based on the data provided by EDD, has not had much impact on the overall employment picture in Butte County, which continues to be dominated by education, health care, retail, and food industry jobs (manufacturing jobs comprise only 7.7% of employment in Butte County compared with 50.3% for the other categories mentioned). The County of Butte is currently researching possible sites for future business and research parks to help attract higher paying manufacturing and high-tech type jobs, but it is not expected that these parks will come into fruition during the next 7.5 years covered by this plan. Thus, it is expected that past trends of job growth in Butte County will continue over the course of this plan.

Commuting Patterns

BCAG's determination of regional housing needs is required to consider commuting patterns. As previously noted, a "jobs-housing imbalance" refers to differential growth rates of jobs and housing. A mismatch forces families seeking affordable housing to move farther away from the communities in which they work.

Results from the 1990 U.S. Census indicate that 91.6% of Butte County's workforce was employed within the County (Table Four). Comparative data is not yet available from the 2000 U.S. Census.

Because employment patterns are expected to continue to be relatively unchanged over the 7.5-year period covered by this plan, commute patterns are also expected to continue with little change.

Category	Number	Percent
Total Workers	69,561	100.0%
Work In Butte County	63,743	91.6%
Work Outside Butte County	5,818	8.4%

At the time of the 1990 U.S. Census, mean travel time between home and work ranged between 14 and 19 minutes (Table Five), indicating that a majority of trips between home and work within the County were short or local trips (employees residing near their place of work). Available 2000 U.S. Census data indicates a fairly substantial percentage increase in mean travel time, particularly for residents in the Oroville and Chico area. This change is not likely due to a change in commute patterns, but rather is related to an increase in traffic congestion on area roadways.

Jurisdiction	Mean Travel Time to Work 1990	Mean Travel Time to Work 2000	Increase in Minutes 1990-2000	% Increase 1990-2000
Biggs	N/A	23	N/A	N/A
Chico	14.4	17.4	3	20.8%
Gridley	N/A	22.5	N/A	N/A
Oroville	14.5	19.7	5.2	35.9%
Paradise	19	22.4	3.4	17.9%
Butte County	17.7	20.9	3.2	18.1%

Source: 1990 and 2000 U.S. Census

Farmworkers

BCAG's determination of regional housing needs is required to consider the housing needs of farmworkers. Farmworkers provide an important contribution to the economy of Butte County. Agricultural production for 2000 employed over 3,000 people, with countywide agricultural production value totaling \$291.3 million. The ten leading crops identified by their 2000 dollar value are shown in Table Six.

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.

Farmworker characteristics are difficult to determine due to a lack of data regarding farmworkers. This deficiency is caused by several contributing factors, including limited English speaking abilities, low educational attainment levels, and a distrust of government agencies.

Regular or year-round farmworkers are defined by the Employment Development Department 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.

Commodity	\$ Mill.
Rice	112.3
Almonds	47.5
Walnuts, English	38.0
Plums, dried	31.1
Peaches, clingstone	7.1
Field crops	7.1
Nursery stock	6.0
Cattle and calves	5.7
Kiwifruit	5.2
Seed, rice	4.5

Source: Department of Finance

The 2000 Census estimates that there were approximately 3,000 workers employed in agriculture in Butte County (Table Seven). This figure includes farmers and members of their families who were unpaid, regular and seasonal hired domestic workers, and agricultural workers brought to California under contract from outside the United States.

Table 7. Farming Employment.

Jurisdiction	Farming Employment	Total Employment	Percent of Jurisdiction's Employment
Biggs	64	666	9.61%
Chico	644	27,463	2.34%
Gridley	227	1,849	12.28%
Oroville	91	4,119	2.21%
Paradise	79	9,763	0.81%
Unincorporated	1,898	38,543	4.92%
Butte County Total	3,003	82,403	3.64%

Source: 2000 U.S. Census. Farming Employment includes workers in farming, forestry, fisheries and hunting classifications.

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 calculated. Allocation of regular farmworker households are assumed to be included in the projected 2008 households shown in Table Seventeen, page twenty. Each city and county, however, should consider this category of need in individual housing elements.

Market Demand for Housing

BCAG's determination of regional housing needs is required to consider market demand for housing, including availability of suitable sites and public facilities, types and tenure of housing need, and loss of units contained in assisted housing development that changed to non-low-income uses.

Availability of Suitable Sites and Public Facilities

Measured in terms of vacancy rates, Butte County's housing stock has grown commensurately with growth in the number of households (Table Eight), with the exception of Chico where vacancy has dropped slightly from 1990 to 2000. The total housing stock includes the number of single and multi-family units. A household is defined as one or more persons occupying a housing unit.

Table 8. Butte County Household Growth Versus Housing Unit Growth.

JURISDICTION	HSHLDS 1990	HSHLDS 2000	HSG UNITS 1990	HSG UNITS 2000	VACANCY RATES 1990	VACANCY RATES 2000
Biggs	521	571	548	614	2.40%	12.30%
Chico	15,508	23,476	16,295	24,352	5.70%	4.40%
Gridley	1,719	1,841	1,810	1,986	6.80%	8.80%
Oroville	4,512	4,881	4,831	5,469	7.00%	14.00%
Paradise	11,045	11,591	11,633	12,319	5.50%	8.70%
Unincorporated	38,360	37,209	40,998	40,783	6.40%	7.30%
County Total	71,665	79,566	76,115	85,523	5.40%	7.30%

Source: 1990 and 2000 U.S. Census

Land supply for residential purposes is becoming increasingly constrained in Butte County and its Cities, however the RHNP must still reflect the 18,393 housing units provided by HCD. Over the last several years land supply has emerged as a critical issue concerning future growth in Butte County. Environmental constraints, endangered species critical habitat, impermeable lava cap geology and agricultural preservation are all factors that affect land supply available for development in Butte County. These factors will create challenges for the Cities, County and Town in developing Housing Elements for their General Plans.

Type and Tenure of Housing Need

The Department of Housing and Community Development (HCD) recommends consideration of several factors to determine the type and tenure of housing need, which are discussed in this section. Existing tenure characteristics are first presented in terms of numbers of renter and owner housing units (Table Nine), and distribution of housing units by type (Table Ten).

An assessment of housing problems is then presented as indicators of type and tenure of housing need. These housing problems include overcrowding (Table Eleven), overpayment (Tables Twelve and Thirteen), and substandard housing (Tables Fourteen through Sixteen).

Table 9. Butte County Housing Tenure Characteristics.

Jurisdiction	Owner Occupied Units	Renter Occupied Units	% Owner Occupied Units	% Renter Occupied Units	Owner Vacancy Rates	Rental Vacancy Rates
Biggs	425	146	74.40%	25.60%	4.10%	8.20%
Chico	9,486	13,990	40.30%	59.60%	1.80%	2.60%
Gridley	1,051	790	57.10%	42.90%	2.20%	6.60%
Oroville	2,082	2,799	42.70%	57.30%	3.70%	10.70%
Paradise	8,215	3,376	70.90%	29.10%	2.50%	6.20%
Unincorporated	27,077	10,129	72.80%	27.20%	N/A	N/A
County Total	48,336	31,230	60.70%	39.30%	2.10%	5.20%

Source: 2000 U.S. Census

Table 10. Distribution of Housing Units by Type.

Jurisdiction	Butte County	Biggs	Chico	Gridley	Oroville	Paradise	Uninc.
1-unit, detached	60.4%	82.4%	48.7%	80.1%	53.1%	69.0%	64.6%
1-unit, attached	2.8%	4.6%	3.9%	2.2%	2.5%	2.7%	2.1%
2 units	2.9%	2.9%	4.7%	3.3%	5.1%	2.4%	1.6%
3 or 4 units	6.1%	1.6%	11.9%	3.5%	9.1%	3.6%	3.1%
5 to 9 units	3.4%	0.8%	8.8%	1.7%	7.5%	0.8%	0.6%
10 to 19 units	2.2%	0.0%	5.4%	0.6%	4.1%	0.5%	0.6%
20 or more units	5.7%	0.0%	14.1%	4.8%	11.7%	1.1%	1.4%
Mobile home	16.1%	7.0%	2.4%	3.7%	6.5%	19.5%	25.2%
Boat, RV, van, etc.	0.5%	0.7%	0.2%	0.0%	0.5%	0.4%	0.8%

Source: 2000 U.S. Census

Incidence of Overcrowding

The U.S. Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 person per room are considered severely overcrowded.

As shown in Table Eleven, overcrowding occurs in approximately 6.1% of all housing units in the region. The Cities of Biggs and Gridley have the highest occurrence of overcrowding in the region; 12.8% of both jurisdictions' housing units are overcrowded.

Table 11. Occupants Per Room and Average HH Size.

Jurisdiction	Occupants Per Room						Average Household Size	
	1.00 or less		1.01 to 1.50		1.51 or More		Owner	Renter
	Total	Percent	Total	Percent	Total	Percent		
Biggs	500	87.3	48	8.4	25	4.4	3.11	3.23
Chico	22,139	94.7	638	2.7	597	2.6	2.52	2.35
Gridley	1,628	87.2	131	7	108	5.8	2.9	2.8
Oroville	4,523	92.5	205	4.2	162	3.3	2.4	2.57
Paradise	11,176	96.6	255	2.2	140	1.2	2.23	2.21
Unincorp.	34,780	93.5	1,429	3.8	1,082	2.9	N/A	N/A
County Total	74,746	93.9	2,706	3.4	2,114	2.7	2.48	2.48

Source: 2000 U.S. Census

Housing Affordability Indicators

Affordability of housing may be quantified in terms of the percentage of the gross household income a household spends for housing. Housing is considered affordable if a household spends less than 30 percent of its gross household income on housing costs.

Tables Twelve and Thirteen display housing costs in the region as a percentage of household income, for both owners and renters. Overpayment occurs in approximately 26.2 percent of all owner occupied housing units in the region, and in approximately 48.9 percent of all renter occupied units.

Table 12. Monthly Owner Costs as a percentage of Household Income.

Jurisdiction	Less than 15.0%	15.0 to 19.9%	20.0% to 24.9%	25.0 to 29.9%	30.0 to 34.9%	35.0% or more
Biggs	26.0%	13.8%	15.8%	10.2%	8.9%	23.7%
Chico	31.1%	16.8%	13.7%	11.4%	7.8%	19.0%
Gridley	33.0%	16.8%	8.3%	10.9%	5.2%	25.5%
Oroville	29.1%	16.7%	13.3%	10.6%	7.0%	21.9%
Paradise	35.0%	16.3%	14.4%	9.5%	5.5%	18.4%
Unincorp.	36.1%	14.9%	12.3%	9.9%	6.9%	18.9%
County Total	34.1%	15.7%	13.0%	10.3%	6.9%	19.3%

Source: 2000 U.S. Census

Table 13. Monthly Rent as a Percentage of Household Income.

Jurisdiction	Less than 15.0%	15.0 to 19.9%	20.0% to 24.9%	25.0 to 29.9%	30.0 to 34.9%	35.0% or more
Biggs	18.7%	19.4%	9.4%	10.1%	12.9%	19.4%
Chico	10.2%	9.8%	11.6%	9.3%	8.2%	46.1%
Gridley	16.2%	10.8%	5.6%	8.4%	10.8%	47.6%
Oroville	13.8%	9.5%	11.5%	10.4%	8.3%	39.8%
Paradise	10.7%	13.2%	9.9%	8.0%	7.9%	42.8%
Unincorp.	24.1%	10.5%	12.4%	9.8%	7.7%	35.5%
County Total	12.3%	10.4%	11.5%	9.4%	8.1%	41.8%

Source: 2000 U.S. Census

Indicators of Housing Stock Conditions

Substandard housing may be defined as a lack of adequate kitchen, toilet, heat, or plumbing facilities. Tables Fourteen through Sixteen display housing stock condition indicators in the region as a percentage of those units lacking complete plumbing facilities and complete kitchen facilities, for both owners and renters. In particular, the percentage of units built before 1960 can serve as an indicator of the housing stock condition of a jurisdiction, and an estimate of rehabilitation need.

