

BCAG Regional Housing Needs Plan (RHNP) 2020 Update

Stakeholder Virtual Workshop

Tuesday, May 19, 2020, 1:30-3:00pm

Attendees:

Stakeholders

Bill Brouhard: Board Member, Chico Builders Association

Dan Herbert: Director of Off-Campus Services, CSU Chico

Kate Leyden: Executive Director, Chico Builders Association

Leslie Johnson: Acting Executive Director, Chico Housing Action Team (CHAT)

Seana O'Shaughnessy: President and CEO, Communities Housing Improvement Project (CHIP)

Wallace Clark: Tribal Chairman, Konkow Valley Band of Maidu Indians

BCAG Staff

Chris Devine, Planning Manager

Brian Lasagna, Regional Analyst

Sara Cain, Associate Senior Planner

PlaceWorks Consultants

David Early, Principal-in-Charge

Andrea Howard, Project Manager

Allison Giffin, Project Planner

Presentation:

The RHNP consultant team provided a presentation that covered the following topics:

- An introduction to the RHNA
- A review of the process for preparing the 6th Cycle RHNA
- Identification of the State-required objectives the RHNA must advance and factors the region must consider in developing its methodology
- An overview of data that will inform the RHNA development
- Review of the project work plan and schedule

The presentation concluded asking for Stakeholder input on the required objectives and factors.

The presentation materials can be viewed [here](#).

Summary of Questions and Comments Received Following Presentation

Question/Comment

Konkow Valley Band of Maidu Indians:

- Expressed interest in input from others regarding plans to buy 76 acres to use for agriculture (approximately 40 acres) and housing (approximately 36 acres) and specific challenges the tribe is encountering.

Response

PlaceWorks:

- BCAG is a convener of representatives from the County as well as all the County's member jurisdictions, but is not a regulatory body. Recommended checking with the County itself to see how the development under consideration would be designated and zoned in the General Plan and if it would require a General Plan amendment.

Questions/Comments

CHIP:

- There is a need for affordable housing at all income levels. The Butte County area median income (AMI) poses a challenge regarding affordable housing for agricultural farm workers. The farmworker minimum wage has increased recently, which means many farm workers now barely surpass the income limits for the affordable housing that they still need. Income limits on affordable units need to be aligned with wage policies like these so they accurately reflect real wages and real costs of living.

- Minimum distance to amenities requirements pose a significant barrier to developing affordable housing, which is why CHIP has built significant amounts of single-family development in the counties it serves.
- Another barrier to affordable housing development in Butte County is a lack of local resources to provide funding matches. These structural issues make it hard to compete for grants. This is an issue faced by a lot of affordable housing developers specifically working in rural areas.
- Another issue/barrier is that planning staff are often supportive of policies that would advance affordable housing development, while elected officials are not.
- In favor of the replacement of housing units lost as a result of an emergency being included as a factor
 - The number of naturally occurring affordable housing units in Butte County has been declining steadily over time; that process was significantly sped up by the Camp Fire.
- The rate of individuals who are homeless as a percent of population in Butte County is the same proportion as Los Angeles County, but since the overall population is smaller, we are less competitive than places like that for State-administered grants.
- Generally support all objectives and factors.

Follow up Question

PlaceWorks:

- Are you saying that rural towns and cities in Butte County which face even higher barriers (due to being more rural and lower in population) should have a lower RHNP allocation or a higher allocation?

Response

CHIP:

- That is a controversial question. I think there still needs to be an allocation in proportion to the actual need. The personalities of each community are all slightly different, and people want to be in their distinct communities for a reason. In Paradise, we are experiencing a small window where we can build without meeting the minimum distance to amenities requirement because of the emergency.

Questions/Comments

Chico Builders Association (Brouhard):

- Market-rate developers should be collaborating closely with non-profit developers and housing providers.

