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HOUSING

10.1 INTRODUCTION

In planning for the provision of housing for all present and future Chico residents, the City's primary goal is to provide for a variety of housing types in an atmosphere conducive to the well-being of City residents, and particularly to provide for an adequate supply of housing ranging in cost to meet the demand of all income groups, the special needs of the elderly and disabled, and to provide an opportunity for first-time home buyers.

The City's objective must be pursued within the constraints of today's housing market. Factors such as building costs, mortgage interest rates, preservation and conservation of natural resources, provision of sanitary sewers, storm drainage and streets, the provision of other public services such as police and fire protection, school facilities and parks, concerns about design and division, preservation of neighborhoods, and historical structures and districts, as well as concern for energy conservation within housing units, all combine to make planning for future housing needs a complex and difficult task. These factors must all be considered in concert with one another. No single item can be emphasized at the expense of another if Chico is to pursue a balanced and realistic approach to the provision of housing for current and future residents.

A. Community Participation

In September 2002, the City Council appointed an 18-member technical advisory committee (TAC - refer to elected and advisory participants previously listed) to review the existing Housing Element and conduct technical studies necessary to update the element, in accordance with State Housing Law. In addition, the City Council advised the community that the meetings were open to the public and citizens were encouraged to attend and participate in the process. The TAC membership included individuals from both the public and private sectors representing housing interests. Assisted by the City Housing Office and Planning Division staff, the TAC met twice a month to evaluate the success of existing programs, determine current housing needs, and develop housing programs designed to meet those needs.

In response to the release of the 2000 Census income and employment data in August 2002, the TAC was able to begin its review and analysis of local housing needs. The TAC completed the first draft of the Housing Element update in June 2003. The adoption process included fully noticed Planning Commission and City Council public hearings and State of California Department of Housing and Community Development review and compliance approval.

B. Summary of Findings

1. Population

The 2000 Census indicates that the City of Chico population increased from 40,079 in 1990 to 59,954 in 2000, which is a 50 percent rate of growth. This growth rate was similar to the 1980 to 1990 rate of 51 percent.

The growth in the Chico Sphere of Influence (SOI), the planning area for the City, was

17 percent during the same period (72,526 to 84,985). The City grew at a faster rate primarily due to annexation, which added 2,827 housing units to the City. Using an average household size of 2.4 persons, the total population added to the City from annexation, from 1990 to 2000 is estimated at 6,776. If this group is removed from the City's population, the growth rate is 33 percent, still twice the rate for the SOI.

2. Age Characteristics

According to the 2000 Census, the City of Chico has a relatively young population, with a median age of 24.6 years compared to the state median age of 31.5 years. The age group 15-24 years accounts for 35 percent of the City's population and 27 percent in the SOI. The presence of the California State University, Chico, and Butte Community College are the primary reasons for this situation.

The current age group 55 to 64 years contains 3,474 households, and this is the group that will become senior households during the planning period. The previous number of households in this age bracket during the 1990s was 2,634. The increase of slightly over 800 households demonstrates that there will be a greater demand for senior housing, but not significantly.

3. Ethnic Population

The City's population is predominantly white, with only 18 percent of the population identified as non-white. The percent increased 50 percent compared to 11 percent in 1990. The ethnic composition of the City and the Chico Sphere of Influence remained constant over the last ten years except for the Asian and Pacific Islander group, which increased from 355 persons in 1990 to 1,602 persons in 2000.

4. Student Population

The student population is a significant group in the City and the SOI. It is estimated that between the university and the community college, 14,500 students live in the City and 19,973 live in the SOI. The City defines the student population as persons between 18 and 24 years of age who have located in the SOI to attend school. The housing needs of this group are different than the general population in that shared housing by unrelated individuals is the most common household type. In addition, it is very common for students to overpay (as a percent of income) for housing.

5. Tenure

The City has a home ownership rate of 40 percent compared to 54 percent for the state, reflecting the City's relatively younger population. However, compared to 1990, when the rate was only 33 percent, the increase in home ownership has been dramatic (almost 25 percent).

6. Affordability

The lack of affordability in the rental market is summed up very distinctly by the 2000 Census reporting that for the 13,990 renter households, 6,501 (46 percent) were paying more than 35 percent of their income for rent. For homeowner households the percentage paying over 35 percent was only 19 percent. The application of the overpayment to single-family mortgages is less direct because of the tax advantages of

mortgage interest. The affordability discussion begins on page 36.