Approximately 26.2 percent of all housing units in the region were constructed before 1960, however wide disparities are noted. Only 24.0 percent of Chico's housing stock was constructed prior to 1960, as opposed to Gridley's 44.2 percent .

Table 14. Year Structure Built.

Jurisdiction	1999 to March 2000	1995 to 1998	1990 to 1994	1980 to 1989	1970 to 1979	1960 to 1969	1940 to 1959	1939 or Earlier
Biggs	1.10%	2.60%	5.50%	12.40%	24.10%	18.20%	20.80%	15.10%
Chico	3.10%	7.40%	13.90%	20.60%	20.20%	10.60%	14.30%	9.70%
Gridley	1.10%	3.70%	2.70%	10.80%	15.70%	11.90%	37.20%	17.00%
Oroville	0.10%	3.80%	5.60%	10.30%	20.20%	19.20%	26.40%	14.30%
Paradise	1.10%	3.20%	5.10%	15.20%	27.60%	18.90%	23.50%	5.20%
County Total	1.60%	4.70%	9.60%	18.30%	25.30%	14.10%	18.20%	8.00%

Source: 2000 U.S. Census

Table 15. House Heating Fuel.

Jurisdiction	Utility Gas	Bottled, Tank, or LP Gas	Electricity	Fuel Oil, Kerosene, etc.	Coal	Wood	Solar Energy	Other Fuel	No Fuel Used
Biggs	87.8%	0.9%	7.2%	0.0%	0.0%	3.5%	0.0%	0.7%	0.0%
Chico	66.3%	1.1%	30.1%	0.0%	0.0%	2.1%	0.0%	0.2%	0.2%
Gridley	76.7%	1.4%	16.2%	0.0%	0.0%	5.2%	0.0%	0.4%	0.0%
Oroville	69.4%	2.1%	24.5%	0.1%	0.0%	3.3%	0.0%	0.1%	0.4%
Paradise	72.8%	4.5%	11.4%	0.0%	0.0%	10.9%	0.0%	0.3%	0.1%
County Tot.	56.3%	9.8%	21.4%	0.3%	0.0%	11.5%	0.0%	0.5%	0.2%

Source: 2000 U.S. Census

Table 16. Select Housing Characteristics.

Jurisdiction	Lacking Complete Plumbing	Lacking Complete Kitchen Facilities	Lacking Telephone Service
Biggs	0.5%	0.7%	3.3%
Chico	0.5%	0.9%	0.7%
Gridley	0.0%	0.9%	2.5%
Oroville	0.8%	1.9%	5.6%
Paradise	0.3%	0.5%	1.0%
Unincorp.	0.7%	0.7%	2.1%
County Total	0.5%	0.8%	1.8%

Source: 2000 U.S. Census

Loss of Units Contained in Assisted Housing Developments that Changed to Non-Low Income Use.

Assisted housing developments are multi-family rental housing 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 prepayment, or other expiring use restrictions.

BCAG does not expect any assisted housing developments to change to market rate housing during the timeframe covered by this plan.

REGIONAL HOUSING NEEDS DETERMINATION - METHODOLOGY

The methodology for the housing needs allocation can essentially be broken down into two phases: the allocation of housing units by jurisdiction, and the allocation of housing units by income group.

Allocation of Housing Units by Jurisdiction

The first phase involved distributing the countywide housing allocation provided by HCD (Table Seventeen), among BCAG's six member jurisdictions. Several sources of data were used to develop this allocation, including member jurisdiction General Plans, and building permit data from 1980-2000.

The first step involved determining whether to use HCD's "low" or "middle" housing unit goals for the Plan. HCD generated two sets of numbers that could be used in the Regional Housing Needs Plan: a low allocation of 18,393 units, and a middle allocation of 20,505 units. Because BCAG member jurisdictions felt that both the "low" and "middle" ranges were unrealistically high, BCAG opted to use the "low" range of housing units as shown in Table 17.

Table 17. Butte County Regional Housing Needs Determination January 2001- July 2008.

Income Group	Housing Units
Very Low	4,966 (27%)
Low	3,495 (19%)
Moderate	2,391 (13%)
Above Moderate	7,541 (41%)
Total	18,393 (100%)

Source: California Department of Housing and Community Development.

The second step was to separate out from HCD's countywide housing need determination, the number of replacement units needed. According to HCD, of the 18,393 units to be planned for over the next 7.5 years, 1,386 units will go towards replacing dilapidated housing (Table Eighteen). This is based on a removal rate of 0.2% per year, as estimated by HCD.

The third step was 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.

This was accomplished by first identifying historic growth rates from 1980-2000, which was developed by Economic Planning Systems (EPS). EPS is a subconsultant for Fehr & Peers Associates, who are currently under contract with BCAG to update BCAG’s Regional Travel Demand Model. EPS is responsible for developing land use and socio-economic forecasts for BCAG’s Travel Demand Model out to the year 2025. EPS calculated housing unit, population, and employment projections for Butte County jurisdictions using building permit data from 1980 to 2000

Component	Housing Units
Household Increase	17,007
Replacement Housing Need	1,386
Total	18,393

In order to calculate the projections, EPS began with the housing unit stock in Butte County in 1980 as recorded by the 1980 Census. To calculate a housing unit growth rate, EPS then examined the number of residential building permits issued for all jurisdictions within Butte County. It was assumed that building permit statistics submitted by each jurisdiction accurately captured the number of single and multifamily units constructed in each jurisdiction.

Adding the 1980 housing unit data and 20 years of building permit data gave an estimated number of units for the year 2000. The annual growth rate was then calculated using the exponential growth formula:

$$1980DU's (x)^{21} = 2000 DU's$$

where *x* is the estimated annual growth rate in units constructed.

As a result of the annexation history of portions of the unincorporated area over the years, totals for the Town of Paradise and the Unincorporated County are combined for all projections. This is because Paradise was not an independent jurisdiction until the early 1980’s. Units that were once considered part of the unincorporated county are now counted as units in Paradise, thus drastically modifying the apparent growth rates of the unincorporated County as reflected in the 1980 counts.

The average annual growth rates from 1980-2000 as developed by EPS are detailed in Table Nineteen below.

Table 19. EPS Annual Average Growth Rates 1980-2000

EPS Annual Average Growth Rates 1980-2000	
Jurisdiction	Growth Rate
City of Biggs	0.8%
City of Chico	3.0%
City of Gridley	1.0%
City of Oroville	0.9%
Town of Paradise	1.2%
Unincorporated	1.2%
County Total	1.7%

BCAG staff then recommended using EPS' 20-year growth with the addition of several adjustments. These adjustments reflect the idea that the future growth rates for the City of Oroville and City of Gridley, as developed by EPS, were too low in light of current and expected future growth in the southern Butte County area. Adjustments were also made to lower the Town of Paradise and Unincorporated growth rates because BCAG staff felt these rates were unrealistically high. These adjustments as a whole resulted in the county total annual growth rate decreasing from EPS's 2.2% to 1.7%.

The following 11 steps detail the methodology used to allocation the 18,393 housing units among BCAG's six member jurisdictions.

1. Take Annual Growth Rates Developed by EPS that are based on building permit data from 1980-2000.

Table 20. EPS Annual Average Growth Rates 1980-2000

Jurisdiction	Growth Rate Developed by EPS
City of Biggs	0.8%
City of Chico	3.0%
City of Gridley	1.0%
City of Oroville	0.9%
Town of Paradise	1.2%
Unincorporated	1.2%
Butte County Total	2.2%

2. Make adjustments to growth rates for the City of Oroville, City of Gridley, Town of Paradise and Unincorporated to reflect anticipated patterns of future growth:

Table 20. Adjustment to EPS Growth Rate

Jurisdiction	Growth Rate Developed by EPS	Growth Rate to be Used in RHNP	Change
City of Biggs	0.8%	0.8%	0.0%
City of Chico	3.0%	3.0%	0.0%
City of Gridley	1.0%	1.5%	+0.5%
City of Oroville	0.9%	2.0%	+1.1%
Town of Paradise	1.2%	0.9%	-0.3%
Unincorporated	1.2%	1.0%	-0.2%
Butte County Total	2.2%	1.7%	-0.5%

3. Apply average annual growth rate to 2000 U.S. Census population estimate to develop a 2008 population projection.

Table 21. 2008 Population Projection

Jurisdiction	Growth Rate Anticipated	2000 US Census	2008 Projection
City of Biggs	0.8%	1,793	1,908
City of Chico	3.0%	59,954	74,343
City of Gridley	1.5%	5,382	6,028
City of Oroville	2.0%	13,004	15,085
Town of Paradise	0.9%	26,408	28,309
Unincorporated	1.0%	96,630	104,360
Butte County Total	1.5%	203,171	230,033

4. Determine population increase from 2000-2008 for each jurisdiction.

Table 22. Population Increase 2000-2008

Jurisdiction	2000 US Census	2008 Projection	Population Increase 2000-2008
City of Biggs	1,793	1,908	115
City of Chico	59,954	74,343	14,389
City of Gridley	5,382	6,028	646
City of Oroville	13,004	15,085	2,081
Town of Paradise	26,408	28,309	1,901
Unincorporated	96,630	104,360	7,730
Butte County Total	203,171	230,033	26,862

5. Convert population increase to household (HH) increase by dividing population increase (2000-2008) by 2000 U.S. Census Average Household Size.

Table 23. Household Increase 2000-2008

Jurisdiction	Population Increase 2000-2008	Ave HH Size (2000 Census)	HH Increase 2000-2008
City of Biggs	115	3.14	37
City of Chico	14,389	2.42	5,946
City of Gridley	646	2.86	226
City of Oroville	2,081	2.50	832
Town of Paradise	1,901	2.22	856
Unincorporated	7,730	2.48	3,117
Butte County Total	26,862	2.44	11,014

6. Determine each jurisdiction's share of total countywide household increase from 2000-2008

Table 24. Percentage of Total Household Increase

Jurisdiction	HH Increase 2000-2008	Percentage of Total HH Increase
City of Biggs	37	0.33%
City of Chico	5,946	53.98%
City of Gridley	226	2.05%
City of Oroville	832	7.56%
Town of Paradise	856	7.78%
Unincorporated	3,117	28.30%
Butte County Total	11,014	100.00%

7. Apply percentage of Total Household Increase to HCD's 17,007 housing units (18,393 minus 1,386 replacement units).

Table 25. Jurisdiction Share of Regional Housing Need

Jurisdiction	HH Growth 2000-2008	Share of Regional Housing Needs 2001-2008
City of Biggs	0.33%	56
City of Chico	53.98%	9,181
City of Gridley	2.05%	349
City of Oroville	7.56%	1,285
Town of Paradise	7.78%	1,323
Unincorporated	28.30%	4,813
County Total	100.00%	17,007

8. Make adjustments for Replacement Need (Dilapidated units) to determine each jurisdiction's final share of regional housing need.

Table 26. Final Share of Regional Housing Needs By Jurisdiction

Jurisdiction	Initial Distribution Housing Needs	Replacement-Need Adjustment	Final Share of Regional Housing Needs 2001-2008
City of Biggs	56	9	65
City of Chico	9,181	298	9,479
City of Gridley	349	28	377
City of Oroville	1,285	100	1,385
Town of Paradise	1,323	179	1,502
Unincorporated	4,813	772	5,585
County Total	17,007	1,386	18,393

The allocation of the 1,390 replacement units among BCAG's member jurisdictions (Table Twenty-Six) was based on the estimated percentage of housing stock of each jurisdiction that was considered in need of substantial rehabilitation or "dilapidated" (Table Twenty-Seven). This information was obtained from each jurisdiction's General Plan, except the City of Biggs whose dilapidated percentage was estimated based on similar areas due to a lack of current data. Once this allocation based on "dilapidated" percentages was finished, there was a remaining balance of housing units that still needed to be distributed among member jurisdictions, and these were allocated based on each jurisdiction's percentage of total county housing units.

