

Regional Housing Needs Plan January 1, 2014 – June 15, 2022

Prepared by:
Butte County Association of Governments
Approved:
December 13, 2012
Revised: February 19, 2013



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**BUTTE COUNTY ASSOCIATION OF GOVERNMENTS
RESOLUTION NO 2012/2013 - 12**



APPROVAL OF THE REGIONAL HOUSING NEEDS PLAN (January 1, 2014 – June 15, 2022) FOR BUTTE COUNTY

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

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

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

WHEREAS, BCAG issued the Final Regional Housing Needs Plan on November 14, 2012, following a 60-day review period of the draft allocations;

WHEREAS, BCAG received no request for revisions from the jurisdictions during the 60-day review period;

NOW THEREFORE BE IT RESOLVED that the Butte County Association of Governments does hereby approve and adopt the Final Regional Housing Needs Plan (January 1, 2014 – June 15, 2022) for Butte County.

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

PASSED AND ADOPTED by the Butte County Association of Governments on the 13th day of December, 2012 by the following vote:

AYES:

Connelly, Lambert, Yamaguchi, Thompson, Schwab, Fichter, Titus, Andoe

NOES:

None

ABSENT:

Wahl, Kirk, Dahlmeier

ABSTAIN:

None

APPROVED:



BILL CONNELLY, CHAIR
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS

ATTEST:



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

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

| | |
|--|------------------|
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BCAG Mission

"To implement a transportation planning process that provides for public participation in the decision-making process; and to efficiently deliver transportation projects that ensure the safety of people and goods movement in and through the Butte County region."

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INTRODUCTION

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 eight and a half year (January 1, 2014 - June 15, 2022) 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 (HCD).

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 primary 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 allocations 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. Allocations 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 the final allocations which indicate for each jurisdiction, the distribution of housing needs for each of four household income groups, and the projected new housing units 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. The adopted methodology provides a step by step process of how the final allocations were developed and the factors to consider section provides a description of how each of the required factors have been addressed in the methodology. Appendix A contains the selected portions of state law relating to regional housing needs plans, the Butte County Long-Term Regional Growth Forecasts 2010 – 2035 and associated Regional Guiding Principles are included as Appendix B and C, Appendix D is the final determination received from Housing and Community Development, and Appendix E is a summary of assisted housing units developed by the California Housing Partnership Corporation. Appendix F, transfer of allocations between jurisdictions, is included as a reference for those jurisdictions which may need to consider a transfer prior the housing element due date.

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.

The RHNP has been developed by BCAG in cooperation with the city and county planning departments through the BCAG Planning Directors Working Group. This group provided valuable input into the assumptions and methods used in the preparation of the methodology and allocations. In addition, the group was also involved in the development of the Butte County Long-Term Regional Growth Forecasts, which provide the foundation for each jurisdiction's overall allocation. Thus, we have developed a RHNP that all jurisdictions are reasonably comfortable with.

REQUIREMENTS OF STATE LAW

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

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

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

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

The procedure outlined by state law requires that HCD, based on population projections provided by the California Department of Finance (DOF), or council/associations of governments, to apportion the statewide housing need among housing market regions. These regions coincide with the 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). On June 14, 2012 HCD notified BCAG regarding the final determination for the Butte County region. The portion of the statewide housing need assigned to BCAG covers the period January 1, 2014 through June 15, 2022 and totals 10,320 housing units.

The state mandated process requires BCAG to develop a methodology that determines how to divide the allocation that the area receives from the state. On June 8, 2012 BCAG released the proposed methodology for preparing the allocations in the RHNP for the required 60-day comment period. The methodology was approved by the BCAG Board on August 23, 2012.

On September 14, 2012 the draft housing allocations were released to the public and distributed to the local jurisdictions for the required 60-day review. The draft housing allocations were prepared utilizing the approved methodology. During the 60-day review period, local jurisdictions were given the opportunity to request a revision to their share of the regional housing need in accordance with California Government Code Section 65584.04(b)(1). No requests for revision were received by BCAG, thereby concluding the opportunities for jurisdictions to appeal the allocations to the BCAG Board of Directors.

By June 2014, each jurisdiction must update its housing element to be consistent with the 2014-2022 RHNP and submit it to HCD. The housing element must demonstrate that adequate sites and zoning are available to address anticipated housing demand during the planning period and market forces will not inhibit addressing the housing needs of all economic segments of a community. HCD reviews each jurisdiction's housing element update for compliance with state law.

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

New to this cycle of the RHNP is the requirement that the final housing allocations must be accommodated within the Sustainable Communities Strategy (SCS) portion of BCAG's 2012 Metropolitan Transportation Plan (MTP). This requirement was included with the passage of Senate Bill 375 (SB 375) in 2008. In the past, the RHNP was completed separately from the MTP. SB 375 now links the RHNA and MTP processes to better integrate housing, land use, and transportation planning. Integrating both processes helps ensure that the state's housing goals are met. The 2012 MTP/SCS, as prepared by BCAG, is consistent with the 2014-2022 RHNP and the land use pattern contained in the SCS is able to accommodate the final housing needs determination.

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

ADOPTED METHODOLOGY AND FINAL ALLOCATIONS

This section applies the methodology adopted by the BCAG Board of Directors for the 2012 Regional Housing Needs Plan (RHNP) for the period January 1, 2014 to June 15, 2022. Included with the applied methodology are the final allocations for the RHNP (Table 6).

Description of Adopted Methodology

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

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

Allocation of Housing Units by Jurisdiction

The first component involves distributing the countywide housing allocation provided by HCD among BCAG's six member jurisdictions.

Allocations are based on each jurisdiction's share of growth forecasted in the Butte County Long-Term Regional Growth Forecasts 2010-2035 for the period from 2015 to 2025, the closest corresponding period to the RHNA 2014-2022 determination. Although the 2015-2025 forecast numbers are based on a slightly longer period and represent a different amount of growth than the HCD target allocation, they do reflect the rates and general magnitudes of growth expected to occur in the region's jurisdictions by 2022. The Butte County Long-Term Regional Growth Forecasts 2010-2035 were developed by BCAG in cooperation with the local jurisdictions for use in their local planning efforts and BCAG's update of the 2012 Metropolitan Transportation Plan and Sustainable Communities Strategy (MTP/SCS), 2012 update of the regional travel model, and 2012 Regional Housing Needs Allocation.

The following two steps detail the final methodology used to allocate the housing units among BCAG's six member jurisdictions.

- 1) Summarize each jurisdiction's individual projected housing unit growth rates from the Butte County Long-Term Regional Growth Forecasts 2010-2035 for the period from 2015 to 2025. A percentage of the total housing unit increase is then determined for each jurisdiction. See Table 1 below the results of the determination.

Table 1. Projected Housing Unit Increase 2015-2025

| Jurisdiction | * Projected HU Increase 2015-2025 | Percentage of Total HH Increase |
|--------------------|-----------------------------------|---------------------------------|
| City of Biggs | 400 | 2.09% |
| City of Chico | 7315 | 38.23% |
| City of Gridley | 1420 | 7.42% |
| City of Oroville | 3310 | 17.30% |
| Town of Paradise | 1175 | 6.14% |
| Unincorporated | 5515 | 28.82% |
| Butte County Total | 19,135 | 100.00% |

* Source: BCAG Butte County Long-Term Regional Growth Forecasts 2010 - 2035

- 2) Apply percentage of total housing unit increase for each jurisdiction to HCD’s housing units. The resulting number represents each jurisdictions preliminary housing unit share of HCD’s determination. See Table 2 below for the results of each jurisdictions preliminary share.

Table 2. Jurisdiction Share of Regional Housing Need

| Jurisdiction | HU Growth 2015-2025 | Share of Regional Housing Needs 2014-2022 |
|------------------|---------------------|---|
| City of Biggs | 2.09% | 216 |
| City of Chico | 38.23% | 3,945 |
| City of Gridley | 7.42% | 766 |
| City of Oroville | 17.30% | 1,785 |
| Town of Paradise | 6.14% | 634 |
| Unincorporated | 28.82% | 2,974 |
| County Total | 100.00% | 10,320 |

Allocation of Housing Units by Income Group

The second component breaks out each jurisdictions housing unit allocation into the following income groups: very low, low, moderate, and above moderate. The income distribution for each BCAG jurisdiction is based on the current (2006-2010) income distribution of each community (Table 3), it then moves each incorporated areas income distribution towards regional percentages provided by HCD (Table 4).

