

Chapter 3. **GROWTH AND  
POPULATION**



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### ■ Introduction

The purpose of this chapter is to evaluate service needs based upon existing and anticipated growth patterns and population projections. The OPR Guidelines call for LAFCO to determine historic and projected growth and absorption patterns in relationship to an agencies boundaries and SOI. Additionally, LAFCO is asked to evaluate the impact and compatibility of such growth on land use plans, services, local government structures and growth patterns.

### **3.1    HISTORIC GROWTH AND GROWTH PROJECTIONS**

The City of Chico's population increased from 40,079 to 59,954 between 1990 and 2000,<sup>1</sup> with approximately 2,000 persons annually over this ten-year period. As mentioned above, the California Department of Finance (DOF) estimates the current 2005 Chico population of 73,558, from a 2004 estimate of 71,154, and the City estimate for 2006 is 79,091. This characterizes more than a three percent annual increase (2,404 persons), which is significant. However, it is important to consider the implications of annexation when considering the City's population and housing unit growth. Of the growth during 2004, over 40 percent can be attributed to annexation.

The historic City growth from new development averages 2 percent a year. For planning purposes, the City's General Plan projects a growth rate of 2 to 2.5 percent per year.

The Butte County Association of Governments (BCAG) prepared population, housing unit, and employment projections in 2003 in conjunction with BCAG member jurisdictions and Caltrans. BCAG predicts significant growth of Chico's population and housing units through 2025 (Table 3-1). Comparably, Butte County's population and housing unit annual growth rate is at or just above one percent. Again, as with DOF estimates, BCAG's estimates for the City of Chico characterize more than a three percent annual increase in both population and housing units, with a 2025 population of 125,530 and 50,904 housing units.

Chico has grown from an individual rancho in 1844 to the center of economic activity of the Tri-county area, which includes Butte, Glenn, and Tehama counties. An estimated 46 percent of Butte County jobs are located in the Chico Planning Area, and Chico captures approximately half of Butte County's retail sales, largely because of the regional malls and major discount retailers that have located in the Chico community.<sup>2</sup> Chico and the Butte County region in general, are anticipated to remain an attractive area for development into the foreseeable future. Table 3-1 estimates more than a 2 percent annual growth rate for Butte County's employment through 2025. Employment projections for incorporated cities in Butte County were not available through BCAG.

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1    US Census, 1990 and 2000, <http://factfinder.census.gov>, accessed March 9, 2006.

2    City of Chico General Plan (1994, revised 1999), p. 1-1.

**Table 3-1 BCAG Population, Housing Units, and Employment Projections for City of Chico and Butte County 2010-2025**

Category	2010		2015		2020		2025		Annual Growth Rate (%)	
	City	County	City	County	City	County	City	County	City	County
Population	80,570	106,730	87,073	110,929	108,280	117,890	125,530	123,920	3.5	1.3
Housing Units	32,670	44,580	35,252	46,414	43,910	49,240	50,904	51,759	3.0	1.0
Employment	--	95,100	--	101,310	--	113,200	--	123,800	--	2.3

Source: Butte County Association of Governments, 2003.

**Determination 3-1**

The City’s growth has generally exceeded that of the County as a whole, with Chico’s share of the County’s total population and employment growth increasing over time.

**Determination 3-2**

The estimated three percent housing unit growth rate and three and a half percent population growth rate for the City of Chico through 2025 should include a consideration of the implications of annexation.

**3.2 GROWTH PLAN**

The City of Chico General Plan formalizes a long-term vision for the physical evolution of the City. In addition to defining the Planning Area, the General Plan outlines policies, standards and programs to direct day-to-day decisions regarding development. During the General Plan update process, beginning in 1991, with adoption in 1994, annexation of areas outside of the city limits but within the City’s SOI was minimal (less than one percent population growth attributable to annexations of existing development); however, during this same time period population growth attributable to new development was approximately between 2 and 6 percent annually. As Table 3-2 demonstrates, growth of the City’s population and housing stock results from the construction of new units; however, annexation of existing units from the unincorporated island areas adjacent to the City from 1997 to present plays a significant role in varied annual growth spikes.