Table 27. Percent Dilapidated Units	
Jurisdiction	Percent Dilapidated Units
Biggs	0.5%
Chico	0.2%
Gridley	0.5%
Oroville	0.9%
Paradise	0.5%
Unincorporated	1.0%
Source: City of Chico, Gridley, Oroville, Town Paradise and Butte County General Plans. City of Biggs estimated based on similar areas	

Allocation of Housing Units by Income Group

In the second phase, the housing unit allocation by income group was developed, which involved breaking out each jurisdiction’s housing need into very low, low, moderate, and above moderate income groups. The income distribution for each BCAG jurisdiction is based on the relative income distribution of each community in 2000 (Table Twenty-eight), in comparison to the change in income distribution for the entire county projected by HCD (income percentages in Table Seventeen). An exception to this is the Unincorporated allocation, whose allocation of housing units by income group was not adjusted from the 2000 U.S. Census estimates. This was due to the fact that the Unincorporated area has a small existing percentage very low and low income households due to the fact that these types of 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 areas 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.

Table 28. Butte County Households by Income Group.

Jurisdiction	Very Low	Low	Moderate	Above Moderate	Totals
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%
Butte County Total	24%	16%	17%	43%	100%

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 Twenty-Nine) 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 was calculated for 2000.

Second, an adjustment was made in the opposite direction to determine the desired income distribution for 2008. For example, if the proportion of a community's very low-income population was three percentage points higher than the county-wide proportion in 2000, its recommended share for 2008 was set at three percentage points lower than the countywide average.

Third, minor adjustments of a percentage point or two were made to assure that the sum of each jurisdiction's number and percentage of dwelling units for each of the four income groups match the county-wide numbers and percentages estimated by HCD for the four income groups.

Table 29. Basic Construction Need by Income Group.

Jurisdiction	Very Low		Low		Moderate		Above Moderate		Total
	%	Allocation	%	Allocation	%	Allocation	%	Allocation	Allocation
City of Biggs	33%	21	21%	13	11%	7	36%	23	65
City of Chico	31%	2905	21%	1987	11%	1050	37%	3538	9479
City of Gridley	28%	105	16%	59	11%	42	45%	171	377
City of Oroville	21%	296	18%	248	11%	156	49%	684	1385
Town of Paradise	35%	522	20%	293	9%	131	37%	556	1502
Unincorporated	20%	1117	16%	894	18%	1005	46%	2569	5585
County Total	27%	4966	19%	3495	13%	2391	41%	7541	18393
HCD Requirement	27%	4966	19%	3495	13%	2391	41%	7541	18393

APPENDIX A

Supplemental Data and Information

DEFINITIONS OF INCOME GROUPS

According to the U.S. Department of Housing and Urban Development, the income limits for a four person household in Butte County are as follows:

Very Low Income: Income not exceeding 50% of Butte County area median family income.

Other low Income: Income between 50% and 80% of Butte County area median family income.

Moderate Income: Income between 80% and 120% of Butte County area median family income.

Above Moderate Income: Income exceeding 120% of Butte County area median family income.

These income limits are based on a **median family income of \$31,924** in 2000 for Butte County established by the 2000 U.S. Census.

Table 30. Butte County Population Change 1990-2000.

Jurisdiction	1990 Population	1990 Percent of Population	2000 Population	2000 Percent of Population	Population Change 1990-2000
Biggs	1,581	1%	1,793	1%	13.41%
Chico	40,079	22%	59,954	30%	49.59%
Gridley	4,631	3%	5,382	3%	16.22%
Oroville	11,960	7%	13,004	6%	8.73%
Paradise	25,408	14%	26,408	13%	3.94%
Unincorp.	100,241	55%	96,630	48%	-3.60%
County Total	183,900	100%	203,171	100%	10.48%

Source: 1990 and 2000 U.S. Census.

Table 31. Age Distribution.

Jurisdiction	<18			18-24			25-44		
	1990	2000	% Change	1990	2000	% Change	1990	2000	% Change
Biggs	34.5%	34.2%	-0.3%	7.7%	8.9%	1.2%	28.6%	29.3%	0.7%
Chico	18.6%	21.1%	2.5%	33.1%	27.0%	-6.1%	30.0%	26.8%	-3.2%
Gridley	29.9%	30.1%	0.2%	9.4%	10.0%	0.6%	25.4%	25.3%	-0.1%
Oroville	30.5%	30.1%	-0.4%	9.4%	10.3%	0.9%	27.6%	25.8%	-1.8%
Paradise	20.7%	20.4%	-0.3%	5.3%	5.9%	0.6%	24.5%	21.2%	-3.3%

Jurisdiction	45-64			>65		
	1990	2000	% Change	1990	2000	% Change
Biggs	15.7%	17.1%	1.4%	13.5%	10.5%	-3.0%
Chico	9.3%	15.2%	5.9%	9.0%	9.9%	0.9%
Gridley	17.4%	18.6%	1.2%	17.9%	15.9%	-2.0%
Oroville	15.1%	19.2%	4.1%	17.4%	14.7%	-2.7%
Paradise	18.9%	25.3%	6.4%	30.6%	27.2%	-3.4%

Source: 1990 and 2000 U.S. Census

Table 32. Residential Single-Family Building Permit Activity 1990-2000

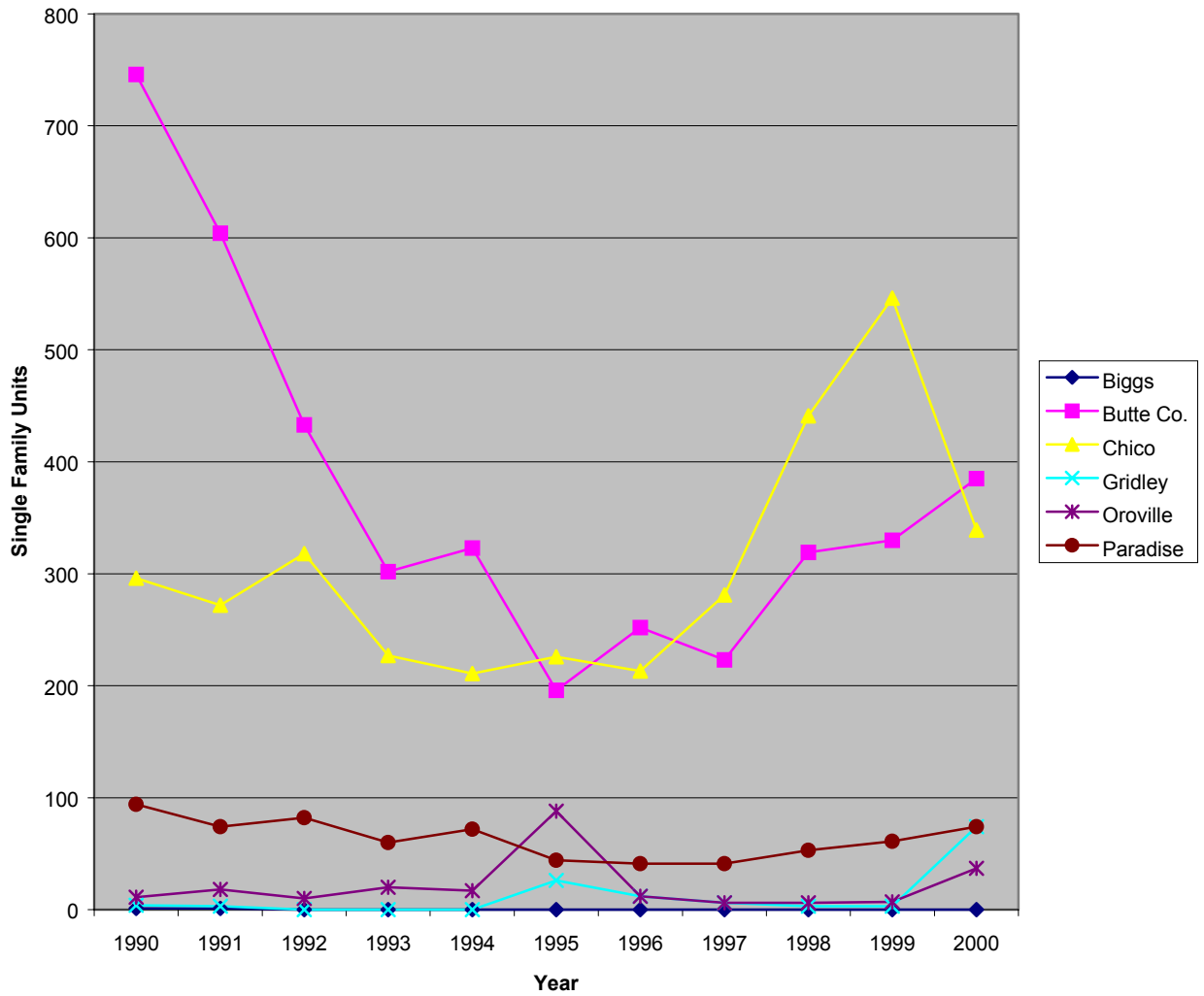
Jurisdiction	1990	1991	1992	1993	1994	1995
Biggs	1	1	N/A	N/A	N/A	N/A
Butte Co.	746	604	433	302	323	196
Chico	296	272	318	227	211	226
Gridley	4	3	N/A	N/A	N/A	26
Oroville	11	18	10	20	17	88
Paradise	94	74	82	60	72	44
Total	1152	972	843	609	623	580

Jurisdiction	1996	1997	1998	1999	2000	11-Year Total	Percent of Total
Biggs	N/A	N/A	N/A	N/A	N/A	2*	0.02%*
Butte Co.	252	223	319	330	385	4113	48.14%
Chico	213	281	441	546	339	3370	39.44%
Gridley	12	6	3	3	74	131*	1.53%*
Oroville	12	6	6	7	37	232	2.72%
Paradise	41	41	53	61	74	696	8.15%
Total	530	557	822	947	909	8544	100.00%

Source: Construction Industry Research Board, 2001

Notes: Butte County Totals for 1992-2000 include City of Biggs permit activity, Butte County Totals for 1992-1994 include City of Gridley permit activity.

CHART ONE
RESIDENTIAL SINGLE FAMILY BUILDING PERMIT ACTIVITY
1990-2000



Source: Construction Industry Research Board, 2001.