- Regarding the affordable housing (factor #1), the two most important questions are: 1. how much does it cost, and 2. how much of that cost should be covered by income-restricted rent and at what income threshold?
- Job creation should be a huge objective. Stable, living-wage jobs are important for people being able to afford housing.
- Regarding lack of capacity for sewer or water service due to decisions outside jurisdiction's control (factor #2): In Chico, the California Water Service (Cal Water) service boundary does not match the City sphere of influence, demonstrating the need for collaboration between municipalities and utility service providers. The General Plan growth projections in communities need to be aligned with the utility service provider plans and projections. The loss of State money for Paradise Irrigation District has major implications. Without water, there can be no development or fire service, which hampers a lot of re-development efforts in Paradise.
- Regarding the preservation of prime agricultural land (factor #5): recommend Butte reinforce and refine the green line. Since we put up protections against development on prime agricultural land, a lot of development has occurred on rangeland instead, which tends to be more expensive to build on (rockier terrain, etc.). We essentially switched development from where it is affordable, at least from a development standpoint (prime agriculture land), to where it is more costly (rangeland). We need to find a way to encourage development in places where food does not grow.
- Regarding housing costs as a percent of income (factor #9): Richard Hunt just completed a comprehensive study (North Valley Community Foundation), that should be put in the record here and could serve as a baseline for policies that we advance. This looks at the root cause of the cost of providing housing, specific to North Valley (Butte County and a few others)
- Regarding the region's GHG targets (factor #15): CEQA requires projects to evaluate greenhouse gas (GHG) emissions, but it does not take into effect whether that project will just move somewhere else.
- Regarding the question of whether more rural jurisdictions should receive a smaller or larger allocation: GHG emissions standards say that housing should be built closer to jobs, but housing is most often cheaper where the land is farther away from jobs/more rural. How do you balance these things?

Chico Builders Association (Leyden):

- The fundamental challenge is that housing itself is not affordable to build, period. Richard Hunt's analysis post Camp Fire studied three counties including Butte County. He points to the cost to build a house. We should definitely bring that report into this analysis. We should also be looking at what the Turner Center is putting out, they have a recent report on multi-family housing.

Chico Builders Association (Brouhard):

- Without land it costs \$348,000 for a 1,500 square foot home. New housing just is not affordable, period. We can design smaller patio homes, tiny homes, but the basic rule is that new

development is really expensive. There is nothing we can build for low and very-low income households. It is a struggle to just build for moderate incomes.

CSU Chico

- The CSUC has an over-supply of student-purposed housing especially more expensive housing. There is very little in the campus area for married students and young families, or young professionals that work at the campus. It seems incompatible to house a 30-year old student with a family next to an 18-year-old. The CSU is short on that kind of inventory. It would be nice to mention that there is a significant need for that type of housing.

Follow up Question

PlaceWorks:

- What do you observe happening with that over supply of higher-end student housing? Does the price drop?

Response

CSU Chico:

- Much of it remains vacant
- There are properties on the north side of campus that were built in the 60's and 70's and have been deteriorating. My dream is that people would look for opportunities to re-purpose those buildings to meet the needs of these older students with families.
- It would not be a major investment in resources to take a handful of them and 'test the water.' But once we repurpose the whole neighborhood, then the crime issues there would likely improve
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Follow-up Question/Comment

Chico Builders Association (Brouhard):

- Doesn't the school rent by the room also? Which makes it harder to house families specifically?
- If the school is failing to meet its debt coverage ratios on those vacant units, lenders can acquire the project and start reducing the rents

Questions/Comments

Chico Builders Association (Brouhard):

- Land use controls that exist in one community but not another makes it really difficult. The City of Chico has had a discussion about just-cause eviction policies. Even just having the discussion caused two projects in Chico to pull out, because it will reduce the pro-forma return on investment when people won't be able to pay but can't get evicted. There are real-world financial implications to policies like that.

CHAT

- CHAT is really interested in developing housing that would be affordable. This is a huge challenge just because land is expensive, to start. We're trying to do tiny houses. The advantage of being a non-profit is that we get a lot of donated labor and donated materials. It's hard though because there isn't any zoning that quite fits our development plans, things like that. It would help if the City or County would let us use a piece of property. It's unfortunate that a new home has to be tiny for people to afford it.

Follow-up Response/Comment

PlaceWorks:

- It sounds like land value is an issue as well as zoning / land use not being amenable to affordable housing development.

CHIP:

- Some jurisdictions with a higher percentage of affordable housing compared to others in Butte County contend that they shouldn't be allocated the bulk of additional affordable units in the RHNP. I think there are still people who need affordable housing in these types of communities, so that argument doesn't make sense. I do think the Camp Fire changed the perspective a little. People are understanding the responsibility to house people in an emergency, and people are understanding how difficult it is to build housing.

Konkow Valley Band of Maidu Indians:

- It seems there are both bureaucracy and infrastructure barriers to build more housing. You have to refocus smaller these days. If you're going to create an area for housing, you also have to have business there.