Table 3. Butte County Households by Income Group

| Jurisdiction | Very Low | Low | Moderate | Above Moderate | Totals |
|--------------------|----------|--------|----------|----------------|---------|
| City of Biggs | 23.44% | 14.79% | 22.27% | 39.50% | 100.00% |
| City of Chico | 25.03% | 15.55% | 16.26% | 43.16% | 100.00% |
| City of Gridley | 17.63% | 16.37% | 22.30% | 43.70% | 100.00% |
| City of Oroville | 26.39% | 15.65% | 16.55% | 41.41% | 100.00% |
| Town of Paradise | 25.50% | 15.75% | 17.34% | 41.41% | 100.00% |
| Unincorporated | 22.89% | 18.31% | 16.14% | 42.66% | 100.00% |
| Butte County Total | 24.16% | 16.66% | 16.57% | 42.61% | 100.00% |

Source: 2006-2010 American Community Survey U.S. Census

Table 4. Regional Housing Needs Determination January 2014 - June 15, 2022

| Income Group | Housing Units |
|----------------|------------------|
| Very Low | 2,495 (24.2%) |
| Low | 1,720 (16.7%) |
| Moderate | 1,710 (16.6%) |
| Above Moderate | 4,395 (42.5%) |
| Total | 10,320 (100.00%) |

Source: California Department of Housing and Community Development 2012.

For incorporated communities with a relatively high percentage of lower-income households, the basic construction need by income group will reflect 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 based on a trend line from 2010-2035, as described below.

The income distribution for each BCAG jurisdiction is based on a trend line from 2010 to 2035. On one endpoint, the 2006-2010 ACS provides the percentage of households that a jurisdiction has in each income category. On the other end, 2035, shows the regional average percentage of households in each income category. The trend line that connects these two points is intersected at the year 2022. That intersection has the incorporated jurisdiction's 2022 allocation for that income category.

The Unincorporated allocation of housing units by income group is not adjusted from the 2006-2010 ACS estimates, but rather is kept consistent with their existing distribution of housing types as identified in the 2006-2010 ACS. This follows the same methodology used in the 2003 and 2007 Regional Housing Needs Plans due to the fact that very low and low income households are better developed in incorporated areas where

infrastructure and services exist to accommodate this housing type. Thus, the methodology does not make an adjustment to give the unincorporated area an increased share of very low and low income housing, but rather keeps their allocation consistent with their existing distribution of housing types as identified in the 2006-2010 ACS.

Lastly, an adjustment is made to assure that no jurisdiction receives a combined allocation of very low and low units greater than what that jurisdiction received during the last RHNP cycle. This is a newly introduced component of the methodology added to insure that no jurisdiction is asked to plan for a greater amount of very low and low income units, than was received in the last RHNP cycle, based on the current uncertainty of the short-term market demand for housing. Table 5 contains the preliminary allocation of units prior to making the manual adjustments.

Table 5. RHNP Preliminary Allocation

| Jurisdiction | Very Low | | Low | | Moderate | | Above Moderate | | Total Housing Units |
|------------------------|------------|--------------|------------|--------------|------------|--------------|----------------|--------------|---------------------|
| | % | HU | % | HU | % | HU | % | HU | |
| City of Biggs | 26% | 48 | 16% | 30 | 13% | 24 | 45% | 82 | 184 |
| City of Chico | 25% | 973 | 16% | 639 | 18% | 708 | 41% | 1,643 | 3,963 |
| City of Gridley | 30% | 231 | 15% | 118 | 13% | 99 | 42% | 321 | 769 |
| City of Oroville | 23% | 419 | 16% | 284 | 17% | 306 | 44% | 784 | 1,793 |
| Town of Paradise | 22% | 141 | 16% | 100 | 15% | 93 | 48% | 303 | 637 |
| Unincorporated | 23% | 681 | 18% | 545 | 16% | 480 | 43% | 1,269 | 2,974 |
| County Total | 24% | 2,492 | 17% | 1,715 | 17% | 1,710 | 43% | 4,403 | 10,320 |
| HCD Requirement | 24% | 2,495 | 17% | 1,720 | 17% | 1,710 | 43% | 4,395 | 10,320 |

A manual adjustment may then be made to eliminate errors from numeric rounding by adding or subtracting the remaining units needed to meet the allocation for each individual income group. Adjustments may be made to all income groups in order to meet the HCD required totals. Table 6 contains the final allocations for each jurisdiction following the adjustments.

Table 6. RHNP Final Allocations

| Jurisdiction | Very Low | | Low | | Moderate | | Above Moderate | | Total Housing Units |
|------------------------|------------|--------------|------------|--------------|------------|--------------|----------------|--------------|---------------------|
| | % | HU | % | HU | % | HU | % | HU | |
| City of Biggs | 26% | 48 | 16% | 30 | 13% | 24 | 45% | 82 | 184 |
| City of Chico | 25% | 974 | 16% | 643 | 18% | 708 | 41% | 1,638 | 3,963 |
| City of Gridley | 30% | 231 | 15% | 118 | 13% | 99 | 42% | 321 | 769 |
| City of Oroville | 23% | 419 | 16% | 284 | 17% | 306 | 44% | 784 | 1,793 |
| Town of Paradise | 22% | 141 | 16% | 100 | 15% | 93 | 48% | 303 | 637 |
| Unincorporated | 23% | 682 | 18% | 545 | 16% | 480 | 43% | 1,267 | 2,974 |
| County Total | 24% | 2,495 | 17% | 1,720 | 17% | 1,710 | 43% | 4,395 | 10,320 |
| HCD Requirement | 24% | 2,495 | 17% | 1,720 | 17% | 1,710 | 43% | 4,395 | 10,320 |

FACTORS TO CONSIDER

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

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

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

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

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

- **The market demand for housing.**

The market demand for housing has decreased significantly compared to the first half of the decade and current development has been at a virtual standstill over the past several years. A special adjustment has been incorporated into the methodology in order to counter a portion of the uncertainty regarding the short-term market demand for housing included in the long-term regional growth forecasts. This adjustment caps the amount of combined very low and low income units a jurisdiction can be allocated based on the previous RHNP cycle.

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

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

The California Housing Partnership Corporation (CHPC) has identified 11 projects (615 units) within Butte County as "at-risk" of being loss to market rate housing (see Appendix E). This data, however, does not identify all assisted units which may be supported through other programs nor does it account for new projects being developed over the RHNA timeline. Compiling assisted housing data, in general, is very difficult due to the array of programs and agencies involved. BCAG determined

that the available data is insufficient for being incorporated into the methodology in a consistent and rationale manner. Each individual jurisdiction should consider this category of need in their respective housing elements.

- **The housing needs of farmworkers.**

Farmworkers provide an important contribution to the economy of Butte County. Agricultural production for the year 2008 employed 2,800 people, with countywide agricultural production value totaling \$540 million in 2009. The ten leading crops identified by their 2009 dollar value are shown in Table 1.

The California Employment Development Department (EDD) projects farm industry average annual employment to remain unchanged through the year 2018, with 2,800 total farm jobs. Projections beyond the 2018 time period were not available at the time this report was prepared.

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

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

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

| Table 1. Leading Agricultural Commodities with Value of Production, 2009. | |
|--|-----------------|
| Commodity | \$ Mill. |
| Rice, Milling | 184.2 |
| Walnuts, English | 116.7 |
| Almonds | 90.8 |
| Plums, Dried | 36.9 |
| Nursery Products | 26.8 |
| Rice, Seed | 12.2 |
| Fruits & Nuts | 10.9 |
| Peaches, Clingstone | 10.6 |
| Cattle & Calves | 7.6 |
| Apiary Products | 6.5 |
| <i>Source: CA Dept. of Food & Agriculture</i> | |

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

The student population, generated by California State University, Chico (CSUC), is a significant and unique group within the City of Chico and adjoining unincorporated area. Unlike the general population, students tend to prefer shared accommodations

and may qualify individually as low income but do not, in fact, live in low-income households.

The latest Chico State University Master Plan, prepared in 2005, seeks to obtain a full time equivalent student (FTES) capacity of 15,800 students. This is a 10% increase from current, Spring Semester 2012, FTES levels of 14,300. The master plan has been considered in the development of the latest update of the City of Chico General Plan and has been incorporated into the latest long-term regional forecasts as a component of the City of Chico projections. No specific adjustments to the methodology have been made for the housing needs of CSUC. However, the CSUC student population growth has been incorporated into the long-term regional growth forecasts.

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

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

APPENDIX A

REGIONAL HOUSING NEEDS (Selected Portions from Section 65584 of the Government Code)

California Government Code Section 65584

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

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

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

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

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

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

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

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

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

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

- (1)Very low incomes as defined by Section 50105 of the Health and Safety Code.
 - (2)Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.
 - (3)Moderate incomes, as defined by Section 50093 of the Health and Safety Code.
 - (4)Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.
- (f)Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

California Government Code Section 65584.04

- (a)At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall be consistent with the objectives listed in subdivision (d) of Section 65584.
- (b)(1)No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).
- (2)The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.
- (3)The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.
- (4)If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).
- (c)Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.
- (d)To the extent that sufficient data is available from local governments pursuant to subdivision

(b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

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

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

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

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

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

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

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

(4) The market demand for housing.

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

(6) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(7) High-housing cost burdens.

(8) The housing needs of farmworkers.