Table 33. Residential Multi-Family Building Permit Activity 1990-2000

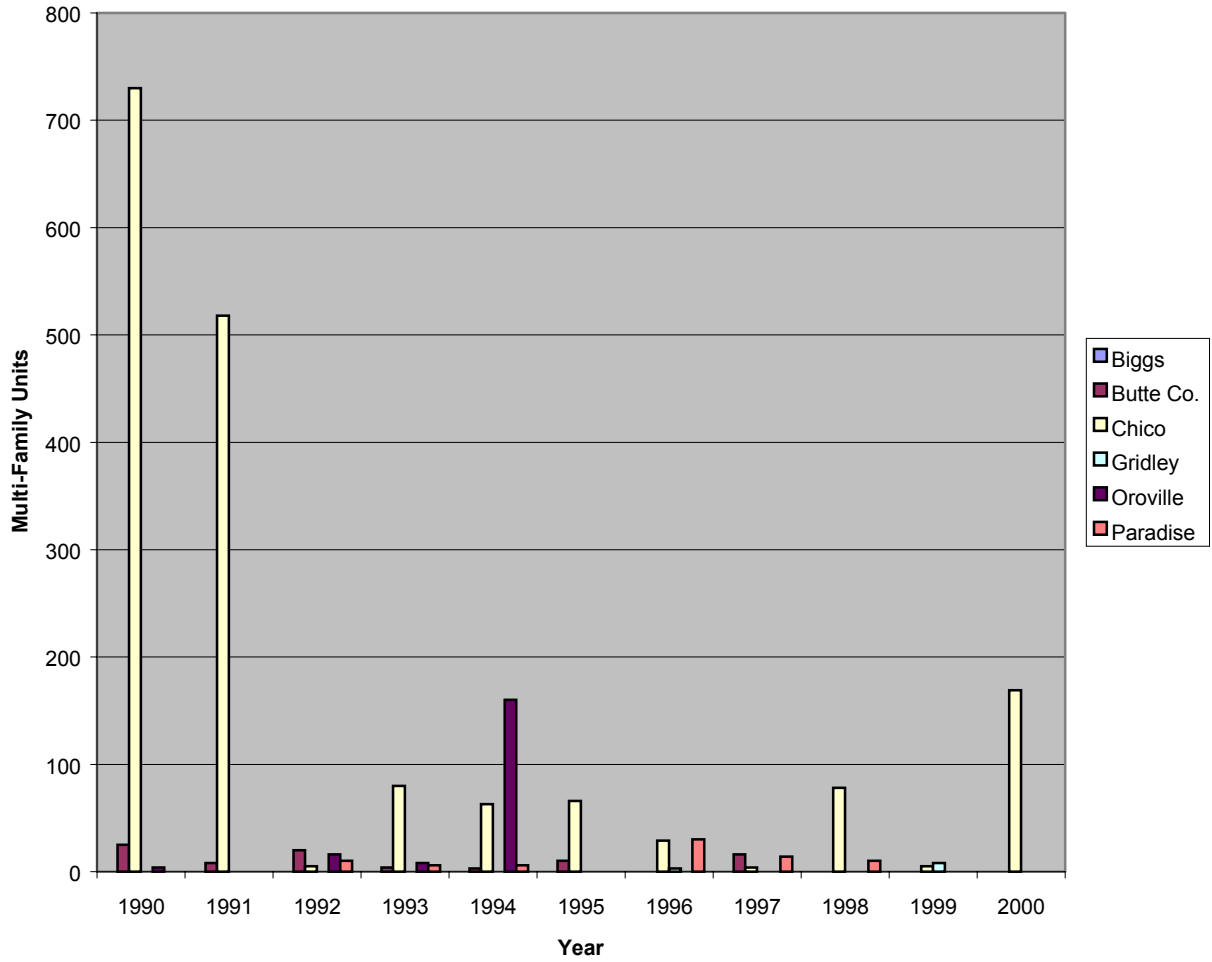
Jurisdiction	1990	1991	1992	1993	1994	1995
Biggs	0	0	N/A	N/A	N/A	N/A
Butte Co.	25	8	20	4	3	10
Chico	730	518	5	80	63	66
Gridley	0	0	N/A	N/A	N/A	0
Oroville	4	0	16	8	160	0
Paradise	0	0	10	6	6	0
Total	759	526	51	98	232	76

Jurisdiction	1996	1997	1998	1999	2000	11-Year Total	Percent of Total
Biggs	N/A	N/A	N/A	N/A	N/A	0*	0%*
Butte Co.	0	16	0	0	0	86	4.08%
Chico	29	4	78	5	169	1747	82.87%
Gridley	3	0	0	8	0	11*	5.20%*
Oroville	0	0	0	0	0	188	8.92%
Paradise	30	14	10	0	0	76	3.61%
Total	62	34	88	13	169	2108	100.00%

Source: Construction Industry Research Board, 2001

Notes: Butte County Totals for 1992-2000 include City of Biggs permit activity, Butte County Totals for 1992-1994 include City of Gridley permit activity.

CHART TWO
RESIDENTIAL MULTI-FAMILY BUILDING PERMIT ACTIVITY
1990-2000



Source: Construction Industry Research Board, 2001.

Table 34. Total Non-Residential Building Permits (\$1,000's) 1990-2000

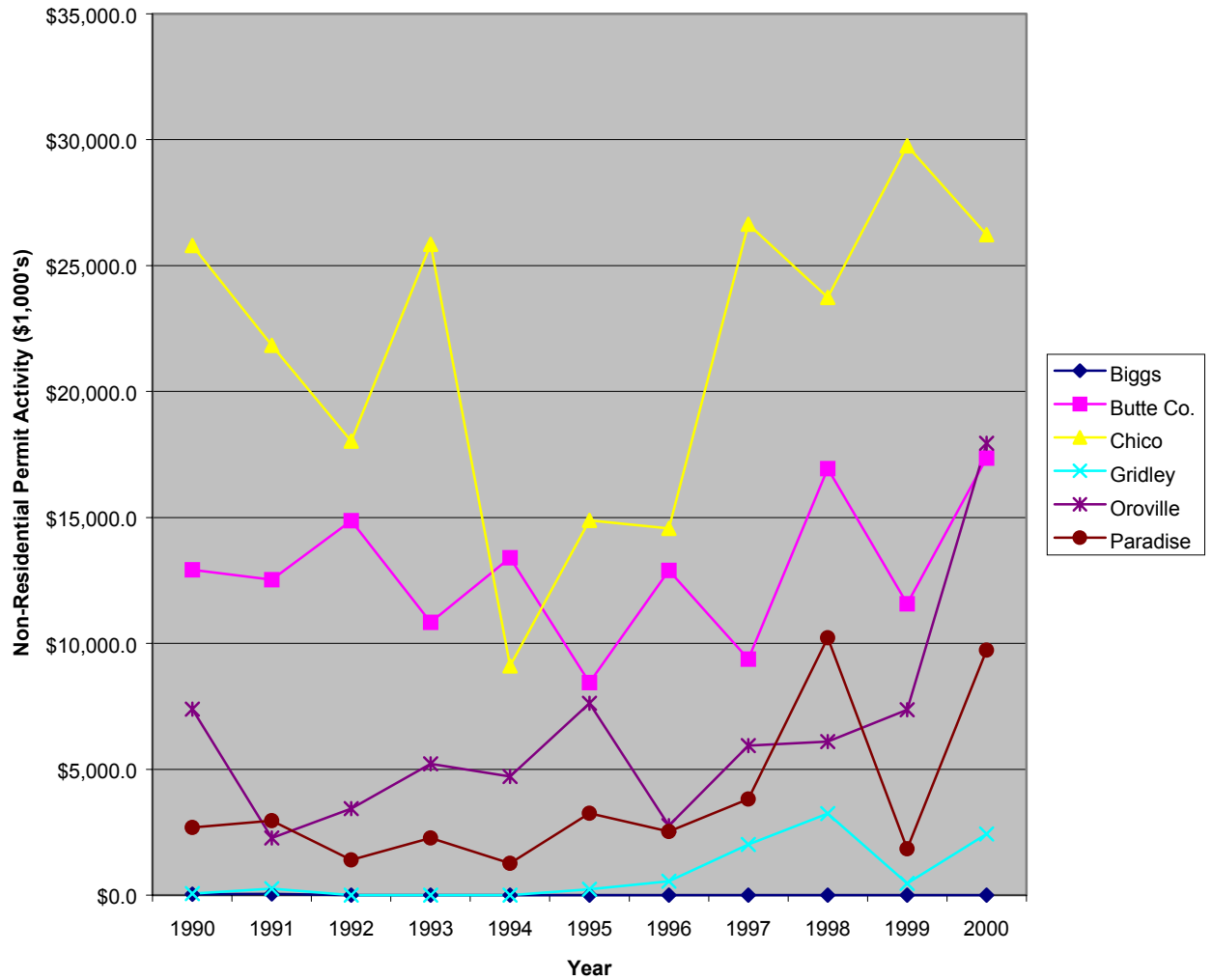
Jurisdiction	1990	1991	1992	1993	1994	1995
Biggs	\$31.3	\$47.4	N/A	N/A	N/A	N/A
Butte Co.	\$12,927.1	\$12,524.8	\$14,878.5	\$10,836.3	\$13,403.2	\$8,437.8
Chico	\$25,801.1	\$21,837.8	\$18,025.1	\$25,850.5	\$9,107.6	\$14,884.9
Gridley	\$56.7	\$259.6	N/A	N/A	N/A	\$234.7
Oroville	\$7,381.7	\$2,265.4	\$3,437.4	\$5,209.6	\$4,714.9	\$7,622.0
Paradise	\$2,692.7	\$2,958.6	\$1,401.9	\$2,272.8	\$1,260.3	\$3,252.8
Total	\$48,890.7	\$39,893.5	\$37,742.8	\$44,169.2	\$28,486.0	\$34,432.2

Jurisdiction	1996	1997	1998	1999	2000	11-Year Total	Percent of Total
Biggs	N/A	N/A	N/A	N/A	N/A	\$78.7	0.03%*
Butte Co.	\$12,898.1	\$9,373.9	\$16,931.7	\$11,567.6	\$17,358.5	\$141,137.5	28.25%
Chico	\$14,562.8	\$26,640.5	\$23,736.2	\$29,756.6	\$26,224.2	\$236,427.3	47.32%
Gridley	\$550.0	\$2,015.8	\$3,236.2	\$461.5	\$2,426.5	\$9,241.0	0.24%*
Oroville	\$2,762.6	\$5,944.8	\$6,094.2	\$7,367.2	\$17,937.2	\$70,737.0	13.00%
Paradise	\$2,532.1	\$3,817.6	\$10,225.7	\$1,837.1	\$9,730.0	\$41,981.6	8.40%
Total	\$33,305.6	\$47,792.6	\$60,224.0	\$50,989.9	\$73,676.3	\$499,603.1	100.00%

Source: Construction Industry Research Board, 2001

Notes: Butte County Totals for 1992-2000 include City of Biggs permit activity, Butte County Totals for 1992-1994 include City of Gridley permit activity.

CHART THREE
TOTAL NON-RESIDENTIAL BUILDING PERMIT ACTIVITY
1990-2000



Source: Construction Industry Research Board.

APPENDIX B

REGIONAL HOUSING NEEDS (From Section 65584 of the Government Code)

- (a) For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing needs includes that share of the housing need of persons of all income levels within the area significantly affected by a general plan of the city or county. The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, the loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that hanged to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions, and the housing needs of farmworkers. The distribution shall seek to reduce the concentration of lower income households in cities or counties that already have disproportionately high proportions of lower income households. Based upon data provided by the Department of Finance, in consultation with each council of government, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588. Based upon data provided by the Department relative to the statewide need for housing, each council of government shall determine the existing and projected housing need for its region. Within 30 days following notification of this determination, the Department shall ensure that this determination is consistent with the statewide housing need. The Department may revise the determination of the council of governments if necessary to obtain consistency. The appropriate council of government shall determine the share for each city or county consistent with the criteria of this subdivision and with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588. The council of governments shall submit to the department information regarding the assumptions and methodology to be used in allocating the regional housing need. As part of the allocation of the regional housing need, the council of governments, or the department pursuant to subdivision (b), shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. The department shall submit to each council of government information regarding the assumptions and methodology to be used in allocating the regional share of the statewide housing need. As part of its determination of the regional share of the statewide housing need, the department shall provide each council of governments with data describing the assumptions and methodology used in

calculating its share of the statewide housing need. The councils of governments shall provide each city and county with the department's information.

- (b) For areas with no councils of governments, the Department shall determine housing market areas and define the regional housing need for cities and counties within these areas pursuant to the provisions for the distribution of regional housing needs in subdivision (a). Where the department determines that a city or county possesses the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the identification and determination of housing market areas and regional housing needs, the department shall delegate this responsibility to the cities and counties within these areas.
- (c) (1) Within 90 days following a determination of a council of governments pursuant to subdivision (a), or the department's determination pursuant to subdivision (b), a city or county may propose to revise the determination of its share of the regional housing need in accordance with the considerations set forth in subdivision (a). The proposed revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation.
 - (2) Within 60 days after the time period for the revision by the city or county, the council of governments or the Department, as the case may be, shall accept the proposed revision, modify its earlier determination, or indicate based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.
 - (A) If the council of governments or the department, as the case may be, does not accept the proposed revision, then the city or county shall have the right to request a public hearing to review the determine within 30 days.
 - (B) The city ore county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.
 - (C) The date of the hearing shall be at least 30 days from the date of the notification
 - (D) Before making its final determination, the council of governments or the department, as the case may be, shall consider comments, recommendations, available data, accepted planning methodology, and local geological and topographic restraints on the production of housing.
- (3) If the council of governments or the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the council of governments or the department grant a revised allocation pursuant to paragraph (1), the council of governments or the department shall ensure that the current total housing need is maintained. If the council of governments or

Department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share, which was originally determined by the council of governments or the department.