7. New Unit Construction

Single-Family. The construction of single-family units has been maintaining at a relatively constant pace since 1980. Variations occurred in response to interest rate fluctuation and other market changes. A total of 3,354 single-family units were built during the period 1990 to 2000 providing an average of 304 units per year. The production level ranged between 174 and 490 units per year depending on interest rates and other economic factors.

Multi-Family. The new construction of multi-family units has fluctuated dramatically over the last 20 years. This fluctuation affects the vacancy rate for multi-family housing. For example, during 1990 only 183 units were constructed, while 849 units were built in 1991. The production in 1991 caused the multi-family vacancy rate to rise from two percent to six percent. A subsequent decline in student enrollment at Chico State University caused the vacancy rate to reach 10 percent briefly. Multi-family construction is more dependent on the economy than single-family construction. The 2000 Census reported that the vacancy rate in Chico for multi-family housing is at 2.6 percent. All indications are that apartment building will resume, but the pace will be more modest than the 862 units in 1991. The annual average construction of multi-family units over the last 20 years is 250 units.

Table 10-1 New Housing Units City of Chico 1980 - 2000					
	Single-Family Residential	Multi-Family Residential	Annexations	Conversions/ Demolitions	Total
1980 - 1989	1,423	3,313	507	126	5,369
1990 - 2000	3,354	1,695	4,334	59	9,442
Total	4,777	5,008	4,841	185	14,811
Source: City of Chico, Housing Office					

8. Assisted Housing Production

Single-Family. The City assists low and moderate income first time home buyers through its Mortgage Subsidy Program (MSP), which provides deferred payment loans in amounts up to \$20,000. The City also works with a local nonprofit to produce self-help housing. In addition, the City worked with a private developer to develop an affordable single-family subdivision. During the previous Housing Element period 1992 to 2002, the City assisted over 600 first-time household purchases. Unfortunately, the increase in the price of housing since 1999 has raised the cost of subsidizing affordable home ownership so dramatically that the City and local developers are pursuing and implementing more cost-effective techniques.

Multi-Family. The ability to produce affordable rental housing varies by the targeted rent levels. The private market is able to produce new rental housing affordable to households earning approximately 80 percent of the local median income (the local median is \$45,400). Many of the existing rental units are affordable to households earning over 70 percent of the median income. The strong unmet need is for units affordable to households earning 50 percent or less of the local median income. To produce units for this group, federal and/or state housing program assistance is a necessity. The City's resources are simply not sufficient. During the period 1992 to 2002, the City expended approximately \$5.5 million to assist in the creation of over 320 affordable units. The City's funding leveraged over \$15 million in other funds for a total of approximately \$20 million for affordable rental housing over the last ten years.

9. Regional Housing Plan

All the characteristics mentioned above come together in the Regional Housing Allocation Plan for the City. The Plan is produced by the Butte County Association of Governments and is for the period January 2001 to June 2008 (7 ½ years). The Plan projects housing unit production needs and distributes the need by four income levels. The Plan for the City is:

	Very Low	Lower	Moderate	Above Moderate	Total
Goal 2001-2008	2,905	1,987	1,050	3,538	9,479
Annual Goal	387	265	140	471	1,264

The Housing Element provides an overview of the housing market and community demographics in an effort to put faces on the households that will occupy the housing units produced over the next 7 ½ years.

10. Methodology

The Housing Element considers two areas of reference, the City of Chico and the SOI. The SOI represents the planning area for the City's anticipated growth.¹

The SOI is important for community data analysis because it provides a constant boundary area compared to the incorporated City, where the boundary changes in response to annexation. It is important to determine whether a significant change in the City's demographics resulted from influences outside the community or simple annexation of adjacent households.

The primary sources of data for the community analysis are the 2000 Census, local data, and specific data from state agencies compared to previous census periods where available.

¹The City's Sphere of Influence is defined by the City subject to approval by the Local Area Formation Commission (LAFCO) pursuant to Section 56425 of the California Government Code.

Community data from sources other than the 2000 Census will be presented for 1992 to 2002, which is the previous Housing Element planning period.