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

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

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

include numerical weighting.

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

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

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

(i)(1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.

(2) The final allocation plan shall ensure that the total regional housing need, by income category, as determined under Section 65584, is maintained, and that each jurisdiction in the region receive an allocation of units for low- and very low income households.

(3) The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan.

APPENDIX B

Butte County Long-Term Regional Growth Forecasts 2010 – 2035

Prepared by:
Butte County Association of Governments
January 26th, 2011



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This document is available online at www.bcag.org. Please direct any questions or comments to Mr. Brian Lasagna, BCAG Senior Planner by phone or email at blasagna@bcag.org.

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INTRODUCTION

Approximately every four years, the Butte County Association of Governments (BCAG) prepares long-term regional growth forecasts of housing, population, and employment for the Butte County area. The forecasts are used in preparation of BCAG's 2012 Regional Transportation Plan, Sustainable Communities Strategy, Air Quality Conformity Determination, and Regional Housing Needs Plan and provide data support for BCAG's regional Travel Demand Model. Local land use planning agencies may also elect to utilize the forecasts for preparing district plans or city and county long range plans.

The forecasts have been developed by BCAG in consultation with its Planning Directors Group which consists of representatives from each of BCAG's local jurisdiction members and the Butte Local Agency Formation Commission. Each of the local jurisdictions provided valuable input regarding the anticipated amount of growth within their respective planning areas.

A low, medium, and high scenario has been developed for each forecast of housing, population, and employment. The use of these scenarios provides for increased flexibility when utilizing the forecast for long-term planning and alleviates some of the uncertainty inherent in long range projections.

The regional growth forecasts will be updated again during the 2014/15 fiscal year in preparation for BCAG's 2016 Regional Transportation Plan and to ensure that any unexpected trends will be integrated into the forecasts.

REGIONAL FORECASTS

In comparison to the regional forecasts prepared by BCAG in 2006, the 2010 forecasts capture the downward trend in regional growth associated with the dramatic downturn in the economy. This is most evident in the short term periods (2010-2020) of the forecasts in which the overall growth of the region has been most affected. Less variation is seen with the longer range (2020-2035) forecasts, suggesting that future growth patterns are likely to stay intact following an economic recovery.

As identified in BCAG's 2006 growth forecasts, jurisdictions in the southern portions of the region are projected to absorb a greater percentage of the regional growth than achieved in past growth trends. The cities of Biggs, Gridley, and Oroville are forecasted to, at a minimum, double in population by the year 2035. While the greatest amount of growth will continue to be occurring in the Chico area with a forecasted range of 16,339 – 22,096 new housing units by the year 2035.

Consistent with the population and housing trends, employment is projected to rebound from its current estimate of 0.74 jobs per housing unit in 2010 to moderate historic levels by the year 2020 and maintain a 0.78 ratio into the horizon year of 2035.

Table 1: Housing Forecasts 2010-2035

Low Scenario

| Jurisdiction^ | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 | Total Increase 2010-2035 | Percent Increase 2010-2035 | Compound Annual Growth Rate (CAGR) 2010-2035 |
|---------------------|---------------|----------------|----------------|----------------|----------------|----------------|--------------------------|----------------------------|--|
| Biggs | 634 | 740 | 931 | 1,080 | 1,249 | 1,440 | 806 | 127% | 3.3% |
| Chico | 37,159 | 38,750 | 41,283 | 44,957 | 49,018 | 53,498 | 16,339 | 44% | 1.5% |
| Gridley | 2,449 | 2,911 | 3,586 | 4,116 | 4,736 | 5,338 | 2,889 | 118% | 3.2% |
| Oroville | 6,393 | 7,157 | 8,379 | 9,966 | 10,912 | 11,964 | 5,571 | 87% | 2.5% |
| Paradise | 12,789 | 13,171 | 13,638 | 14,168 | 14,720 | 15,314 | 2,525 | 20% | 0.7% |
| Unincorporated^^ | 37,199 | 39,371 | 41,696 | 44,051 | 46,576 | 49,228 | 12,029 | 32% | 1.1% |
| Total County | 96,623 | 102,101 | 109,513 | 118,338 | 127,210 | 136,782 | 40,159 | 42% | 1.4% |

Medium Scenario

| Jurisdiction^ | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 | Total Increase 2010-2035 | Percent Increase 2010-2035 | Compound Annual Growth Rate (CAGR) 2010-2035 |
|---------------------|---------------|----------------|----------------|----------------|----------------|----------------|--------------------------|----------------------------|--|
| Biggs | 634 | 759 | 984 | 1,159 | 1,359 | 1,584 | 950 | 150% | 3.7% |
| Chico | 37,159 | 39,034 | 42,019 | 46,349 | 51,134 | 56,414 | 19,255 | 52% | 1.7% |
| Gridley | 2,449 | 2,994 | 3,789 | 4,414 | 5,144 | 5,854 | 3,405 | 139% | 3.5% |
| Oroville | 6,393 | 7,293 | 8,733 | 10,603 | 11,718 | 12,958 | 6,565 | 103% | 2.9% |
| Paradise | 12,789 | 13,239 | 13,789 | 14,414 | 15,064 | 15,764 | 2,975 | 23% | 0.8% |
| Unincorporated^^ | 37,199 | 39,759 | 42,499 | 45,274 | 48,249 | 51,374 | 14,175 | 38% | 1.3% |
| Total County | 96,623 | 103,078 | 111,813 | 122,213 | 132,668 | 143,948 | 47,325 | 49% | 1.6% |

High Scenario

| Jurisdiction^ | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 | Total Increase 2010-2035 | Percent Increase 2010-2035 | Compound Annual Growth Rate (CAGR) 2010-2035 |
|---------------------|---------------|----------------|----------------|----------------|----------------|----------------|--------------------------|----------------------------|--|
| Biggs | 634 | 777 | 1,036 | 1,236 | 1,466 | 1,724 | 1,090 | 172% | 4.1% |
| Chico | 37,159 | 39,311 | 42,736 | 47,705 | 53,196 | 59,255 | 22,096 | 59% | 1.9% |
| Gridley | 2,449 | 3,074 | 3,987 | 4,704 | 5,542 | 6,356 | 3,907 | 160% | 3.9% |
| Oroville | 6,393 | 7,426 | 9,078 | 11,224 | 12,504 | 13,927 | 7,534 | 118% | 3.2% |
| Paradise | 12,789 | 13,305 | 13,937 | 14,654 | 15,400 | 16,203 | 3,414 | 27% | 1.0% |
| Unincorporated^^ | 37,199 | 40,137 | 43,281 | 46,465 | 49,879 | 53,465 | 16,266 | 44% | 1.5% |
| Total County | 96,623 | 104,030 | 114,054 | 125,988 | 137,986 | 150,930 | 54,307 | 56% | 1.8% |

* Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.

Notes:

^ Jurisdictional figures reflect anticipated new growth within the anticipated boundaries of each jurisdiction and do not reflect future annexation of existing units or as-yet-unbuilt new units in unincorporated areas to the respective cities. Assumptions about future boundaries are not intended by BCAG to be interpreted as factors limiting such jurisdictions' future boundaries.

^^ Unincorporated Butte County figures exclude forecasted growth identified in the Butte County General Plan 2030 - Environmental Impact Report as Bell Muir/Chico Area, Doe Mill/Honey Run Specific Plan, Thermalito Afterbay, Biggs Area, and Gridley Area and includes shared growth (50%) of Thermalito, Southern Oroville and Eastern Oroville.

Table 2: Population Forecasts 2010-2035

Low Scenario

| Jurisdiction [^] | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 | Total Increase 2010-2035 | Percent Increase 2010-2035 | Compound Annual Growth Rate (CAGR) 2010-2035 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|-------------------------------|---|
| Biggs | 1,787 | 2,086 | 2,624 | 3,043 | 3,521 | 4,059 | 2,272 | 127% | 3.3% |
| Chico | 88,228 | 92,004 | 98,018 | 106,743 | 116,383 | 127,021 | 38,793 | 44% | 1.5% |
| Gridley | 6,454 | 7,673 | 9,451 | 10,849 | 12,481 | 14,069 | 7,615 | 118% | 3.2% |
| Oroville | 14,687 | 16,442 | 19,249 | 22,895 | 25,069 | 27,486 | 12,799 | 87% | 2.5% |
| Paradise | 26,310 | 27,095 | 28,055 | 29,146 | 30,281 | 31,503 | 5,193 | 20% | 0.7% |
| Unincorporated ^{^^} | 84,302 | 89,223 | 94,493 | 99,829 | 105,550 | 111,560 | 27,258 | 32% | 1.1% |
| Total County | 221,768 | 234,524 | 251,890 | 272,504 | 293,285 | 315,698 | 93,930 | 42% | 1.4% |