(4) The determination of the council of governments or the Department, as the case may be, shall be subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

(5) The council of governments or the departments shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(A) One or more cities within the county agree to increase its share or their shares in an amount which will make up for the reduction.

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

(C) The county's share of low-income and very low-income housing units shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(D) The council of governments or the department, whichever assigned the county's share, shall have authority over the approval of the proposed reduction, taking into consideration the criteria of subdivision (a) of Section 65584.

(6) The housing element shall contain an analysis of the factors and circumstances, with all supporting data, justifying the revision. All materials and data used to justify any revision shall be made available upon request by any interested party within seven days upon payment of reasonable costs of reproducing unless the costs are waived due to economic hardship.

(d) (1) Except as provided in paragraph (2), any ordinance, policy, or standard of a city or county which directly limits, by number, the building permits which may be issued for residential construction, or which limits for a set period of time the number of buildable lots which may be developed for residential purposes, shall not be a justification for a determination or a reduction in the share of the city or county of the regional housing need.

(2) Paragraph (1) does not apply to any city or county which imposes a moratorium on residential construction for a set period of time in order to preserve and protect the public health and safety. If a moratorium is in effect, the city or county shall, prior to a revision pursuant to subdivision (c), adopt finding which specifically describe the threat to the public health and safety and the reasons why construction of the number of units specified as its share of the regional housing need would prevent the mitigation of that threat.

(e) Any authority to review and revise the share of a city or county of the Regional housing need granted 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.

(f) A fee may be charged interested parties for any additional costs caused by the amendments made to subdivision © by Chapter 1684 of the Statutes of 1984 reducing from 45 to seven days the time within which materials and data shall be made available to interested parties.

(f) Determinations made by the department, a council of governments, or a city or county pursuant to this section are exempt from the provisions of the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

APPENDIX C

TRANSFERS OF ALLOCATIONS BETWEEN JURISDICTIONS FOLLOWING FINAL ADOPTION OF THE RHNP

Section 65584(c)(5) of the California Government Code sets forth specific provisions under which a COG is required to reduce the share of the regional housing needs of a county. This reduction applies only to transfers agreed to between jurisdictions after the adoption by SACOG of the Final RHNP.

Section 65584(c)(5) states:

“The council of governments or the department shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(A) One or more cities within the county agree to increase its share or their shares in an amount which will make up for the reduction.

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

(C) 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.

(D) The council of governments or the department, whichever assigned the county's share, shall have authority over the approval of the proposed reduction, taking into consideration the criteria of subdivision (a).”

APPENDIX D

Member Jurisdiction Letters of Concern

January 27, 2003

Butte County Association of Governments
7 County Center Drive
Oroville, CA 95965

RE: Proposed Regional Housing Needs Plan (RHNP) for January 1, 2001 to July 1, 2008

Dear Boardmembers:

The City of Oroville has reviewed the housing allocations assigned by the State of California to Butte County, and the subsequent allocations assigned by your staff to the City of Oroville. We understand that you will be asked to adopt your staffs' January, 2003 version of the RHNP, which assigns to the City of Oroville 1,385 of the 18,393 new homes allocated by the State to Butte County.

We appreciate that your staff met several times with State staff, and attempted to convince them to reduce the very unrealistic numbers assigned to Butte County. As the State did not respond favorably, we want the record of your proceedings to reflect our continued protest of the State allocation to Butte County, and the subsequent allocation to the City of Oroville.

The City of Oroville objects to the State's unrealistic allocation, because the ability of the City to maintain its eligibility for the very grant funds that help produce new housing depends upon the ability of the City to demonstrate it can help provide the number of new homes assigned to it. During the ten-year period between 1991 and 2000, a total of only 443 new homes were constructed within the City of Oroville, despite a flourishing economy and the best efforts of the City to encourage housing growth. It is completely unrealistic to expect that more than three times that number will be constructed in the City within the next 5½ years.

If you have any questions about the information in this letter, please don't hesitate to contact me.

Sincerely,
Ruben Duran
City Administrator
City of Oroville



OFFICE OF THE
CITY MANAGER

411 Main Street
P.O. Box 3420
Chico, CA 95927

(530) 895-4800
FAX (530) 895-4825
ATSS 459-4800

January 16, 2003

Butte County Association of Governments
Board of Directors
Attn: Jon Clark, Executive Director
965 Fir Street
Chico, CA 95928

Subject: Butte County Regional Housing Needs Plan

Dear Mr. Clark:

Let me begin by extending the City's appreciation for the process and assistance that BCAG has provided for preparation of the Regional Housing Needs Plan (RHNP). The City recognizes that much of what can be criticized about the RHNP initiates from numbers produced by the Department of Finance and Housing and Community Development departments using debatable methodology.

The proposed RHNP, when approved, will set housing construction numbers for all income groups for the period January 1, 2001 to June 31, 2008. During this 7.5 year period, Chico will be asked to produce 9,479 housing units, 52 percent being affordable to very low and low income households. On an annual basis this would mean construction of 1,263 housing units with over 650 affordable to very low and low income households. The City of Chico has never produced 1,263 housing units in a single-year! The average annual housing units constructed from 1980 to 2001 was 468. Indeed our records indicate only a modest increase to 541 units for 2002. Over the first two years of the 2001-2008 planning period 1,057 housing units have been constructed. We are now almost 1,500 units behind our RHNP housing goal! Yet the City is currently experiencing a 1.5 and 3 percent vacancy rate for single-family and apartment units, respectively.

The City believes that the State estimates used to derive the RHNP are hopelessly flawed. The 9,181 housing units (discounting 298 replacement units) means that Chico's population is forecasted to grow at an annual rate of 4 percent per year! Chico's annual growth rate, during our most recent decade, was below 2 percent. In the interest of acting rationally and reasonably, I am at a loss to understand the use of such a high rate of growth, particularly since the planning horizon is only 2008.

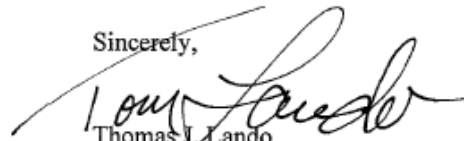
The level of our concern is heightened because so much of the content of the Housing Element depends on the RHNP numbers. Despite the City's effort to implement the General Plan by extending reliable and timely infrastructure, our ability to demonstrate

adequate land resources to meet this highly inflated housing demand will be problematic within the planning period. In addition, designing housing programs that reflect the RHNP may require programs that do not address real community needs and issues.

In conclusion, the City does not believe the RHNP accurately and reasonably determines local housing need. A Housing Element based on the RHNP will be inconsistent with City's General Plan and other long range planning analysis.

Please contact me if you have questions regarding the City's position.

Sincerely,



Thomas L. Lando
City Manager

cc: CDD/PID/P-GP-19

MEMORANDUM

Date: January 16, 2003

To: Yvonne Christopher, Director, Department of Development Services, Butte County

Bruce Alpert, Deputy County Counsel, Butte County

Felix Wannemacher, Deputy County Counsel, Butte County

Jon Clark, Executive Director, Butte County Association of Governments

(BCAG)

Chris Devine, Associate Planner, BCAG

From: Rik Keller, Mintier & Associates

Subject: Comments on BCAG's Regional Housing Needs Plan

The following are comments regarding BCAG's most recent Regional Housing Needs Plan (RHNP) allocations and process.

1) In a meeting with BCAG staff on December 19, 2002, the participants (including representatives from Butte County and the Cities of Biggs, Gridley, Oroville, and Paradise; representatives from the City of Chico did not attend this meeting and an additional meeting was subsequently held on January 10, 2003) discussed the updated RHNP allocation from BCAG dated December 18, 2002. This draft of the RHNP allocation was a revision to the December 3rd RHNP allocation that used a different methodology for its base growth projections (the December 18th RHNP allocation used historic building permit data rather than the historic population data used in the December 3rd RHNP allocation). The following summarizes the outcomes of the December 19th meeting.

- The participants in the meeting concurred with the overall BCAG RHNP allocation of the regional housing need by jurisdiction with the following provision: that the allocation is based on projections relating to incorporated/ unincorporated areas and should apply to incorporated/ unincorporated areas. The representatives from the cities agreed with Butte County's assertion that the RHNP allocation for the cities applies to incorporated limits only and that Butte County would use the Spheres of Influence (SOIs) of the cities, in part, to meet its housing allocation. In support of its position, Butte County presented evidence showing that if SOIs were taken into account, it should receive a lower allocation (estimated at approximately 2,700 to 3,500 less than its allocation of 5,585, based on a GIS analysis of growth within current SOI boundaries from 1990 to 2000).

- Butte County also presented an argument that the income distribution in the December 18th RHNP for unincorporated Butte County was unfair, since the unincorporated area currently has a comparatively low percentage of very low- and low-income units and should not be assigned a higher percentage of these units. The unincorporated area does not have the infrastructure capability (sewer system) to support the densities required to economically build lower-income units and, in addition, lower-income households should not, as a policy matter, be located in areas where access to public transportation services and social services is difficult. The other participants in the meeting agreed with Butte County in principle, and BCAG stated that they would examine the possibility of modifying the distribution of units by income group to each jurisdiction.
- All participants also agreed that BCAG should include within its final RHNP a discussion of its disagreement with the California Department of Housing and Community Development's (HCD) methodology used in the Regional Housing Needs Determination (RHND) for Butte County.

2) In the follow-up meeting with BCAG staff on January 10, 2003, BCAG presented a revision to the December 18th RHNP allocation to the participants (representatives from the City of Chico and Butte County) dated January 9th. This revised allocation did not adjust the total number of units allocated to each jurisdiction, but changed the income distributions within each jurisdiction's allocation. The revised allocation does not make an adjustment to move the unincorporated County's share of each income group to the countywide percentage, but rather keeps its allocation consistent with its estimated existing distribution of household income groups as identified in the 2000 U.S. Census. The following summarizes the outcomes of the January 10th meeting.

- The participants (Butte County and Chico) agreed that the allocation by jurisdiction in the RHNP should only apply to the current incorporated limits of the cities (including Chico) and that Butte County would use the SOIs of the cities to help meet its allocation.
- Contingent on the agreement on the overall jurisdictional allocation, the participants (Butte County and Chico) also accepted the new income distribution methodology.

MEMORANDUM

Date: January 16, 2003

To: Yvonne Christopher, Director, Department of Development Services, Butte County

Bruce Alpert, Deputy County Counsel, Butte County

Felix Wannemacher, Deputy County Counsel, Butte County

Jon Clark, Executive Director, Butte County Association of Governments

(BCAG)

Chris Devine, Associate Planner, BCAG

From: Rik Keller, Mintier & Associates

Subject: Comments HCD Methodology

Introduction

This report consists of a review and critique of the methodologies used by the California Department of Housing and Community Development (HCD) in the Regional Housing Needs Determination and Regional Housing Needs Plan for Butte County for January 2001 to July 2008.

Executive Summary

This section summarizes the main conclusions of the analysis.

A. HCD Methodology

- 1) Contrary to the requirements of State Housing Element law, HCD has not adequately taken the population projections in the Butte County Regional Transportation Plan (RTP) into account.
- 2) HCD's methodology compared DOF projections for 2008 adjusted for the Census undercount with DOF's count of households and housing units counts for 2001 that are unadjusted for the Census undercount, and has therefore overestimated the number of housing units required to meet projections. In addition, the DOF projections themselves are unrealistically high, which makes the requirement to use the RTP population projections even more important.
- 3) Our alternative regional housing need calculation using the "Middle" growth scenario is 17,943, or 2,562 units less than HCD's original figure of 20,505. Both HCD's calculation and our alternative calculation used the same starting point of

99,422 total households in July 2008 (this starting point should also be reduced to account for the DOF adjustment for the estimated 2000 Census undercount). The key differences between the two calculations are an increase in the assumed existing permanent housing stock in 2001 (by counting almost vacant 2,000 units that HCD ignored and did not count toward the permanent housing stock) and a decrease in the housing removal rate based on overall removal rates in California from 1990 to 2000, rather than an unsupported figure provided by HCD (resulting in a difference of about 700 units).