10.2 HOUSING NEEDS

A. Population Trends

Population levels and projections are summarized in Table 10-2. Population figures for 1980, 1990, and 2000 are based on U.S. Census data. Projected population is given for three areas: the City, the Sphere of Influence and the entire County, and at three growth rates. The most significant figures are those projecting growth for the Sphere of Influence which, even at a two percent rate of growth, predicts a growth of nearly 35 percent between 2000 and 2015. Within the City limits, Chico's population growth between 1980 and 1990 was 51 percent. Between 1990 and 2000, it increased by 50 percent. For the twenty-year period, this growth very nearly equals an annual growth rate of 4.1 percent, resulting in more than doubling of the City population during this time. However, as mentioned above, a large portion of the City's growth resulted from annexation rather than in-migration and natural population increase (see Table 10-20, page 31).

The population of Chico is very mobile. The 2000 Census indicates that only 30 percent of Chico's population lived in the same house in 1995 and 2000 (this may be reflective of the student population). This compares to 48 percent for the County of Butte and 50 percent statewide. The pattern of movement was similar to the County and statewide in that most of movement was within the same county. The percentage of the population that moved into Chico from another state was also similar to the State and County percentage of approximately five percent.

The majority of future growth in the Chico Sphere of Influence is likely to result from in-migration. Natural population increase (births minus deaths) will not have a significant effect. For the ten-year period, 1990 through 2000, natural population increase is projected at 5,900 persons while total population increase is projected at 16,456. Natural increase accounts for 36 percent of the total increase. Net migration will account for a growth of approximately 1,000 persons per year, or 64 percent.

TABLE 10-2 POPULATION GROWTH TRENDS Historical Growth Trends			
Year	City of Chico	Chico Sphere of Influence	Butte County
1970	19,580	43,682	101,969
1980	26,603	58,319	143,851
1990	40,079	72,526	182,120
2000	59,954	84,985	203,171

TABLE 10-3a POPULATION GROWTH PROJECTIONS City of Chico Growth Rates			
Year	2%	2.5%	3%
2000	59,954	59,954	59,954
2005	66,194	67,832	69,503
2010	73,084	76,746	80,573
2015	80,690	86,831	93,406

TABLE 10-3b POPULATION GROWTH PROJECTIONS Chico Sphere of Influence Growth Rates			
Year	2%	2.5%	3%
2000	84,985	84,985	84,985
2005	93,830	96,153	98,521
2010	103,596	108,788	114,213
2015	114,379	123,083	132,404

TABLE 10-3c BUTTE COUNTY GROWTH RATES			
Year	2%	2.5%	3%
2000	203,171	203,171	203,171
2005	224,317	229,869	235,531
2010	247,664	260,076	273,045
2015	273,441	294,252	316,534

Source: Chico Planning Division, 2002

Different segments of the population have varying housing needs. In the next sections, the needs of specific groups will be discussed.

B. Age Characteristics

Table 10-4 reports the age characteristics of the City of Chico, Chico Sphere of Influence, and Butte County. The age profile demonstrates a slight overall aging of the population since 1990.

The percentage of the City's population under 20 years of age has remained fairly constant with 28 percent currently compared to 26 percent in 1990. The largest age cohort, the 20 to 24 age old group, currently represents 20 percent of the population, which is a decline from 26 percent in 1990. The major increase occurred in the 45 to 54 age group, which went from five percent to ten percent of the population and numerically increased from just under 2,000 persons to over 6,000. The percentage of persons over 60 years of age increased slightly from nine percent to ten percent.

The current age profile demonstrates that as the overall population of the community increases the relative significance of the college students decreases. The number of persons in the 20 to 24 age group increased by over 2,000 while their percent of the total declined six percent. The large increase in the 45 to 54 year of age group correlates with the strong single-family home market during the last ten years. Households in this age group are typically homeowners with higher than average incomes.

Despite the aging of the population, the median age for the City, at 25.9 years, is still significantly below the State of California's median age of 33.3 years and Butte County's median age of 33.8 years.