Medium Scenario

| Jurisdiction [^] | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 | Total Increase 2010-2035 | Percent Increase 2010-2035 | Compound Annual Growth Rate (CAGR) 2010-2035 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|-------------------------------|---|
| Biggs | 1,787 | 2,139 | 2,774 | 3,267 | 3,830 | 4,465 | 2,678 | 150% | 3.7% |
| Chico | 88,228 | 92,678 | 99,766 | 110,046 | 121,407 | 133,944 | 45,716 | 52% | 1.7% |
| Gridley | 6,454 | 7,890 | 9,986 | 11,633 | 13,556 | 15,428 | 8,974 | 139% | 3.5% |
| Oroville | 14,687 | 16,755 | 20,063 | 24,359 | 26,921 | 29,770 | 15,083 | 103% | 2.9% |
| Paradise | 26,310 | 27,235 | 28,367 | 29,652 | 30,990 | 32,430 | 6,120 | 23% | 0.8% |
| Unincorporated ^{^^} | 84,302 | 90,102 | 96,311 | 102,600 | 109,342 | 116,424 | 32,122 | 38% | 1.3% |
| Total County | 221,768 | 236,800 | 257,266 | 281,558 | 306,047 | 332,459 | 110,691 | 50% | 1.6% |

High Scenario

| Jurisdiction [^] | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 | Total Increase 2010-2035 | Percent Increase 2010-2035 | Compound Annual Growth Rate (CAGR) 2010-2035 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|-------------------------------|---|
| Biggs | 1,787 | 2,191 | 2,919 | 3,485 | 4,132 | 4,860 | 3,073 | 172% | 4.1% |
| Chico | 88,228 | 93,335 | 101,468 | 113,265 | 126,303 | 140,688 | 52,460 | 59% | 1.9% |
| Gridley | 6,454 | 8,102 | 10,507 | 12,397 | 14,604 | 16,751 | 10,297 | 160% | 3.9% |
| Oroville | 14,687 | 17,060 | 20,856 | 25,786 | 28,726 | 31,995 | 17,308 | 118% | 3.2% |
| Paradise | 26,310 | 27,372 | 28,670 | 30,146 | 31,680 | 33,333 | 7,023 | 27% | 1.0% |
| Unincorporated ^{^^} | 84,302 | 90,958 | 98,083 | 105,300 | 113,036 | 121,163 | 36,861 | 44% | 1.5% |
| Total County | 221,768 | 239,018 | 262,503 | 290,379 | 318,481 | 348,790 | 127,022 | 57% | 1.8% |

* Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.

Notes:

[^]Jurisdictional figures reflect anticipated new growth within the anticipated boundaries of each jurisdiction and do not reflect future annexation of existing units or as-yet-unbuilt new units in unincorporated areas to the respective cities. Assumptions about future boundaries are not intended by BCAG to be interpreted as factors limiting such jurisdictions' future boundaries.

^{^^} Unincorporated Butte County figures exclude forecasted growth identified in the Butte County General Plan 2030 - Environmental Impact Report as Bell Muir/Chico Area, Doe Mill/Honey Run Specific Plan, Thermalito Afterbay, Biggs Area, and Gridley Area and includes shared growth (50%) of Thermalito, Southern Oroville and Eastern Oroville.

Table 3: Employment Forecasts 2010-2035

Low Scenario

| Jurisdiction | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 | Total Increase 2010-2035 | Percent Increase 2010-2035 |
|--------------|--------|--------|--------|--------|--------|---------|--------------------------|----------------------------|
| Butte County | 71,501 | 77,596 | 85,420 | 92,304 | 99,224 | 106,690 | 35,189 | 49% |

Medium Scenario

| Jurisdiction | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 | Total Increase 2010-2035 | Percent Increase 2010-2035 |
|--------------|--------|--------|--------|--------|---------|---------|--------------------------|----------------------------|
| Butte County | 71,501 | 78,339 | 87,214 | 95,326 | 103,481 | 112,279 | 40,778 | 57% |

High Scenario

| Jurisdiction | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 | Total Increase 2010-2035 | Percent Increase 2010-2035 |
|--------------|--------|--------|--------|--------|---------|---------|--------------------------|----------------------------|
| Butte County | 71,501 | 79,063 | 88,962 | 98,271 | 107,629 | 117,725 | 46,224 | 65% |

Table 4: Jobs (Non-Farm) to Housing Unit Ratios 2010-2035

| Factor | 2010* | 2015 | 2020 | 2025 | 2030 | 2035 |
|-------------------|-------|------|------|------|------|------|
| Jobs/Housing Unit | 0.74 | 0.76 | 0.78 | 0.78 | 0.78 | 0.78 |

* Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010. California Employment Development Department, Industry Employment & Labor Force - by Annual Average, March 2009 Benchmark, for Butte County (Chico MSA).

FORECAST METHODOLOGY

BCAG has prepared the forecasts using professionally accepted methodologies for long-range forecasting. First, utilizing a “top down” approach, long-term projections prepared by the State of California were consulted for Butte County and used to establish control totals for the region. Secondly, a variety of data sources, including input from local jurisdiction staff, were then consulted to develop historic trends and projected growth at the local jurisdiction level, therefore incorporating a “bottom up” approach. Forecasts were then allocated into five year increments until the year 2035. Lastly, low, medium, and high scenarios were prepared for each forecasted category.

HOUSING

The latest California Department of Finance (DOF) long range population and housing projections, as of December 2010, were analyzed for the period 2010-2035 for the Butte County region. These projections determine that the Butte County region will grow at a Compound Annual Growth Rate (CAGR) of 1.8%. This information was used to establish the control total for BCAG’s high forecast scenario.

BCAG then compiled historic building permit data and prepared a revise of the 2006 BCAG growth forecasts utilizing 2010 base line data from DOF, for each jurisdiction in the region. After reviewing the information described above, planning staff from the local jurisdictions provided input into future housing development considering their most recent local land use plans and knowledge of current development activity. Based on the information gathered, an estimate of the production of new housing units occurring within each jurisdiction, for each five year increment, to the year 2035, were then developed. Once compiled for all jurisdictions, the forecast showed a regional CAGR of 1.6%. This information was used to represent the medium forecast scenario.

Based on a 0.2 percent incremental change between the established high and medium scenarios, a low scenario was developed using a CAGR of 1.4%. Each jurisdictions growth, represented in 5 year increments, was adjusted from the medium scenario to the high and low scenarios based on its share of growth.

POPULATION

Population forecasts were prepared by applying average persons per housing unit to the housing unit forecasts. This method allows for the capture of variations in household for each jurisdiction. The average person per housing unit was prepared by dividing the 2010 DOF preliminary population estimates by the preliminary housing estimates for each jurisdiction. This method was applied to all scenarios.

EMPLOYMENT

Employment forecasts were prepared at the regional/county level only and are based on a ratio of jobs per housing unit.

Baseline 2010 employment data was obtained from the California Employment Development Department (EDD) for the year 2009 – an annual average for 2010 was not available at the time the BCAG regional forecasts were prepared. The 2009 EDD data provide a total of all non-farm jobs for the region. This information was then used in conjunction with 2009 DOF preliminary housing unit estimates to calculate a ratio of 0.74 jobs per housing unit.

Historic employment information was also obtained from the EDD for the period 1990-2009 and averaged to calculate a long range jobs to housing unit ratio of 0.78. This ratio was applied to the years 2020-2035 and based on the assumption that historic rates of employment will completely resume by the year 2020.

Anticipating a recovery from the existing lows of the economy, an average of the 2010 and long-term ratios were prepared for the year 2015, of 0.76 jobs per housing unit.

Lastly, the jobs to housing unit ratio developed for each 5 year period was applied to all scenarios.

APPENDIX C

REGIONAL GUIDING PRINCIPLES

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

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

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

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

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

APPENDIX D

HOUSING AND COMMUNITY DEVELOPMENT LETTER OF DETERMINATION

STATE OF CALIFORNIA, BUSINESS, TRANSPORTATION, AND HOUSING AGENCY

EDMUND G. SHOWN, JR., Governor

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

1000 Third St., Suite 400
P. O. Box 882053
Sacramento, CA 95828-2053
(916) 563-5177 / FAX (916) 321-2943
ENR@CDHHS.CA.GOV



June 14, 2012

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

Dear Mr. Clark:

RE: Regional Housing Need Determination for the Fifth Housing Element Update

This letter provides the Butte County Association of Governments (BCAG) its fifth cycle regional housing need assessment (RHNA) determination for the projection period January 1, 2014 through June 15, 2022. The Department of Housing and Community Development (Department) is required to determine BCAG's existing and projected housing need pursuant to State housing law (Government Code Section 65584, et seq.).

As you know, Senate Bill 375 (Chapter 728, Statutes of 2008) further strengthened the existing coordination of housing and transportation planning by requiring Metropolitan Planning Organizations (MPO) to develop and incorporate a new sustainable community strategy (SCS) in the Regional Transportation Plan (RTP) to achieve greenhouse gas emission reductions and ensure the SCS accommodates the RHNA. SB 375 also amended the RHNA schedule and methodology and, among other things, strengthened rezoning requirements.