- 4) Using the alternative methodology and using the Butte County RTP population projection, rather than slightly reducing the DOF “Low” series as HCD did, we calculated a “Low” regional housing need of 9,124 units for Butte County. This figure is 9,269 units smaller than the “Low” regional housing need of 18,393 calculated by HCD.

I. Analysis of HCD Methodology

The following is an analysis of the methodology that the California Department of Housing and Community Development (HCD) used in the overall Regional Housing Needs Determination (RHND) for Butte County for January 2001 to July 2008, based on a thorough review of the methodology used in the document and the procedures set forth in State law.

A. Use of Population Projections in Determining Regional Housing Need

Government Code Section 65884(a) sets forth the procedures for determining regional housing needs. For reference purposes, Section 65884(a) is shown below (underlining and bold text ours):

For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county. The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, 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, and the housing needs of farmworkers. The distribution shall seek to reduce the concentration of lower income households in cities or counties that already have disproportionately high proportions of lower income households. **Based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, and in consultation with each council of governments, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588. Based upon data provided by the department relative to the statewide need for housing, each council of governments shall determine the existing and projected housing need for its region. Within 30 days following notification of this determination, the department shall ensure that this determination is consistent with the statewide housing need.** The department may revise the determination of the council of governments if necessary to obtain this consistency. **The appropriate council of governments shall determine the share for each city or county consistent with the criteria of this subdivision and with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588.** The council of governments shall submit to the department information regarding the assumptions and methodology to be used in allocating the regional housing need. As part of the allocation of the regional housing need, the council of governments, or the

department pursuant to subdivision (b), shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. The department shall submit to each council of governments information regarding the assumptions and methodology to be used in allocating the regional share of the statewide housing need. **As part of its determination of the regional share of the statewide housing need, the department shall provide each council of governments with data describing the assumptions and methodology used in calculating its share of the statewide housing need.** The councils of governments shall provide each city and county with the department's information. The council of governments shall provide a subregion with its share of the regional housing need, and delegate responsibility for providing allocations to cities and a county or counties in the subregion to a subregional entity if this responsibility is requested by a county and all cities in the county, a joint powers authority established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1, or the governing body of a subregional agency established by the council of governments, in accordance with an agreement entered into between the council of governments and the subregional entity that sets forth the process, timing, and other terms and conditions of that delegation of responsibility.

It should be noted that Section 65884(a) was modified by AB 438 in 1998 (the bill was introduced 2/24/1997 and chaptered 9/24/1998). AB438 was amended while under consideration to change the language concerning the use of population projections as follows:

“Based upon ~~data provided by the Department of Finance~~, population projections produced by the Department of Finance and regional population forecasts used in preparing transportation plans, and in consultation with each council of ~~government governments~~ ...” [amended 05/18/1998 - p. 17 (lines 26-31)]

The Office of Senate Floor Analyses provided the following analysis regarding this change on 6/24/98 (underlining and bold text ours):

“This bill makes the following changes to the process of determining regional housing needs:

1. Clarifies that HCD must use the Department of Finance's population projections.
- 2. Requires HCD to use regional population forecasts used in preparing transportation plans.”**

Further analysis by the Office of Senate Floor Analyses regarding the amendments made to the bill makes the following statement regarding population forecasts:

“The Senate amendments delete the Assembly version, and instead: ... 2) Requires the California Department of Housing and Community Development (HCD), in consultation with regional Councils of Government (COGs), determine the regional share of housing needs based **not only** upon the projections of the Department of

Finance (DOF), **but also upon population forecasts used in preparing regional transportation plans.**”

It is clear from both the text of the bill and from the legislative analysis that the intent of the bill was for HCD to give equal credence to both DOF projections and projections in regional transportation plans (RTPs) in their determination of regional housing need. As the Final Regional Housing Needs Plan for the SACOG Region (September, 2001) states, “One of the major reasons, however, why COGs are assigned responsibility for RHNP preparation in the first place is that the State has an interest in having regional agencies that also prepare regional transportation plans prepare the RHNPs. This helps to provide consistency between the regional transportation planning process and regional housing allocations, since the same assumptions regarding regional population and housing growth are likely to be used as the basis for both.”

However, it is clear from discussions with HCD Policy Development Department staff that they believe that HCD is required only to use the DOF projection and to just “consider” the projections in regional transportation plan. As will be explained below, HCD has essentially discarded the population projections in the Butte County RTP because it is significantly lower than the DOF projection. This is clearly contrary to the intent of State law.

Given the very high DOF population projections for Butte County , the required housing need determination **based** on the population forecasts in the Regional Transportation Plan (RTP) (required of HCD by Section 65884(a)) is especially important to Butte County. However, as detailed below, HCD used a convoluted and unsupportable methodology to “modify” the RTP population projection and did not **base** a housing need determination on the RTP projections at all. HCD appears to have taken the position that if the RTP population projection is much lower than the DOF projection, then it is not valid.

Summary: Contrary to the requirements of State Housing Element law, HCD has not adequately taken the population projections in the Butte County Regional Transportation Plan (RTP) into account.

B. Department of Finance Projections

HCD’s calculation of regional housing need used the starting assumption of 99,422 total households in July 2008 in Butte County. This figure was provided by HCD as the “middle series” of California Department of Finance (DOF) projections. DOF provided 3 sets of projections for total households in Butte County for July 2008. All three numbers were based on same figures for total population, group quarters population, and household population for July 2008, and only differed based on the “headship rate” assumed. The July 2008 projections were derived by DOF from its *Interim County Projections* (June 2001), which, in its published form, provided total population projections for 2005, 2010, 2015, and 2020 for all counties in California.

The June 2001 *Interim County Projections* document was an update to *DOF's County Projections* published in 1998. The June 2001 document adjusted the projections to account for 2000 Census data. However, DOF **adjusted** the 2000 Census population figure to account for the estimated Census undercount, using figures for the estimated national undercount¹. In the case of Butte County, the April 1, 2000 population was adjusted up to 205,118 from the April 1, 2000 Census count of 203,171, an increase of 1,947. DOF then brought the adjusted April 1, 2000 figure up to July 2000, and this figure of 205,400 was used as the base for the population projections.

It is important to note that HCD used **unadjusted** 2001 DOF **estimates** for total housing units as the base in their methodology (2001 housing units are from DOF *E-5 City County Population and Housing Estimates, 2002, Revised 2001 with 2000 Census Counts*²) at the same time that they were using **adjusted** DOF **projections**. As discussed, *Interim County Projections* was based on a population estimate of 205,118 (for April 2000) that was greater by 1,947 persons than the April 2000 Census estimate of 203,171. This figure translates into about 800 households (at 2.45 persons per household).

Since HCD used the 2001 DOF estimates (which are unadjusted and use 2000 Census figures as a benchmark) as the baseline, at the very start of the process Butte County was already about 2,000 persons or 800 households behind to meet the 2008 projections.

In addition, the DOF projections for Butte County in *Interim County Projections* themselves are unrealistically high, which makes it even more important to look at the Regional Transportation Plan (RTP) figures. It is instructive to compare the July 2005 DOF projection to the January 2002 DOF-estimated population. The July 2005 population projection of 235,000 represents an AAGR of 3.69% from the January 2002 population of 207,001. This growth rate is over 3.3 times the AAGR for population in Butte County from April 1990 (182,120) to January 2002 (207,001) of 1.1%. It is also more than twice as high as the population AAGR from 1980 to 2000 of 1.74%.

Furthermore, the population growth from April 1990 to January 2002 was 24,881. In comparison, the DOF population projection for July 2005 represents an increase of 27,999 from the January 2002 population. The DOF projection, in other words, shows a projected population growth for the 3.5-year period from January 2002 to July 2005 that is larger by 3,118 persons than the actual population growth in the 11.75-year period from April 1990 to January 2002.

Based on Census figures, Butte County grew by 38,269 persons from 1980 to 1990 and 21,051 persons from 1990 to 2000, for a total population growth of 59,320 persons from 1980 to 2000. The DOF 2010 population projection represents a growth of 56,629 from

¹ The nationwide net undercount for the 2000 Census was estimated by the Census Bureau at 1.18% for population. The net estimated undercount in California in 1990 was 2.7% compared to the national figure of 1.6%.

² As stated in DOF's accompanying notes for this data: "The estimates' benchmark file is the Census 2000 Summary File 1. These data have not been adjusted for estimated undercount."

the 2000 Census population, almost equivalent to the actual total population growth in the last twenty years.

The previous round of projections for Butte County by DOF were similarly high. DOF's *Interim Population Projections (April 1991)*, projected the 1995 population of Butte County at 205,900 and the 2000 population at 226,700. Therefore, the actual 2000 population of Butte County was less than the DOF projection for 1995. Actual growth rates in Butte County for 1990 to 2000 were less than half of DOF's projections.

These large DOF projections point to the importance of using the RTP population projections as an alternative, as mandated by State law.

Summary: HCD's methodology compared DOF projections for 2008 adjusted for the Census undercount with DOF's count of households and housing units counts for 2001 that are unadjusted for the Census undercount, and has therefore overestimated the number of housing units required to meet projections. In addition, the DOF projections themselves are unrealistically high, which makes the requirement to use the RTP population projections even more important.

C. HCD Methodology for Regional Housing Needs Determination

Table 2 below compares HCD's calculation for the "Middle" regional housing need to our recalculation of this need, using the same conceptual methodology, but using different assumptions and calculations. The table includes extensive notes that explain each step of the calculations and the assumptions used. **For comparison purposes, both HCD's calculation and our alternative calculation use the same starting point: an assumption of 99,422 total households in July 2008 in Butte County.** As discussed above, this figure is based on adjustments to the 2000 Census. Since unadjusted Census figures are used in the calculations shown below, this total household number should be reduced by approximately 800.

The alternative regional housing need calculation using the "Middle" growth scenario is 17,943, or 2,562 units less than HCD's original figure of 20,505. The alternative need is lower primarily for the following reasons (there are several other smaller adjustments to the calculations):

- 1) Using corrected vacancy allowances (see Steps #14 & 15) reduces total units needed in 2008 by 35 units.
- 2) The revised figure for the "permanent" housing stock in 2000 (see Step #21) has several repercussions on the allocation, some of which increase it and some of which decrease it. The most prominent effect, however, is the increase in the estimated figure for the existing permanent housing stock in 2001 (Step #24) which reduces the permanent housing needed from 2001 to July 2008 (Step #25) by 1,904 units.

HCD used a questionable methodology to calculate the existing “permanent” housing stock that excluded a large number of vacant units that did not happen to be for rent or for sale at the time of the Census. As shown in the table under Note (1) below, there were 1,016 vacant units for sale and another 1,728 vacant units for rent in Butte County in 2000. These units were added by HCD to the occupied owner and rental units to calculate “permanent” units (“permanent” units, as HCD is using the term, means units that are available for permanent year-round occupation as opposed to temporary/seasonal use).

However, as shown in the table under Note (1), there were 524 vacant units that had been rented or sold but were not yet occupied³, and another 1,330 vacant units classified as “other vacant”. It is clear that units that are rented or sold but not occupied are part of the permanent housing stock. Since “other vacant” units can include units that, at the time of the Census, were under construction but not yet rented or sold⁴, were held for settlement of an estate⁵, were being renovated, were in a multi-unit structure being held for sale of the entire structure, were model apartments or model homes in a development that were not yet for sale or rent⁶, or were not on the market due to lack of demand or other reasons, these units should also clearly be considered part of the housing stock available for permanent occupation.