TABLE 10-4 AGE CHARACTERISTICS 2000						
	City of Chico		Chico Sphere of Influence		Butte County	
	Number	% of Total	Number	% of Total	Number	% of Total
Total Persons	59,954	100%	84,985	100%	203,171	100%
Under 5 Years	3,602	6%	5,165	6%	11,637	6%
5-9 Years	3,520	6%	5,315	6%	13,409	7%
10-14 Years	3,484	6%	5,460	7%	14,704	7%
15-19 Years	6,057	10%	6,816	8%	17,101	8%
20-24 Years	12,173	20%	13,906	16%	19,648	10%
25-34 Years	9,049	15%	12,534	15%	23,087	11%
35-44 Years	7,037	12%	11,160	13%	27,249	13%
45-54 Years	6,100	10%	10,254	12%	26,809	13%
55-64 Years	3,000	5%	5,367	6%	17,471	9%
65-74 Years	2,360	4%	4,089	4%	15,207	7%
75 Years &	3,572	6%	4,639	4%	16,849	8%

Source: 2000 Census

C. Ethnic Population

The ethnic characteristics of the population are summarized in Table 10-5 and 10-6. Approximately 18 percent of the City of Chico population is identified as non-white compared to 11 percent in 1990, while for the total Chico Sphere of Influence, the percent of non-white remained constant at nine percent. Comparisons of ethnic characteristics between 1990 and 2000 is complicated by the Census providing the opportunity for persons to identify themselves as more than one race or ethnicity. In Chico, four percent of the respondents selected this option. The percentage of the population identifying themselves as Black, American Indian/Eskimo/Alute, or Asian Pacific Islander remained consistent with the 1990 situation. It appears that the decline in the white population is attributed to persons selecting the two or more races category.

The minority population identified as "Hispanic origin" currently comprises about 12 percent of the Chico population, compared to less than nine percent in 1990. The classification of Hispanic origin is different than a racial category, and one can identify both as of a specific race (such as white) and also "of Hispanic origin".

TABLE 10-5 ETHNIC CHARACTERISTICS TOTAL PERSONS						
	City of Chico		Chico's Sphere of Influence		Total Butte County	
	Number	% of Total	Number	% of Total	Number	% of Total
Total Persons	59,954	100%	84,985	100%	203,171	100%
White	49,377	82%	71,879	84%	171,728	85%
Black	1,215	2%	1,495	2%	2,816	1%
American Indian Eskimo & Aleut	782	1%	1,170	1%	3,866	2%
Asian & Pacific Islander	2,639	4%	3,225	4%	7,048	3%
Other Races	3,390	6%	4,595	6%	9,790	5%
Two or More Races	2,551	4%	3,525	4%	7,923	4%
Hispanic Origin*	7,351	12%	10,523	12%	21,339	11%

Source: 2000 Census
 * 2000 Census did not classify Hispanic Origin in a separate category. Persons of Hispanic Origin may be of any race.

Ethnic groups do not appear to be concentrated in any single neighborhood, but do appear to be concentrated in neighborhoods reflected by census tracts with lower median incomes.

Table 10-6 lists the median household income for the census-designated ethnic groups and the percent of the City-wide median income.

TABLE 10-6 ETHNIC CHARACTERISTICS PERCENT OF MEDIAN HOUSEHOLD INCOME			
Ethnicity	Households	Median Income	% of Median Income*
White	20,167	\$30,797	105%
Black	395	\$15,477	53%
Asian	730	\$19,962	68%
Native American and Alaska Native	298	\$25,500	87%
Hispanic	2,173	\$25,235	86%
*City of Chico Median Income = \$29,359			

D. College Student Population

Table 10-7 summarizes changes in enrollment at California State University, Chico for the period 1990 to 2001 and identifies the rate of the growth over that period. The number of students represents the “population of students” (or body count) compared to the “Full Time Equivalent”. The FTE number is less accurate because two part-time students equals one FTE. As the table demonstrates, the number of students attending the University declined significantly between 1990 and 1995. As the University anticipated, however, this decline was reversed and enrollment has increased to nearly 17,000 by 2001.

The Butte Community College main campus is located approximately ten miles southeast of Chico in Butte County. Butte College recorded an enrollment of approximately 14,000 during the Spring 1999 semester. A large number of the College’s classes are offered in the City of Chico. Due to factors that include students residing throughout Butte County and surrounding counties, the number of students residing at home, and the number of part time students, this student enrollment has a significantly smaller impact on Chico housing needs. The Dean of Admissions estimates that 70 percent of the students live in the Chico Sphere of Influence.