Since only partial demographic data was available from Census 2010 and the Department of Finance (DOF), the Department's RHNA determination also utilized American Community Survey (ACS) data. In assessing BCAG's regional housing need, the Department considered the critical role housing plays in developing sustainable communities and supporting employment growth. The Department determined BCAG's regional housing need to be 10,320 units for the 8.45-year projection period from January 1, 2014 through June 15, 2022. This RHNA reflects the Department's consideration of BCAG's changing socio-economic base and potential for recent household formation trends to generate housing demand at a changing and more diverse pace.

In determining the regional housing need, consideration was also given to the extraordinary uncertainty regarding national, State, local economies and housing markets. As a result, for this RHNA cycle only, the Department made an adjustment to account for abnormal vacancies and unique market conditions due to prolonged recessionary conditions, high unemployment, and unprecedented foreclosures.

Mr. Jon Clark
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In assessing BCAG's regional housing needs, the Department and BCAG's representative completed the consultation process specified in statute through correspondence, meetings and conference calls conducted between April and June 2012. Consultation with BCAG's representative involved Mr. Brian Lasagna, Senior Planner. The Department also consulted with Ms. Mary Heim, demographic expert, and retired Chief of DOF's Demographic Research Unit.

In finalizing BCAG's RHNA, the Department applied methodology and assumptions regarding the following factors (Government Code Section 65584.0(c)(1)):

- anticipated household growth associated with projected population increases;
- household size data and trends in household size;
- rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures;
- vacancy rates in existing housing stock, and for healthy housing market functioning and regional mobility, as well as housing replacement needs;
- other characteristics of the composition of the projected population; and
- the relationship between jobs and housing, including any imbalance between jobs and housing.

Data, assumptions, and draft forecasts of population, employment and housing, as well as information about the relationship between jobs and housing provided by BCAG in regards to the above factors were considered. Assumptions made about the rate with which existing vacant "for sale" and "for rent" housing units may be absorbed for occupancy by the beginning of the projection period in 2014 were also considered.

The Attachments to this letter describe details of the Department's methodology and RHNA income category distribution for BCAG to allocate 10,320 housing units among all its local governments. As you know, BCAG must provide each locality a RHNA share of very-low, low-, and moderate-income units that at least equals the total for each of these income categories shown in Attachment 1 and also distribute housing need for above-moderate income households. The RHNA represents the *minimum* amount of residential development capacity a jurisdiction must plan to accommodate through zoning and appropriate development strategies. RHNA is not to be used within local general plans as a maximum amount or cap of residential development to plan for or approve.

BCAG's RHNA projection period (also described in the attachments) was determined pursuant to Government Code Section 65588(e)(8) based on BCAG's *estimated* RTP adoption date of December 13, 2012. Please note that if the actual RTP adoption date differs from the estimated date, it could change the housing element due date, and implicitly the housing element planning period. However, such changes would not impact RHNA as there is no statutory provision to amend the housing need projection period and the Department's final RHNA Determination.

The housing element due date schedule is updated periodically on the Department's website at: http://www.hod.ca.gov/hpd/hrc/plan/the/the_due_dates_updated042412.pdf.

BCAG is responsible for developing a RHNA distribution methodology and adopting a RHNA Plan for the period of January 1, 2014 through June 15, 2022. Housing element law (Government Code Section 65584, et. seq.) requires BCAG's methodology and RHNA Plan to be consistent with the following objectives:

- increasing the housing supply and mix of housing types, tenure, and affordability;
- promoting infill development and socio-economic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns;
- promoting an improved intraregional relationship between jobs and housing; and
- balancing the distribution of households by income category.

Pursuant to Government Code Section 65584.05(h), BCAG is required to submit its RHNA Plan to the Department for approval within three days of adopting the RHNA Plan. Once the Department has approved the RHNA Plan, BCAG is to distribute to all its local government members their income category shares of new housing need to be addressed in their updated housing elements covering 2014 - 2022.

In updating their housing elements, local governments may only take RHNA credit for units permitted since the January 1, 2014 start date of the RHNA projection period. Localities are also required to describe how units were credited to different income categories based on actual or projected sale price or rent level data.

Any city planning to accommodate a portion of RHNA on sites within a city's Sphere of Influence (SOI) needs to include an annexation program in the housing element. The annexation program needs to demonstrate SOI sites can be annexed early enough in the planning period to make adequate sites available before triggering penalties pursuant to Government Code sections 65583(c)(1)(A), and 65583(f).

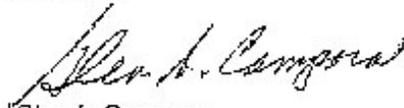
Regarding transfers of housing need among local governments, AB 242 (Chapter 11, Statutes of 2008) amended certain provisions of Government Code Section 65584.07. RHNA transfers agreed between local governments may occur until adoption of the RHNA Plan. After BCAG has adopted its RHNA Plan and before the housing element due date, transfers meeting specified conditions may only occur from a county to cities within the county. Transfers after the due date of the housing element are restricted to annexations and incorporations and must be completed within specified timeframes. The numbers of units by income to be transferred are determined either based on mutual agreement between affected local governments, or, when no agreement is reached, by the entity responsible for allocating housing need (BCAG). The Department must be notified of all transfers; jurisdictions affected by RHNA transfers must amend their housing element within a specified timeframe.

Mr. Jon Clark
Page 4

The Department commends BCAG's efforts to meet the objectives of SB 375 and appreciates the assistance provided by Mr. Brian Lasagna during the RHNA consultation process.

We look forward to a continued partnership with BCAG and its member jurisdictions in planning efforts to accommodate the region's housing need. If you have any questions or need additional assistance, please contact me or Anda Draghici, Senior Housing Policy Specialist, at (916) 445-4728.

Sincerely,



Glen A. Campora
Assistant Deputy Director

Enclosures

ATTACHMENT 1

**HCD REGIONAL HOUSING NEED DETERMINATION: BCAG
Projection Period: January 1, 2014 through June 15, 2022**

| Income Category | Percent | Regional Housing Need (rounded) ⁽¹⁾ |
|------------------------|------------------------------|---|
| Vary-Low | 24.2% | 2,495 |
| Low | 18.7% | 1,720 |
| Moderate | 18.6% | 1,710 |
| Above-Moderate | 42.5% | 4,395 |
| Total | 100.0% ⁽²⁾ | 10,320 ⁽³⁾ |

(1) The statutory objective regarding RHNA requires HCD, in consultation with Department of Finance (DOF) and councils of governments (COGs), to determine projected household growth and housing need based on DOF population projections and COG regional population forecasts and requires regional and local jurisdictions to plan to accommodate capacity for all of the projected RHNA. The Legislature recognizes that different assumptions and variances in methodologies can be used that can result in different population projections. Projection of housing need developed by DOF and HCD for RHNA purposes does not consider local government constraints.

For this RHNA cycle only (due to unique conditions not expected to recur to impact future RHNA cycles), the housing need was adjusted downward to account for an estimated 20 percent absorption level of unprecedented high vacancies in existing stock due to extraordinary conditions including high foreclosures and economic uncertainties.

(2) The income category percentages reflect the minimum percentage to apply against the total RHNA by BCAG in determining housing need for very low, low, and moderate income households. Each category is defined by Health and Safety Code (Section 50093, et seq.). Percentages are derived from the 2008-2010 American Community Survey's number of households by income, over 12 month periods. Housing unit need under each income category is derived from multiplying the portion of households per income category against the total RHNA determination.

(3) The 10,320 allocation (see Attachment 2) reflects BCAG's projected minimum housing need (rounded), using household formation rates from 2010 Census and an adjustment (-230) for existing excess vacant units in estimating 20% of vacant units will not be absorbed before 2014. This column represents the minimum housing need that BCAG's RHNA Plan must address in total and also for vary-low, low, and moderate income categories.