It should also be noted that these “other vacant” units do not include abandoned, uninhabitable structures. The Census Bureau does not count units as vacant “if they are exposed to the elements, that is, if the roof, walls, windows, or doors no longer protect the interior from the elements, or if there is positive evidence (such as a sign on the house or block) that the unit is to be demolished or is condemned. Also excluded are quarters being used entirely for nonresidential purposes, such as a store or an office, or quarters used for the storage of business supplies or inventory, machinery, or agricultural products.”⁷

It is perhaps justifiable to exclude vacant units “for seasonal, recreational, or occasional use” and “for migrant workers” from the “permanent” housing stock calculation, since these were units that were specifically inventoried by the Census as being used for temporary purposes at that point in time. However, it should be noted that the status of these units can change at any time in response to

³ Includes units for which any money rent has been paid or agreed upon but the new renter has not yet moved in, or where the unit has recently been sold but the new owner has not yet moved in. (Source: U.S. Census Bureau, *American Community Survey Definitions*). Note: the American Community Survey questions were “the same as the 1990 and 2000 decennial census questions.”

⁴ New units not yet occupied are classified by the U.S. Census Bureau as vacant housing units if “construction has reached a point where all exterior windows and doors are installed and final usable floors are in place.” (Source: U.S. Census Bureau, *Housing Vacancy Survey, Second Quarter 2002, Definitions and Explanations*.)

⁵ Source: U.S. Census Bureau, *Housing Vacancy Survey, Second Quarter 2002, Definitions and Explanations*.

⁶ Source: U.S. Census Bureau, Current Population Survey, Basic Monthly Survey, *Interviewer’s Manual*.

⁷ Source: U.S. Census Bureau, *Housing Vacancy Survey, Second Quarter 2002, Definitions and Explanations*.

market conditions. Many areas in California have seen increases in their “permanent” housing stock due to “conversion” of units that were previously used seasonally. The status of these temporary units is not, in other words, set in stone, and will fluctuate due to market conditions, changes in ownership, and other factors.

For the purposes of the alternative scenario calculations, only vacant units “for seasonal, recreational, or occasional use” and “for migrant workers” have been excluded from the “permanent” housing stock. As discussed above, excluding all of these units from the existing “permanent” housing stock may not fully capture the housing potential that these units offer.

- 3) The revised figure for the “removal factor” (0.108% per year – see Step #26) reduces the allocation by another 700 units. HCD used a questionable annual removal rate and it is unclear how they derived this figure. HCD’s removal rate assumption states that 0.2% of the existing building stock will be removed each year. This is equivalent to removing 1.5% of the housing stock for the 7.5-year period. The assumption is excessive based on actual rates of housing removal in California. An estimate of housing removals from 1990 to 2000 can be made by comparing the total housing stock in 1990 to the housing stock in 2000 while taking into account new housing constructed from 1990 to 2000. The 1990 Census counted 11,182,513 total housing units in 1990. Adding the 1,106,478 new units estimated to have been added to the housing stock from 1990 through 1999⁸, plus the estimated 46,284 new mobile home units from 1990 through 1999⁹, results in an estimated total of 12,335,275 housing units at the start of 2000. This figure is 120,726 units greater than the 2000 Census count of 12,214,549. The 120,726 units are assumed to have been removed from the housing stock from 1990 to 2000. This figure represents only 1.08% of the total 1990 housing stock and is half of the “removal rate” assumed by HCD. It is important to note that even this estimate of housing removals is likely too large, based on the 2000 Census undercount of housing units.

⁸ California Department of Finance (DOF), *Housing Units Authorized by Building Permit, Single & Multiple, California Annual: from 1975* (May 31, 2001) (source: Construction Industry Research Board); figure is slightly higher than the 1,105,814 figure used in *The Great Housing Collapse in California*.

⁹ DOF figure from *The Great Housing Collapse in California*.

Table 2: Alternative “Middle” Regional Housing Needs Determination for Butte County

			HCD Calculations		Alternative Butte County Calculations		
HC D step #	New Step #	Variable Description	#	formula	#	formula	notes
	#1	total units from 2000 Census	85,523		85,523		
	#2	total occupied units from 2000 Census (HH)	79,566		79,566		
	#3	owner-occupied units from 2000 Census	48,336		48,336		
	#4	renter-occupied units from 2000 Census	31,230		31,230		
	#5	owner HH % from 2000 Census	60.75%	= #3/#1	60.75%	= #3/#1	
	#6	renter HH % from 2000 Census	39.25%	= #4/#1	39.25%	= #4/#1	
	#7	homeowner vacancy rate from 2000 Census	2.10%				(1)
	#8	renter vacancy rate from 2000 Census	5.20%				(1)
	#9	vacant units from 2000 Census	5,957		5,957		(1)
	#10	vacant units for seasonal, rec., or occasional use, or for migrant workers	-		1,359		(2)
	#11	% vacant units for seasonal, rec., or occasional use, or for migrant workers	-		1.59%	= #10/#1	(2)
	#12	vacant units for permanent use	-		4,598	= #9-#10	
	#13	DOF HH ("middle series" for July 2008)	99,422		99,422		(3)
	#14	owner vacancy allowance	1.80%		1.73%		(4)
	#15	renter vacancy allowance	4.60%		4.62%		(4)
#1a	#16	July 2008 owner HH	60,398	= #5*#13	60,398	= #5*#13	
#2a	#17	July 2008 renter HH	39,024	= #6*#13	39,024	= #6*#13	
#1b	#18	July 2008 total owner units needed (permanent)	61,506	= #16/ (100%-#14)	61,462	= #16/ (100%-#14)	(5)
#2b	#19	July 2008 total renter units needed (permanent)	40,905	= #17/ (100%-#15)	40,914	= #17/ (100%-#15)	(5)
	#20	July 2008 total units needed (permanent)	102,411	= #18 + #19	102,376	= #18 + #19	
#4	#21	permanent stock in 2000	82,310	= #3+#4+ (1,016 for sale vacant	84,164	= #1 - #10	(6)

				units+1,728 for rent vacant units)			
#5	#22	permanent units as share of housing stock	96.24%	= #21/#1	98.41%	= #21/#1	
	#23	DOF total units in January 2001	86,218		86,218		(7)
#6	#24	permanent housing stock in 2001	82,979	= #22*#23	84,848	= #22*#23	
#7	#25	additional permanent units needed 2001-2008	19,432	= #20-#24	17,528	= #20-#24	(8)
	#26	removal factor	0.002		0.0010 8		(9)
#8	#27	loss of units per year from 2001 permanent housing stock	185.4	= #26 * average existing units 2001 to 7/2008	91.6	= #24*#26	(10)
#9	#28	normal loss of units - 1/2001- 7/2008	1,390	= #27*7.5	687	= #27*7.5	
	#29	units on tribal lands - 2000	1,255		1,255		(11)
	#30	tribal units share of 2000 permanent housing stock	1.52%	= #29/#21	1.49%	= #29/#21	
#10	#31	tribal units portion of 2001-7/2008 need	317	= (#25+#28)* #30	272	= (#25+#28)* #30	
#11	#32	Regional Housing Need 2001- 7/2008	20,505	= #25+#28- #31	17,943	= #25+#28- #31	

Notes:

- (1) According to the U.S. Census, the homeowner vacancy rate “is the proportion of the homeowner housing inventory which is vacant-for-sale. It is computed by dividing the number of vacant-for-sale units by the sum of the owner-occupied units and vacant-for-sale units, and then multiplying by 100.” According to the U.S. Census, the rental vacancy rate is the “proportion of the rental inventory which is vacant-for-rent. It is computed by dividing the number of vacant-for-rent units by the sum of renter-occupied units and the number of vacant-for-rent units and then multiplying by 100.”

The following table summarizes the vacant units in Butte County according to the 2000 Census. As shown in the table, the homeowner vacancy rate was calculated at 2.06% in 2000. The renter vacancy rate is calculated at 5.24%. The total vacancy rate, on the other hand, is calculated by taking the total number of vacant units and dividing by the total number of units. In Butte County, the overall vacancy rate was 6.97% in 2000.

	1990	2000
Total housing units	76,115	85,523
Owner-occupied units	43,649	48,336

Renter-occupied units	28,016	31,230
Total Vacant	4,450	5,957
For rent	1,166	1,728
For sale only	621	1,016
Rented or sold, not occupied	468	524
For seasonal, recreational, or occasional use	1,037	1,350
For migrant workers	20	9
Other vacant	1,138	1,330
Owner vacancy rate	1.40%	2.06%
Renter vacancy rate	4.00%	5.24%
Total vacancy rate	5.85%	6.97%

Source: 1990 U.S. Census STF-1A File &
2000 U.S. Census Summary File 1 (SF
1) 100-Percent Data

- (2) This figure combines the vacant units “for seasonal, recreational, or occasional use” and “for migrant workers” shown in the table under Note (1) above. The figure represents the number of units used for temporary uses that we are not considering part of the “permanent” housing stock for the purposes of this calculation (note that this may unnecessarily exclude some units that may convert to “permanent” uses). HCD considered “non-permanent” every vacant housing unit that was not classified as “for rent” or “for sale only”. However, as shown in the table above, there were 524 units that had been rented or sold and were not occupied, and another 1,330 vacant units classified as “other vacant”. According to the Census, “if a vacant unit does not fall into any of the classifications specified above, it is classified as “other vacant.” For example, these units can include units that, among other things, were under construction but not yet rented or sold, were held for settlement of an estate, were being renovated, or were not on the market due to lack of demand¹⁰. These units should clearly be considered part of the “permanent” housing stock.
- (3) The 99,422 figure for projected households for July 2008 was provided by HCD from the “Middle” series for Butte County provided by DOF. DOF’s *Interim County Projections* (June 2001) adjusted the projections to account for 2000 Census data. However, DOF also adjusted the 2000 Census population figure to account for the estimated Census undercount, using figures for the estimated national undercount DOF’s projections for Butte County were based on a population estimate of 205,118 (for April 2000) that was greater by 1,947 persons than the April 2000 Census estimate of 203,171. This figure translates into about

¹⁰ . The Census Bureau does not inventory housing units “if they are exposed to the elements, that is, if the roof, walls, windows, or doors no longer protect the interior from the elements, or if there is positive evidence (such as a sign on the house or block) that the unit is to be demolished or is condemned,” or if the unit is being used “entirely for nonresidential purposes,”

800 households (at 2.45 persons per household). The 99,422 projected households figure is therefore based on 2000 Census data adjusted for an estimated undercount. This figure should only be compared therefore to household or housing unit estimates for 2000/2001 that are also adjusted for the Census undercount. However, HCD has not done this.

- (4) This figure is the average of 1990 & 2000 Census figures. Based on the data in the table above, the figures should actually be 1.73% (average of 1.40% and 2.06%) for the owner vacancy rate and 4.62% (average of 4.00% and 5.24%) for the renter vacancy rate. In using these figures, HCD is assuming that the structural vacancy rate that should be planned for is equivalent to the average of the 1990 and 2000 homeowner and renter vacancy rates. These rates only take into account occupied units (owner or renter) and the number of units either for sale or for rent. This assumption excludes units that have been sold or rented but were not occupied at the time of the Census; it also excludes units that were vacant because they were for “seasonal, recreational, or occasional use” and for other reasons. The assumption seems reasonable for an estimate of the structural vacancy in owner and renter units, though. Both owner and renter vacancy rates increased in Butte County from 1990 to 2000.
- (5) Total needed permanent units are calculated by multiplying households by the vacancy allowance. This accounts for the extra units needed for structural vacancy assumptions.
- (6) HCD used a questionable methodology to calculate “permanent” units that excluded a large number of vacant units that did not happen to be for rent or for sale at the time of the Census. As shown in the table under Note (1) above, there were 1,016 vacant units for sale and another 1,728 vacant units for rent. These units were added by HCD to occupied owner and rental units to calculate “permanent” units. However, as shown in the table above, there were another 524 units that had been rented or sold and were not occupied, and another 1,330 vacant units classified as “other vacant”. These units should be considered as part of the “permanent” housing stock in the county. Our alternative “permanent” housing stock calculation excludes vacant units “for seasonal, recreational, or occasional use” and “for migrant workers” (note that this may unnecessarily exclude some units that may convert to “permanent” uses).
- (7) This figure uses the 2000 Census as a benchmark and is unadjusted for the estimated Census undercount.
- (8) Additional units needed from 2001 to 2008 are calculated by subtracting the housing stock in 2001 from the 2008 total housing units needed. However, since the 2001 estimated of the total housing stock is based on 2000 Census numbers that are unadjusted for the estimated undercount, and the 2008 total units needed are based on a projection that is adjusted for the estimated 2000 Census undercount, this calculation overestimates the number of additional units needed

from 2001 to 2008. As discussed earlier in this report, comparing unadjusted to adjusted figures is equivalent to a difference of about 800 households.