Overall, population increases in the City with both new development and annexations resulted in a peak annual population percent increase of nearly eight percent between 2000 and 2001. Population increases fell to just over 2 percent; however, between 2005 and 2006 another growth spike occurred with over a 7 percent annual increase.

Between 2006 and 2010, the City of Chico estimates a range of annual increase in population due to the City’s current ambitious annexation program, and the annexations of existing development from 9 percent in 2007 to less than 1 percent during 2008, 2009, and 2010. The dramatic drop in annual population increase due to annexations is due to the January 1, 2007 state deadline for expedited “island” annexation approval, as mentioned previously in this chapter. During this same time period (2007-2010),

**Table 3-2 Historic and Projected Growth New Development and Annexation 1991-2010**

Year	Population Estimate	Population Increase	Population Growth Attributable to New Development	Population Growth Attributable to Annexation of Existing Development
1991	42,900	1126 (2.7%)	1018 (2.44%)	108 (.26%)
1992	45,550	2650 (6.18%)	2530 (5.9%)	120 (.28%)
1993	47,300	1750 (3.84%)	1619 (3.55%)	131 (.29%)
1994	48,300	1000 (2.11%)	557 (1.17%)	443 (.94%)
1995	50,100	1800 (3.73%)	1640 (3.4%)	160 (.33%)
1996	51,100	1000 (2.00%)	623 (1.25%)	377 (.75%)
1997	54,200	3100 (6.07%)	618 (1.19%)	2482 (4.86%)
1998	56,900	2700 (4.98%)	706 (1.30%)	1994 (3.68%)
1999	58,800	1900 (3.34%)	836 (1.44%)	1064 (1.90%)
2000	60,400	1600 (2.72%)	1397 (2.38%)	203 (.34%)
2001	65,175	4775 (7.91%)	1054 (1.75%)	3721 (6.16%)
2002	66,767	1592 (2.44%)	981 (1.50%)	611 (.94%)
2003	68,589	1822 (2.73%)	1347 (2.06%)	475 (.67%)
2004	71,317	2728 (3.98%)	1310 (1.92%)	1418 (2.06%)
2005	73,558	2241 (3.14%)	1452 (2.03%)	952 (1.35%)
2006	79,100	5545 (7.54%)	1475 (2%)	4040 (5.5%)
2007	87,775	8675 (11%)	1500 (1.9%)	7100 (9%)
2008	89,800	2025 (2.31%)	1525 (1.73%)	500 (.57%)
2009	91,550	1750 (1.95%)	1550 (1.72%)	200 (.23%)
2010	93,325	1775 (1.94%)	1575 (1.72%)	200 (.22%)

Source: State Board of Equalization (SBE) Estimates 1991 – 2005 and City of Chico Community Services Department Estimates 2006 – 2010.

population growth attributable to new development continues to remain steady with nearly a 2 percent annual population increase. Overall, the City of Chico projects a population estimate of 93,325 in 2010. This population estimate is roughly 13,000 more persons than what BCAG estimates as a 2010 City of Chico population.

### Determination 3-3

The City of Chico's annexation process will result in approximately 2,300 acres of annexed land with 6,163 estimated housing units and an estimated population of 14,000.

The City General Plan identifies three areas for growth outside the current SOI. The areas are depicted on Figure 2-3. The Thorntree area is located east of the airport and Cohasset Road, and partially developed with commercial and industrial uses. The North Sycamore area is located west of the airport, north of Sycamore Creek and south of Mud Creek. This area is currently vacant land or rural residential, and proposed for mixed use urban development in the County prepared and adopted North Chico

Specific Plan (the 1994 City General Plan reflects the specific plan designations for the area). The third area is the Northwest Chico Specific Plan area located south of Sycamore/Mud Creek, west of Hicks Lane, and generally north of Eaton Road. A portion of this area is within the current SOI; all of the area is on the urban side of the Greenline. In December 2005, the City adopted the specific plan for this area and is currently processing multiple applications for development entitlements in the area.