**ATTACHMENT 2
HCD REGIONAL HOUSING NEED DETERMINATION: BCAG**

| Draft HCD Determined Population, Households, & New Housing Needs: January 1, 2014-June 15, 2022 (8-45 years) | | | | | |
|--|--|---------------------------|---|------------------------|---------------|
| 1 | Population: June 15, 2022 (DOF Interim) | | | | 250,947 |
| 2 | Less: Group Quarters Population DOF ES 2012 estimate | | | | 4,942 |
| 3 | Household (HH) Population June 15, 2022 | | | | 246,005 |
| | Household Formation Groups | 2022 HH Population | HH Formation or Household Rate (2010 Census) | 2022 Households | |
| | All Age Groups (DDO) | 246,005 | | 100,931 | |
| | Under 15 | 14,781 | | 0 | |
| | 15 - 24 years | 36,888 | 22.36% | 8,213 | |
| | 25 - 34 years | 32,488 | 45.21% | 14,689 | |
| | 35 - 44 years | 31,934 | 52.59% | 16,793 | |
| | 45 - 54 years | 28,113 | 55.00% | 15,468 | |
| | 55 - 64 years | 27,840 | 59.10% | 16,452 | |
| | 65 - 74 years | 26,304 | 63.59% | 16,728 | |
| | 75 - 84 years | 13,528 | 70.61% | 9,552 | |
| | 85+ | 4,130 | 73.63% | 3,043 | |
| 4 | Projected Households-June 15, 2022 | | | | 100,931 |
| 5 | Less: Households at Beginning of Projection Period (January, 2014) | | | | 90,829 |
| 6 | Household Growth: 8-45 Year Projection Period | | | | 10,122 |
| 7 | Vacancy Allowance | | | | |
| | Tenure Percentage per 2010 Census | 88.20% | 41.50% | | |
| | HH Growth by Tenure | 5,891 | 4,231 | 10,122 | |
| | Monthly Vacancy Rate | 2.00% | 5.00% | | |
| | Vacancy Allowance | 18 | 212 | 229 | |
| 8 | Replacement Allowance (minimums) | | | | 10,451 |
| | | | | | 19,536 |
| 9 | Less: Adjustment for Absorption of Existing Excess Vacant Units | | | | |
| | Estimate 80% Absorbed, 20% Not Absorbed by 2014 | Effective Vacant Units | Healthy Market Units | Differential | |
| | Derived (2010 Census, HH Growth, & Vacancy Rates) | (3,781) | 3,004 | -778 | |
| | Total 2012 Housing Stock | 96,527 | | | |
| | Existing Vacant Unit (Others) Adjustment | 2.70% | 1.93% | | |
| | Total Adjusted Existing Vacant Units (Others) | (2,226) | 1,863 | -363 | |
| | Estimated Units Not Absorbed by 2014 | 3,455 | 1,141 | 2,314 | |
| | DRAFT Calculation of REGIONAL HOUSING NEED DETERMINATION | | | | 10,820 |

- Population:** Pursuant to Government Code Section 65584.0(b), and in consultation with BCAG, the June 15, 2022 population projection was extrapolated based on Department of Finance (DOF) Interim Projections published in May 2012 for July 2020 and July 2015, and DOF's ES estimate for January 2012.
- Group Quarter Population:** Figure is an estimate of persons residing either in a group home, institution, military, or dormitory using 2010 Census data for group quarters. As this population doesn't constitute a "household" population generating demand for a housing unit, the group quarter population is excluded from the calculation of the household population, and is not included in the housing need.
- Household (HH) Population:** The portion of population projected to reside in housing units after subtracting the group quarter population from total projected population.
- Projected 2022 Households (HHs):** The June 2022 number of households is derived by applying (to 2022 HH) population household formation rates calculated based on 2010 Census, as provided by DOF. Household formation or household rates reflect the propensity of different population groups (age, racial and ethnic) to form households.

**ATTACHMENT 2
HCD REGIONAL HOUSING NEED DETERMINATION: BCAG**

- 5 **Households at Beginning of Projection Period:** The baseline number of households at the beginning of the projection period (January 2014) must be projected, as a direct effect of amendment to Section 65588(e)(6) specifying the new projection period to start on either June 30 or December 31 whichever date most closely precedes the end of the current housing element period (June 30, 2014 for BCAG). As such, the 2014 household number was calculated based on 2014 population as an interpolation between DOF's E5 2012 estimate of households and the DOF's 2016 projected population.
- 6 **Household (HH) Growth:** This figure reflects projected HH growth and need for new units.
- 7 **Vacancy Allowance:** An allowance (unit increase) is made to facilitate availability and mobility among owner and renter units. Owner/Renter % is based on Census 2010 data. A smaller rate is applied to owner units due to less frequent mobility than for renter households. Information from a variety of authoritative sources supports an acceptable range of 1 to 2% for owner units and 4 to 5% for renter units depending on market conditions.
- 8 **Replacement Allowance:** Rate (0.96%) reflects the average housing losses that localities annually reported to DOF each January for years 2002-2011 multiplied by the number of years in the projection period (0.45), or 0.5%, whichever is higher.
- 9 **Adjustment for Absorption of Existing Excess Vacant Units:** For this RHNA cycle only (due to extraordinary uncertainty regarding conditions impacting the economy and housing market not expected to similarly impact future RHNA cycles), a new one-time adjustment was made to account for unprecedented high vacancies in existing stock due to unusual conditions including high foreclosures and economic uncertainties. An absorption rate of 80% of existing excess vacant units is assumed to occur in shrinking current excess vacant units before the start of the 2014 RHNA projection period. This results in applying a 20% adjustment to account for units not absorbed, reflected in a downward adjustment of (-20%). Existing vacant units in housing stock consists of two components: (1) housing units for sale and rent in existing housing stock that are above the housing units required to maintain the healthy market condition, calculated as the number of units in housing stock (for sale + for rent + sold, not occupied + rented, not occupied + occupied units), (2) housing units in the "vacant units others" category of existing housing stock above the simple average of 1.95% calculated based on Census data from 2000 and 2010. The Department used 2010 Census Demographic profile data (DP-1), and desirable "normal" vacancy rates by tenure, in conjunction with the region's household growth and proposed household formation rates. The vacancy adjustment is limited to not exceed the differential between the 2010 Census vacant units and the healthy market vacant units rate associated with the region's annual household growth. As the adjustment was below the differential, the adjustment was applied in calculating the RHNA determination.

RHNA Projection Period January 1, 2014 to June 15, 2022: Pursuant to SB 375, the start of the projection period (in effect January 1, 2014) was determined pursuant to GC 65588(e)(6) which requires the new projection period to start on June 30 or December 31 that most closely precedes the end of the current housing element period, which for BCAG region is June 30, 2014. The end of the projection period was determined pursuant to GC 65588(e)(6) to be the end of the housing element planning period. *Note: For projection purposes the end of the projection period is rounded to the middle of the month.*

Housing Element Planning Period June 15, 2014 to June 15, 2022: Pursuant to SB 375, the start of the planning period was determined pursuant to GC 65585(e)(5), 18 months from the estimated adoption date of BCAG's Regional Transportation Plan of December 13, 2012, as notified by BCAG to HCD, with the date rounded to the end of month for projection purposes. The end of the planning period was calculated pursuant to GC 65582(e)(3)(A), 18 months after the adoption of the second RTP, provided that it is not later than eight years from the adoption of the previous housing element. If the actual RTP adoption date differs from the estimated date of December 13, 2012, the RHNA determination and the projection period will not change, *however*, the housing element due date, and implicitly, the housing element planning period would change accordingly.

APPENDIX E

CALIFORNIA HOUSING PARTNERSHIP CORPORATION ASSISTED HOUSING UNITS SUMMARY



Butte County: USD A Subsidized Property Listing

4/24/2012

| Property | Address | City | County | Zip | Start Assisted Units | Sec. 8 Units | Total Units | Operational Date | Restrictions Exp. Date | Year Credit Exp. Date |
|---------------------|---------------------------|----------|--------|-------|----------------------|--------------|-------------|------------------|------------------------|-----------------------|
| GRIDLEY | | | | | | | | | | |
| MEADOWS | 1200 HIGHWAY 99 | GRIDLEY | Butte | 95948 | 55 | 0 | 55 | 07/21/80 | 5/1/2007 | |
| GRIDLEY SPRINGS APT | 710 ROAD AVENUE | GRIDLEY | Butte | 95948 | 75 | 0 | 77 | 07/1/80 | 5/6/2009 | 12/1/2009 |
| OROVILLE | | | | | | | | | | |
| OROVILLE APTS | 30 NELSON AVENUE | OROVILLE | Butte | 95965 | 12 | 0 | 12 | 07/1/80 | 10/1/2011 | 10/1/2011 |
| OROVILLE MANOR | 2750 LINCOLN STREET | OROVILLE | Butte | 95965 | 11 | 0 | 17 | 03/01/81 | 3/1/2014 | 03/1/2013 |
| MEADOWS | 707 VASILE AND WYMAN BLVD | OROVILLE | Butte | 95965 | 87 | 0 | 88 | 11/01/79 | 11/07/2020 | 03/1/2012 |
| PARADISE | | | | | | | | | | |
| PARADISE GARDENS II | 1040 BUSCHMANN | PARADISE | Butte | 95969 | 0 | 0 | 48 | 01/21/79 | 1/27/2015 | |