The effect of the decline in student enrollment from 1990 to 1995 was dramatic for the multi-family rental market. Developers built several projects in the late 1980's to accommodate continued growth in student enrollment. In anticipation of the spillover of students and other households into the non-student rental market, developers also built multi-family units in neighborhoods away from the campus. The result was a surplus of multi-family units as the community entered the 1990's.

The surplus would have been absorbed by population increases in a few years; however, the decline in the student population slowed the absorption of the surplus rental units. Only recently, in 2000, did the vacancy rate decline to the point (2.6 percent) that new apartments are being planned. A cautionary note is that the State's current budget crisis may result in an increase in fees and tuition at the two schools and enrollment may decline again. However, the community does not have a surplus of rental units at the current time, so the effects on rents may not be as dramatic.

TABLE 10-7 STUDENT ENROLLMENT 1990 to 2002 BUTTE COLLEGE & CHICO STATE UNIVERSITY				
Year	Butte College Total Enrollment	Chico State Enrollment	Total	Percentage Change
1990	13,200	16,641	25,881	
1991	12,181	15,679	24,206	(6.05%)
1992	11,907	15,172	23,507	(2.9%)
1993	11,313	14,706	22,625	(3.8%)
1994	10,226	14,232	21,390	(5.5%)
1995	9,954	13,586	21,554	0.8%
1996	13,546	13,731	23,213	7.8%
1997	13,599	14,112	23,631	1.8%
1998	14,586	14,850	25,060	6%
1999	14,300	15,261	25,271	0.8%
2000	13,487	15,912	24,534	(2.9%)
2001		16,704	16,704	
2002		16,246	16,246	

Source: California State University, Chico and Butte Community College

E. Disabled Population

Housing needs of the disabled can be classified using three categories:

1. Disabled requiring institutional or group care facility housing.

The 2000 Census identified 497 persons within the City of Chico living in institutional housing. In the Chico Sphere of Influence there were 517 persons.

TABLE 10-8		
DISABLED PERSONS LIVING IN INSTITUTIONAL HOUSING		
	City of Chico	Chico's Sphere of Influence
Nursing Homes	480	500
Mental Hospitals	0	0
Other Institutions	17	17
TOTAL	497	517

Source: 2000 Census

2. Disabled persons without a need for special adaptation of housing

The number of people in this category is unknown. Since housing needs for this group are not specific to their disability, other programs/policies of the City address their diverse needs. Examples of this group are the mentally disabled without physical limitations.

3. Disabled persons whose disability requires housing to be constructed and/or modified specifically to meet their needs.

The number of persons needing housing in this category is also unknown. The 2000 Census identified 8,874 persons as having disabilities (14.8 percent of the population.) The City provides programs to meet the needs of this group through its Rental Housing Accessibility Improvements Program for renters and the Housing Rehabilitation Programs for owners.

In addition, at the discretion of the Building Official, permit requests for residential improvements to meet accessibility needs will be expedited if the normal review process is too long. The normal review process for a building permit to remodel a residence can take three to four weeks. To accommodate a disabled person, the processing time can be reduced to one week. Examples of improvements that can be permitted in the one week period are ramps, bathroom modifications, and general accessibility modifications. Additional efforts by the City to address the needs of the disabled are discussed in the Governmental Constraints section on page 77.

Title 25 of the California Administrative Code requires all new multi-family residential construction to provide a minimum of five percent of the total units as handicap accessible and all first-floor units as handicap adaptable. Accessible units conform to all handicap standards, including door and restroom hardware, hallway and door clearances

and access. Adaptable units meet similar requirements except that door and restroom hardware is not required, but units must be constructed to allow for installation of such hardware.

Other disabled persons include those persons with Acquired Immune Deficiency Syndrome (AIDS). Current information on the number of AIDS patients in the Chico area is not available. According to the Butte County Public Health Department, there were 94 reported cases of AIDS in the City of Chico and 208 reported cases for Butte County in 2001. Housing needs of this group progress from subsidized existing housing in the initial stages of the disease, to a need for long-term terminal care facility placement at the critical stages of the disease. Due to increased public awareness, more accurate information on the number of AIDS patients in the Chico area should become available in the future.

F. Homeless Population

The local Homeless Task Force coordinates services for the homeless population. The number of persons needing shelter changes in response to the time of the month and the time of year. Surveys of the homeless indicate that the number of persons on the street at any one time ranges from 60 to 150 persons. Approximately 65 percent of the homeless have lived in the Chico area for over nine years and experience homelessness cyclically. The transient homeless are not a significant number of the homeless population.