**Determination 3-4**

The primarily undeveloped area northwest of Chico city limits, identified as the Northwest Chico Specific Plan area and depicted on Figure 2-3, is currently targeted by the City of Chico for potential expansion of the City's boundaries.

**3.3 PROJECT ABSORPTION – LAND USE SUPPLY VS. DEMAND**

The City of Chico's adopted General Plan Housing Element (March 2005) provides information on land use supply and demand. An analysis of available land and holding capacity was conducted and findings show that vacant residential land and approved tentative and recorded subdivision maps exist to support a maximum of 11,726 housing units.<sup>3</sup> In addition to the three major annexation areas targeted as expansion areas, which have the potential to provide residential housing units for the City (see Growth Plan section of this chapter), there are sites anticipated to develop residentially or as mixed use/residential from existing non-residential designations and zoning add an additional estimated 350 acres and 3,000 housing units.<sup>4</sup> These sites include, with approximate acreage:

- NW Chico/Alkop (148 acres/800 units) (part of Northwest Chico Specific Plan)
- East 20<sup>th</sup> Street Meriam Park project (152 acres/1,650 units)
- SR 32/W. 8<sup>th</sup> Avenue (32 acres/256 units)
- Park Avenue at W. 12<sup>th</sup> Street (2 acres/106 units)
- Lassen Corridor (20 acres/200 units)
- E. 20<sup>th</sup> Street and Notre Dame Boulevard (3.5 acres/50 units)
- West 16<sup>th</sup> Street Barber Yard project (135 acres/1,200 units)

The projected City's BCAG Regional Housing Allocation Plan (2001-2008) demonstrates the need for 9,479 units between 2001 and 2008. The 2005 Housing Element reports that based on recent historical trends and local projections, the regional allocation for Chico is extremely high. New construction between 2001 and 2004 represents slightly more than 1,500 housing units. If this trend continues, less than 50 percent of the projected regional need would be constructed.<sup>5</sup>

In summary, the total capacity of housing units within the City based on vacant residential land, approved tentative and recorded subdivision maps, and existing non-residential sites anticipated to be

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3 City of Chico General Plan, Housing Element, March 1, 2005, p. 10-73.

4 City of Chico General Plan, Housing Element, March 1, 2005, p. 10-74 and 10-83.

5 City of Chico General Plan, Housing Element, March 1, 2005, p. 10-84.

rezoned for residential development is estimated at just under 15,000 units, significantly above the City's Regional Housing Allocation Plan allotment of 9,479 units.<sup>6</sup>

### **Determination 3-5**

The City's total capacity for new housing units is significantly above the projected regional housing demand. As a result, the City can accommodate additional growth beyond its current land use allocation.

### **3.3.1 Summary of Written Determinations**

- 3-1 *The City's growth has generally exceeded that of the County as a whole, with Chico's share of the County's total population and employment growth increasing over time.*
- 3-2 *The estimated three percent housing unit growth rate and three-and-a-half percent population growth rate for the City of Chico through 2025 should include a consideration of the implications of annexation.*
- 3-3 *The City of Chico's annexation process will result in approximately 2,300 acres of annexed land with 6,163 estimated housing units and an estimated population of 14,000.*
- 3-4 *The primarily undeveloped area northwest of Chico city limits, identified as the Northwest Chico Specific Plan area and depicted on Figure 2-2, is currently targeted by the City of Chico for potential expansion of the City's boundaries.*
- 3-5 *The City's total capacity for new housing units is significantly above the projected regional housing demand. As a result, the City can accommodate additional growth beyond its current land use allocation.*

<sup>6</sup> City of Chico General Plan, Housing Element, March 1, 2005, p. 10-82.