- (9) We have used an annual removal rate of 0.108% per year, based on historical rates of housing removal, compared to HCD's figure of 0.2% per year. It is unclear how HCD derived their removal rate assumption that states that 0.2% of the existing building stock will be removed each year. This is equivalent to removing 1.5% of the housing stock for the 7.5-year period. The assumption is excessive based on historic rates of housing removal. An estimate of housing removals from 1990 to 2000 can be made by comparing the total housing stock in 1990 to the housing stock in 2000 while taking into account new housing constructed from 1990 to 2000. The 1990 Census counted 11,182,513 total housing units. Adding the 1,106,478 new units estimated to have been added to the housing stock from 1990 through 1999¹¹, plus the estimated 46,284 new mobile home units from 1990 through 1999¹², results in an estimated total of 12,335,275 housing units at the start of 2000. This figure is 120,726 units greater than the 2000 Census count of 12,214,549. The 120,726 units are assumed to have been removed from the housing stock from 1990 to 2000. This figure represents only 1.08% of the total 1990 housing stock and is half of the "removal rate" assumed by HCD.
- (10) HCD calculates the number of housing units to be removed by assuming that some of the housing built from 2001 to 7/2008 will need to be replaced in same period. This assumption is questionable. The removal rate should apply only to existing housing as of 2001. It does not appear reasonable to apply the removal rate to housing assumed to be built to meet the housing need within the 2001 to 2008 period. If HCD is claiming that the assumption includes new units that convert from residential uses, it should also include a calculation for units that will convert to "permanent" residential uses from non-residential uses or from "temporary" residential uses.
- (11) HCD provided this figure. It is unclear how they derived this figure.

Summary: Our alternative regional housing need calculation using the "Middle" growth scenario is 17,943, or 2,562 units less than HCD's original figure of 20,505. Both HCD's calculation and our alternative calculation used the same starting point of 99,422 total households in July 2008. This starting point, however, should also be reduced to account for the DOF adjustment for the estimated 2000 Census undercount in its projections.

The key differences between the two calculations are an increase in the assumed existing permanent housing stock in 2001 (by counting almost vacant 2,000 units

¹¹ California Department of Finance (DOF), *Housing Units Authorized by Building Permit, Single & Multiple, California Annual: from 1975* (May 31, 2001) (source: Construction Industry Research Board); figure is slightly higher than the 1,105,814 figure used in *The Great Housing Collapse in California*.

¹² DOF figure from *The Great Housing Collapse in California*.

that HCD ignored and did not count toward the permanent housing stock) and a decrease in the housing removal rate based on overall removal rates in California from 1990 to 2000, rather than an unsupported figure provided by HCD (resulting in a difference of about 700 units).

D. HCD Methodology for “Low” Regional Housing Needs Determination

Table 3 below shows an alternative methodology and calculation for the “Low” 2008 Regional Housing Need Determination. HCD used a convoluted methodology to determine the “Low” projection. The following summarizes the HCD methodology:

- 1) A regional need of housing units of 19,964 units (18,887 units needed + 1,386 replacement units – 309 Tribal unit share) was calculated based on a figure of 98,893 total households for July 2008 based on the “Low” series for the county. As a note, this 98,893 households figure is only 529 households less than the 99,422 households projected using the “Middle” series. Using the alternative calculation methodology shown in Table 2, the 98,893 households figure results in a regional housing need of 17,893 units (16,983 units needed + 1,273 replacement units – 1,255 Tribal unit share).
- 2) The calculated regional need for housing units of 19,964 units is, according to HCD, reduced by the “relationship of the county’s households to the adjusted DOF projection for 2010” in order to take into account the 2010 population projection in the Butte County Regional Transportation Plan (RTP).
- 3) The 2010 population projection in the RTP of 244,044 is accepted by HCD as the total 2010 projected population.
- 4) The 2010 RTP population projection (244,004) is reduced by the population in group quarters (5,844) to derive a household population figure for 2010 (238,160). However, in order to do this, HCD used the group quarters population as of 2000. It did not increase the group quarters population proportionately based on total population growth. Since Butte County showed significant gains in its group quarters population from 1990 (4,705) to 2000 (5,844) according to the U.S. Census, and in 2001 (6,186) and 2002 (6,203) according to DOF, this assumption is questionable. The group quarters population should be increased for 2010.
- 5) In order to “bring the 2010 household population back to 2008,” the “ratio” of total 2008 (241,621) to total 2010 (257,766) unadjusted population based on DOF projections is “applied” to the 2010 household projection above. However, this “ratio” is meaningless and does not provide a valid adjusted 2008 household population figure. This is because HCD is comparing total population figures from different years. The correct methodology would be to compare the 2001 to 2008 growth increment to the 2001 to 2010 growth increment for the DOF

projections and use this ratio to calculate the growth increment from 2001 to 2008 for the RTP figures.

- 6) Projected households for 2008 are calculated by dividing projected household population for 2008 by the mid-point of the DOF figure for persons per household (2.45). It is unclear where this 2.45 figure is from and it represents a decrease in the 2001 persons per household figure of 2.48. Since the figure applies to all households (existing and new) it represents a de facto “uncrowding” of existing households or a much lower persons per household in new households, or a combination of the two.
- 7) Finally, HCD modified the regional housing need by using a “comparison ratio” of the total projected households figure for 2008 to that of the total “Low” total households figure from DOF. This “ratio” is multiplied by the regional housing needs determination calculated from the DOF “Low” households projection. Once again, HCD is using a meaningless “ratio” and this time it compares totals and applies the result to a figure that represents incremental growth. HCD compared two different totals for 2008 households and then multiplied the result by a previously determined projected housing unit growth for the 2001 to 2008 period. A correct methodology would be to compare the 2001 to 2008 increments in household growth and use this ratio to modify the growth increment represented by the original regional housing needs determination. However, even this methodology is unnecessarily convoluted. An alternative methodology is presented below.

If HCD truly “accepts” the 2010 RTP population projection, as they state, they should actually use this population as the starting point for the calculations. As discussed above, State law requires HCD to use the RTP projection.

A far simpler and defensible methodology would be to: 1) use the 2010 RTP population projection; 2) subtract the projected group quarters population; 3) determine the 2001 to 2010 household population growth; 4) calculate the 2001-2008 household population growth based on a ratio of 2001-2008 to 2001-2010 DOF growth, 5) apply a persons per household assumption to determine 2001-2008 household growth; 6) determine 2008 total households; and 7) use the total 2008 households figure to determine regional housing need using the “standard” methodology.

Table 2 below shows this updated methodology for determining 2008 total households based on the 2010 RTP population projection (Steps #a-q) and then uses this household projection to determine regional housing need using the same updated methodology as shown in Table 2 (Steps #1-32). The AAGR for households in the alternative projection is 1.64% (90,727 HH in July 2008; 80,293 HH in January 2001), compared to the 2.82% household AAGR for HCD’s calculation (98,893 HH in July 2008; 80,293 HH in January 2001). It should be noted that the 2001-2008 household AAGR of 1.64% based on the RTP population projection still is significantly larger than the historical 1.1% population

AAGR from 1990 to 2002 and is very close to the historical population AAGR from 1980 to 2000 of 1.74%.

As shown in the table, using the alternative methodology, Butte County has a “Low” regional housing need of 9,124 units. This figure is 9,269 units smaller than the “Low” regional housing need of 18,393 calculated by HCD.

Summary: Using the alternative methodology and using the Butte County RTP population projection, rather than slightly reducing the DOF “Low” series as HCD did, we calculated a “Low” regional housing need of 9,124 units for Butte County. This figure is 9,269 units smaller than the “Low” regional housing need of 18,393 calculated by HCD.

Table 3: Alternative “Low” Regional Housing Needs Determination for Butte County

Step #			formula	notes
a	Jan. 1, 2001 households from DOF	80,293		
b	Jan. 1, 2001 population from DOF	205,399		
c	Jan. 1, 2001 household population from DOF	199,213		
d	Jan. 1, 2001 group quarters population from DOF	6,186		
e	Jan. 1, 2001 GQ % from DOF	3.01%	= #d/#b	
f	2010 population from RTP	244,004		
g	2010 GQ population	7,349	=#e*#f	(1)
h	2010 HH population	236,655	=#f-#g	
I	2001-2010 HH pop. growth	37,442	=#h-#c	
j	2010 population from DOF	257,786		(2)
k	2001-2010 population growth using DOF figures	52,387	=#j-#b	
l	7/2008 population from DOF	241,621		(3)
m	2001-7/2008 population growth using DOF figures	36,222	=#l-#b	
n	ratio of 2001-7/2008 growth to 2001-2010 growth	69.14%	=#m/#k	
o	2001-7/2008 HH pop. growth from 2001-2010 RTP figure based on DOF ratio	25,889	=#l*#n	
p	Jan.1, 2001 persons per household from DOF	2.481		
q	2001-7/2008 HH growth	10,434	=#o/#p	(4)
1	total units from 2000 Census	85,523		(5)
2	total occupied units from 2000 Census (HH)	79,566		
3	owner-occupied units from 2000 Census	48,336		
4	renter-occupied units from 2000 Census	31,230		
5	owner HH % from 2000 Census	60.75%	= #3/#1	
6	renter HH % from 2000 Census	39.25%	= #4/#1	
7	homeowner vacancy rate from 2000 Census			
8	renter vacancy rate from 2000 Census			
9	vacant units from 2000 Census	5,957		
10	vacant units for seasonal, rec., or occasional use	1,359		
11	% vacant units for seasonal, rec., or occasional. use	1.59%	= #10/#1	
12	vacant units for permanent use	4,598	= #9-#10	
13	2008 total HH - Based on RTP	90,727	=#a+#q	
14	owner vacancy allowance	1.73%		
15	renter vacancy allowance	4.62%		
16	July 2008 owner HH	55,117	= #5*#13	
17	July 2008 renter HH	35,611	= #6*#13	
18	July 2008 total owner units needed (permanent)	56,087	= #16/(100%-#14)	
19	July 2008 total renter units needed (permanent)	37,336	= #17/(100%-#15)	

20	July 2008 total units needed (permanent)	93,423	= #18 + #19	
21	permanent stock in 2000	84,164	= #1 - #10	
22	permanent units as share of housing stock	98.41%	= #21/#1	
23	DOF total units in January 2001	86,218		
24	permanent housing stock in 2001	84,848	= #22*#23	
25	additional permanent units needed 2001-2008	8,575	= #20-#24	
26	removal factor	0.00108		
27	loss of units per year from 2001 permanent housing stock	91.6	= #24*#26	
28	normal loss of units - 1/2001-7/2008	687	= #27*7.5	
29	units on tribal lands - 2000	1,255		
30	tribal units share of 2000 permanent housing stock	1.49%	= #29/#21	
31	tribal units portion of 2001-7/2008 need	138	= (#25+#28)*#30	
32	Regional Housing Need 2001-7/2008	9,124	= #25+#28- #31	

- (1) keeps percentage of group quarters population constant
- (2) from HCD; does not match figure in Interim County Projections for 2010 (259,800)
- (3) from HCD; could not confirm figure
- (4) keeps 2001 persons per household figure constant
- (5) Steps #1-32 are identical to those in Table 2