In addition, many individuals and households are living in marginal housing situations, such as overcrowded and/or substandard units. It is very common for persons to afford housing at the beginning of the month, when they receive benefit payments, only to lose that housing later in the month when their income is gone.

Through the efforts of the Homeless Task Force and other service providers, a Continuum of Care (C of C) has been established in Butte County. The C of C provides housing and supportive services to persons needing emergency shelter, transitional housing, and finally permanent housing with and without supportive services. The following discussion defines the different levels of housing services needed and details the capacity available in the community to meet those needs.

Emergency Shelter is defined as shelter for homeless persons where the provision of services is not the primary focus. The shelters provide basic necessities such as food, clothing, protection from the elements, and the opportunity to engage in supportive services. The length of stay is not regulated; however, funding availability limits the number of nights provided.

In Butte County, the Community Shelter Partnership operates a 120-bed facility for individuals and families with children. This facility, the Torres Community Shelter, began operation in 2003. The Jesus Center, located on Park Avenue, provides homeless facilities for 50 women and children, in addition to its daily meal program. The Rescue Mission operates year-round in Oroville. Catholic Ladies Relief Society provides emergency motel vouchers county-wide for homeless people who do not meet the entrance requirements of the other shelter programs. Below is a list of the organizations which provide shelter and the available capacity.

Emergency Shelter Providers and Bed Capacity

Provider Name	Facility Name	Bed Capacity	
		Individuals	Persons in Families with children
Chico Community Shelter Partnership (CCSP)	Torres Community Shelter	100	20
Jesus Center	Sabbath House		50
Oroville Rescue Mission	Oroville Rescue Mission	22 per night	15 per night
Catholic Ladies Relief Society	Motel Voucher Program		12
Subtotal		122	97

Transitional housing is a program that links supportive services to homeless persons. Supportive services are tailored to peoples' needs and based on individual case management plans. Transitional housing in Butte County is available for single men at four facilities. The facilities for single men are limited to persons involved in some form of recovery, and to veterans. New residents are usually referred by the criminal justice system or recovery facilities. The Community Action Agency operates the Esplanade House transitional program for 12 families. The families are referred to the Esplanade House by local social service providers. Below is a list of transitional housing providers and their bed capacities.

Transitional Housing Providers and Bed Capacity

Provider Name	Facility Name	Bed Capacity	
		Individuals	Persons in Families with children
Community Action Agency (CAA)	Esplanade House	0	52
Youth For Change	Walnut Ave Place	5	
Skyway Recovery House	Skyway House	24	0
Hickory House	Hickory House	12	0
Well Ministry	The Well	50	0
Subtotal		91	52

Permanent supportive housing is a living situation where the occupant is housed in a standard residential unit ranging from Single Room Occupancy (SRO) to a single-family

home. The unique aspect of the situation is that occupants receive supportive services to help them maintain their independent living status. Housing for the developmentally disabled, mentally ill, and frail elderly are three examples of local residents in permanent supportive housing. Below is a list of permanent supportive housing providers.

Permanent Supportive Housing

Provider Name	Facility Name	Bed Capacity	
		Individuals	Persons in Families with children
Butte County Behavioral Health	Roof Program-Scattered Site	174	26
Tenant Based Rental Assistance Program	Scattered sites	0	24
Search Program	Scattered sites		
Subtotal		174	50

Housing Planned: North Valley Family and Children Services is planning the development of an emergency housing facility for children between 12 and 18 years of age. The Community Action Agency (CAA) is developing a 60-unit multi-family project with 26 units dedicated to transitional housing and the remaining units for permanent housing, some dedicated to persons with disabilities, all with varying levels of supportive services.

G. Employment Trends

The employment characteristics for the City of Chico and Butte County are provided by the California Employment Development Department and the 2000 Census. Table 10-9 summarizes the occupational characteristics.