Butte County: HUD Subsidized Property Listing

4/24/2012

| HUD Data Property | Address | City | County | Zip | Cong. District | Sec. 8 Assist Units | Total Units | Program Type | Overall Exp. Date | Financing | Loan Maturity Date | Owner | T2/T5 | Risk Level |
|--------------------------|-------------------|----------|--------|-------|----------------|---------------------|-------------|--------------|-------------------|-----------|--------------------|------------------|-------|------------|
| CHICO | | | | | | | | | | | | | | |
| CHICO GARDENS | 851 POMONA AVE | CHICO | Butte | 95928 | 02 | 18 | 92 | LMSA | 9/80/2013 | | | Limited Dividend | | High |
| Lucian Manor | 120 PARMAC RD | CHICO | Butte | 95926 | 02 | 38 | 38 | 2026 NC | 6/80/2015 | 207223(f) | 11/12/04 | Profit Motivated | | High |
| TRANS PACIFIC GARDENS II | 729 NORD AVE | CHICO | Butte | 95926 | 02 | 125 | 164 | Preservation | 10/81/2016 | 241236 | 11/1/2004 | Limited Dividend | T2 | High |
| TURNING POINT COMMONS | 25 VIALA PAZ | CHICO | Butte | 95928 | 02 | 24 | 24 | HFDAS NC | 3/12/2014 | | | Non-Profit | | High |
| VILLA RITA APARTMENTS | 650 MANZANITA AVE | CHICO | Butte | 95926 | 02 | 52 | 59 | LMSA | 3/81/2012 | | | Profit Motivated | | Very High |
| PARADISE | | | | | | | | | | | | | | |
| PARADISE GARDENS III | 1040 BUSCHMANN RD | PARADISE | Butte | 95969 | 02 | 48 | 48 | 5156 NC | 12/81/2013 | | | Profit Motivated | | High |

APPENDIX F

TRANSFER OF ALLOCATIONS BETWEEN JURISDICTIONS FOLLOWING FINAL ADOPTION OF THE RHNP

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

Section 65584.07(a) states:

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

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

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

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

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

(b) (1) The county and cities that have executed transfers of regional housing needs pursuant to subdivision (a) shall use the revised regional housing need allocation in their housing elements and shall adopt their housing elements by the deadlines set forth in Section 65588.

(2) A city that has received a transfer of a regional housing need pursuant to subdivision (c) shall adopt or amend its housing element within 30 months of the effective date of incorporation.

(3) A county or city that has received a transfer of regional housing need pursuant to subdivision (d) shall amend its housing element within 180 days of the effective date of the transfer.

(4) A county or city is responsible for identifying sites to accommodate its revised regional housing need by the deadlines set forth in paragraphs (1), (2), and (3).

(5) All materials and data used to justify any revision shall be made available upon request to any interested party within seven days

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

(c) (1) If an incorporation of a new city occurs after the council of governments, subregional entity, or the department for areas with no council of governments, has made its final allocation under Section 65584.03, 65584.04, 65584.06, or 65584.08, a portion of the county's allocation shall be transferred to the new city. The city and county may reach a mutually acceptable agreement for transfer of a portion of the county's allocation to the city, which shall be accepted by the council of governments, subregional entity, or the department, whichever allocated the county's share. If the affected parties cannot reach a mutually acceptable agreement, then either party may submit a written request to the council of governments, subregional entity, or to the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and determine the number of units, by income category, that should be transferred from the county's allocation to the new city.

(2) Within 90 days after the date of incorporation, either the transfer, by income category, agreed upon by the city and county, or a written request for a transfer, shall be submitted to the council of governments, subregional entity, or to the department, whichever allocated the county's share. A mutually acceptable transfer agreement shall be effective immediately upon receipt by the council of governments, the subregional entity, or the department. A copy of a written transfer request submitted to the council of governments shall be submitted to the department. The council of governments, subregional entity, or the department, whichever allocated the county's share, shall make the transfer effective within 180 days after receipt of the written request. If the council of governments allocated the county's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.04 or 65584.08. If the subregional entity allocated the subregion's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.03. If the department allocated the county's share, the transfer shall be based on the considerations specified in Section 65584.06. The transfer shall neither reduce the total regional housing needs nor change the regional housing needs allocated to other cities by the council of governments, subregional entity, or the department. A copy of the transfer finalized by the council of governments or subregional entity shall be submitted to the department. The council of governments, the subregional entity, or the department, as appropriate, may extend the 90-day deadline if it determines an extension is consistent with the objectives of this article.

(d) (1) If an annexation of unincorporated land to a city occurs after the council of governments, subregional entity, or the

department for areas with no council of governments, has made its final allocation under Section 65584.03, 65584.04, 65584.06, or 65584.08, a portion of the county's allocation may be transferred to the city. The city and county may reach a mutually acceptable agreement for transfer of a portion of the county's allocation to the city, which shall be accepted by the council of governments, subregional entity, or the department, whichever allocated the county's share. If the affected parties cannot reach a mutually acceptable agreement, then either party may submit a written request to the council of governments, subregional entity, or to the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and determine the number of units, by income category, that should be transferred from the county's allocation to the city.

(2) (A) Except as provided under subparagraph (B), within 90 days after the date of annexation, either the transfer, by income category, agreed upon by the city and county, or a written request for a transfer, shall be submitted to the council of governments, subregional entity, and to the department. A mutually acceptable transfer agreement shall be effective immediately upon receipt by the council of governments, the subregional entity, or the department. The council of governments, subregional entity, or the department for areas with no council of governments, shall make the transfer effective within 180 days after receipt of the written request. If the council of governments allocated the county's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.04 or 65584.08. If the subregional entity allocated the subregion's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.03. If the department allocated the county's share, the transfer shall be based on the considerations specified in Section 65584.06. The transfer shall neither reduce the total regional housing needs nor change the regional housing needs allocated to other cities by the council of governments, subregional entity, or the department for areas with no council of governments. A copy of the transfer finalized by the council of governments or subregional entity shall be submitted to the department. The council of governments, the subregional entity, or the department, as appropriate, may extend the 90-day deadline if it determines an extension is consistent with the objectives of this article.

(B) If the annexed land is subject to a development agreement authorized under subdivision (b) of Section 65865 that was entered into by a city and a landowner prior to January 1, 2008, the revised determination shall be based upon the number of units allowed by the development agreement.

(3) A transfer shall not be made when the council of governments or the department, as applicable, confirms that the annexed land was fully incorporated into the methodology used to allocate the city's share of the regional housing needs.”

APPENDIX G

PUBLIC OUTREACH AND NOTICES

Included:

Public Notices - Published

- Proposed Methodology – June 8, 2012
- Final RHNP – November 14, 2012

BCAG Website

- <http://www.bcag.org/Planning/Regional-Housing-Need-Plan/2012-Regional-Housing-Need-Plan/index.html>

BCAG Board of Directors Meetings

- 2014-2022 RHNP Update – March 22, 2012
- Public Hearing for the 2012 RHNP Proposed Methodology – June 28, 2012
- Approval of the 2012 RHNP Methodology – August 23, 2012
- 2012 RHNP Draft Housing Allocations – September 27, 2012
- 2014-2022 RHNP Adoption – December 13, 2012



Public Notice

The Butte County Association of Governments (BCAG) is required by California Government Code Section 65584 to prepare a Regional Housing Needs Plan (RHNP) for the Butte County region. 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 eight and a half year (2014-2022) planning period covered by the plan. The plan is to be based on countywide housing projections developed by the California Department of Housing and Community Development.

As required by state law, BCAG has developed the proposed methodology for preparing the allocations included in the RHNP. The proposed methodology was released on June 8, 2012 for the required 60-day comment period, and has been distributed to the affected cities and county. The plan has also been posted on BCAG's website (www.bcacg.org) for public review.

Within the 60 day review/comment period, the BCAG Board of Directors has scheduled a public hearing to receive comments at their regular Board meeting on Thursday, June 28, 2012 at 9:00 a.m. at the City of Chico Council Chambers. After the 60-day comment period expires, the BCAG Board of Directors will be asked to adopt the proposed methodology, including any proposed changes, at the regularly scheduled meeting on August 23, 2012. Comments and questions can be directed to Mr. Brian Lasagna, Senior Planner for the Butte County Association of Governments at 2580 Sierra Sunrise Terrace, Suite 100, Chico CA 95928. Comments may also be phoned in at 530-879-2468, or by e-mail at blasagna@bcag.org



Public Notice

The Butte County Association of Governments (BCAG) is required by California Government Code Section 65584 to prepare a Regional Housing Needs Plan (RHNP) for the Butte County region. 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 eight and a half year (January 1, 2014- June 15, 2022) planning period covered by the plan. The plan is to be based on countywide housing projections developed by the California Department of Housing and Community Development.

The public is invited to review and comment on the Final Regional Housing Needs Plan document available at each of the Butte County Public Libraries or on BCAGs website (www.bcag.org).

The BCAG Board of Directors has scheduled a public hearing to receive comments and consider adoption of the Final Regional Housing Needs Plan at their regular Board meeting on Thursday, December 13, 2012 at 9:00 a.m. at the City of Chico Council Chambers. Comments and questions can be directed to Mr. Brian Lasagna, Senior Planner for the Butte County Association of Governments at 2580 Sierra Sunrise Terrace, Suite 100, Chico CA 95928. Comments may also be phoned in at 530-879-2468, or by e-mail at blasagna@bcag.org.



BCAG BOARD OF DIRECTORS

Item #9 Information

March 22, 2012

2014-2022 REGIONAL HOUSING NEEDS PLAN - UPDATE

PREPARED BY: Brian Lasagna, Senior Planner

ISSUE: BCAG is required by California Government Code Section 65584 to prepare a Regional Housing Needs Plan (RHNP) for the Butte County region.

DISCUSSION: In accordance with state law, BCAG prepares a Regional Housing Need Plan (RHNP) for the region every 4 years. 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 eight year (2014-2022) planning period covered by the plan. The plan is based on countywide housing projections developed by the California Department of Housing and Community Development (HCD).

Once the RHNP has been finalized and approved by the BCAG Board of Directors, each jurisdiction must then use their regional "fair share" housing allocation as the goal when updating their General Plan Housing Element.

As with previous RHNPs, the 2014-2022 RHNP will be developed in coordination with the City/Town/County Planning Directors Working Group which is comprised of planning directors and staff from each of the cities, town and county.

BCAG staff has prepared a draft schedule for the development of the RHNP, included as Attachment #1. Over the next several months BCAG staff will be working with the Planning Directors Group in preparing the methodology to be used in allocating the housing needs provided by HCD.

STAFF RECOMMENDATION: This item is presented for information and comment.

Key staff: Brian Lasagna, Senior Planner



BCAG BOARD OF DIRECTORS

Item #6 Action

June 28, 2012

PUBLIC HEARING FOR THE 2012 REGIONAL HOUSING NEEDS PLAN – PROPOSED METHODOLOGY

PREPARED BY: Brian Lasagna, Senior Planner

ISSUE: BCAG is required by California Government Code Section 65584 to prepare a Regional Housing Needs Plan (RHNP) for the Butte County region. State law also requires that a public hearing be held to receive comments on the proposed methodology used to develop the RHNP.

DISCUSSION: In accordance with state law, BCAG prepares a Regional Housing Need Plan (RHNP) for the region every 4 years. 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 eight and a half year (2014-2022) planning period covered by the plan. The plan is to be based on countywide housing projections developed by the California Department of Housing and Community Development (HCD).

As required by state law, BCAG has developed the proposed methodology for preparing the allocations included in the RHNP. The proposed methodology was released on June 8, 2012 for the required 60-day comment period, and has been distributed to the affected cities and county. In addition, a public hearing must be held within the 60-day review period. A copy of the proposed methodology has been included as Attachment #1 and is available on the BCAG website (www.bcag.org) for public review.

The proposed methodology was developed by BCAG in coordination with the BCAG Planning Directors Working Group which consists of local jurisdiction planning staff. The methodology is similar to the one used in preparing the 2008 RHNP, in which the BCAG regional growth forecasts and Census Bureau household income data provide the information for allocating units to each jurisdiction by income category. The current update of the methodology includes an additional adjustment to assure that no jurisdiction is asked to plan for more very low and low income units than what included in the 2008 RHNP, based on the current uncertainty of the short-term market demand for housing.

After the 60-day comment period expires, the BCAG Board of Directors will be asked to adopt the proposed methodology, including any proposed changes, at the regularly scheduled meeting on August 23, 2012.

STAFF RECOMMENDATION: Staff recommends the Board open the public hearing to receive comments on the Proposed Methodology.

Key staff: Brian Lasagna, Senior Planner



BCAG BOARD OF DIRECTORS

Item #5 Consent

August 23, 2012

APPROVAL OF THE 2012 REGIONAL HOUSING NEEDS PLAN – METHODOLOGY

PREPARED BY: Brian Lasagna, Senior Planner

ISSUE: BCAG is required by California Government Code Section 65584 to prepare a Regional Housing Needs Plan (RHNP) for the Butte County region. State law also requires that the methodology used in preparing the RHNP be adopted by the BCAG Board of Directors.

DISCUSSION: In accordance with state law, BCAG prepares a Regional Housing Need Plan (RHNP) for the region every 4 years. 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 eight and a half year (2014-2022) planning period covered by the plan. The plan is to be based on countywide housing projections developed by the California Department of Housing and Community Development (HCD).

As required by state law, BCAG has developed the methodology for preparing the allocations included in the RHNP. The proposed methodology was released on June 8, 2012 for the required 60-day comment period, and was distributed to the affected cities and county. During the 60-day review period no comments were received from the public or local jurisdictions. In addition, a public hearing was held by the Board on June 28, 2012. A copy of the final methodology is available on the BCAG website at http://www.bcag.org/documents/planning2012_RHNP/BCAG_Final_RHNA_Methodology.pdf.

The methodology was developed by BCAG in coordination with the BCAG Planning Directors Working Group which consists of local jurisdiction planning staff.

Following the adoption of the methodology, BCAG will continue to work with the BCAG Planning Directors Working Group in preparing the draft RHNP and present to the BCAG Board of Directors at the September 27, 2012 meeting.

STAFF RECOMMENDATION: Staff recommends the Board adopt the final methodology by resolution 2012/13-01.

Key staff: Brian Lasagna, Senior Planner



BCAG BOARD OF DIRECTORS

Item #7 Information

September 27, 2012

2012 REGIONAL HOUSING NEEDS PLAN – Draft Housing Allocations

PREPARED BY: Brian Lasagna, Senior Planner

ISSUE: BCAG is required by California Government Code Section 65584 to prepare a Regional Housing Needs Plan (RHNP) for the Butte County region. State law also requires BCAG to prepare draft housing allocations to be used in the RHNP and distribute to the local jurisdictions for a 60-day review.

DISCUSSION: In accordance with state law, BCAG prepares a Regional Housing Need Plan (RHNP) for the region every 4 years. 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 eight and a half year (2014-2022) planning period covered by the plan. The plan is to be based on countywide housing projections developed by the California Department of Housing and Community Development (HCD).

As required by state law, BCAG has prepared draft housing allocations based on the methodology approved the BCAG Board. Both the methodology and draft allocations were developed by BCAG, in cooperation with city and county planning departments, through the BCAG Planning Directors Working Group. This group has reviewed and provided input on the assumptions and methods used in the preparation of the methodology and allocations.

On September 14, 2012, the draft housing allocations were distributed to the local jurisdictions for the required 60-day review. During this review period, jurisdictions may request from BCAG a revision of its share of the regional housing need in accordance with California Government Code Section 65584.04(b)(1). Within 60 days of receiving a request, the BCAG Board will decide whether to accept, modify or reject each request. After that, local jurisdictions have 60 days to appeal the revised draft allocations, if any, and the BCAG Board must respond within 60 days. A copy of the draft housing allocations has been included as Attachment #1 and is available on the BCAG website - <http://www.bcag.org>.

Following the 60-day review period, barring any appeals, BCAG will continue to work with the BCAG Planning Directors Working Group in preparing the final RHNP.

STAFF RECOMMENDATION: This item is presented for information and comment.

Key staff: Brian Lasagna, Senior Planner



BCAG BOARD OF DIRECTORS

Item #9 Action

December 13, 2012

APPROVAL OF THE REGIONAL HOUSING NEEDS PLAN FOR BUTTE COUNTY

PREPARED BY: Brian Lasagna, Senior Planner

ISSUE: BCAG is required by California Government Code Section 65584 to prepare and approve a Regional Housing Needs Plan (RHNP) for the Butte County region.

DISCUSSION: In accordance with state law, BCAG prepares a Regional Housing Need Plan (RHNP) for the region prior to each housing element cycle. 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 eight and a half year (2014-2022) planning period covered by the plan. The plan is to be based on countywide housing projections developed by the California Department of Housing and Community Development (HCD).

BCAG has prepared the final RHNP following a required 60-day review period of the draft housing allocations. During this review period, jurisdictions were given the opportunity to request from BCAG a revision of its share of the regional housing need. No requests for revisions were received during the review period. State law requires BCAG to prepare and approve the final RHNP within 45 days following the 60-day review period.

On November 14, 2012 BCAG released the final RHNP and issued the public notice regarding the scheduled public hearing and consideration for approval at the December 13, 2012 BCAG Board of Directors meeting. A copy of the final RHNP and public notice are available on the BCAG website at - <http://www.bcag.org/Planning/Regional-Housing-Need-Plan/2012-Regional-Housing-Need-Plan/index.html>. Hardcopies of the plan are also available at each Butte County Public Library and the BCAG office.

The final RHNP, housing allocations, and underlying distribution methodology were developed by BCAG, in cooperation with city and county planning departments, through the BCAG Planning Directors Working Group. This group has reviewed and provided input on the assumptions and methods used in the preparation of the final plan.

STAFF RECOMMENDATION: Staff recommends the Board adopt the final Regional Housing Needs Plan by Resolution 2012/13-12.

Key staff: Brian Lasagna, Senior Planner