TABLE 10-9 OCCUPATIONAL CHARACTERISTICS				
INDUSTRY	CITY OF CHICO		BUTTE COUNTY	
	Number	% of Total	Number	% of Total
Agriculture, forestry, fishing, hunting, and mining	644	2.3	3,064	3.7
Construction	1,247	4.5	5,226	6.3
Manufacturing	1,548	5.6	6,098	7.4
Wholesale trade	901	3.3	2,368	2.9
Retail trade	4,102	14.9	10,840	13.2
Transportation, warehousing, utilities	679	2.5	3,344	4.1
Information	785	2.9	1,813	2.2
Finance, insurance, real estate, rental, and leasing	1,693	6.2	4,412	5.4
Professional, scientific, management, administrative, and waste management services	1,898	6.9	6,067	7.4
Education, health & social services	8,322	30.3	22,978	27.9
Arts, entertainment, recreation, accommodation & food services	3,457	12.6	7,618	9.2
Other services (except public ad.)	1,242	4.5	4,811	5.8
Public Administration	945	3.5	3,764	4.5
Total	27,463	100	82,403	100
Source: 2000 Census				

As Table 10-9 demonstrates, the labor force distribution by industry for the County and the City of Chico is fairly similar. The City of Chico has relatively more employment in “Arts, entertainment, recreation, accommodation and food services” and the “Education, health & social services” industries.

Greater detail on the labor force is found at the County level. The Employment Development Department maintains industry employment on an annual basis. Table 10-10 identifies the changes in the labor force since 1990.

TABLE 10-10 BUTTE COUNTY LABOR MARKET CHANGES BY INDUSTRY 1990 TO 2001				
Industry	1990	2001	Change	% Change
All Industries	60,700	73,900	13,200	21.7%
Farm	3,100	2,800	(300)	-9.7%
Construction and Mining	2,900	2,800	(100)	-3.4%
Manufacturing	5,900	5,100	(800)	-13.6%
Transportation & Public Utilities	2,500	2,700	200	8.0%
Wholesale Trade	1,800	2,300	500	27.8%
Retail Trade	13,400	14,900	1,500	11.2%
Finance, Insurance & Real Estate	3,000	4,400	1,400	46.7%
Services	14,900	22,200	7,300	49.0%
Government	13,000	16,700	3,700	28.5%

The most significant changes are in those industries that exceed the percentage change in the labor force. The “Services” and “Financial, Insurance & Real Estate” industries show the largest gains. The “Farming, Mining, and Manufacturing” industries actually declined in employment over the last 12 years. This is an indication that Butte County, and Chico particularly, is becoming more urban (or suburban). The changes in the employment sectors have direct influence on housing needs when the wage levels for the growing industries are considered.

The job titles with the greatest number of new positions projected are listed on Table 10-11. The wage levels for these jobs indicate that the majority of new jobs in Butte County will result in additional demand for affordable housing.

TABLE 10-11 OCCUPATIONS WITH LARGEST ABSOLUTE GROWTH BUTTE COUNTY 1999 TO 2006					
Job Title	Projected New Positions	Median Hourly Wage	Annual Income @ 2000 hours	Monthly Income	Affordable Housing Expense @ 30%
Cashiers	220	\$7.92	\$15,840	\$1,320	\$396
Retail Sales	210	\$7.70	\$15,400	\$1,283	\$385
General Managers, Top Executives	180	\$32.48	\$64,960	\$5,413	\$1,624
General Office Clerks	180	\$9.07	\$18,140	\$1,512	\$454
Teacher Aides/ Para-professionals	140	\$12.60	\$25,200	\$2,100	\$630
Teachers	160	\$25.00	\$50,000	\$4,167	\$1,250
Registered Nurses	120	\$23.68	\$47,360	\$3,947	\$1,184
Computer Support Specialist	100	\$16.56	\$33,120	\$2,760	\$828
Source: California Employment Development Department 2003					

The employment projections on Table 10-11 show that three of the top four occupations with the largest growth potential pay wages close to the minimum wage. The Teaching and Nursing occupations earn sufficient wages to rent an affordable home in Chico. However, the entry level wages for these occupations do not provide sufficient income to purchase a home. These projections demonstrate that the existing housing needs, such as affordable rentals for minimum wage families and affordable home ownership for young professionals, will remain during the planning period of this Housing Element.

H. Household Characteristics

1. Household Population

The combination of population and housing data provides the basic statistics necessary to examine the characteristics of households in the City of Chico and the Sphere of Influence. That basic information is contained in Table 10-12 as reported by the Census in 1980, 1990, and 2000.

TABLE 10-12 BASIC HOUSEHOLD CHARACTERISTICS						
	1980		1990		2000	
	City	Chico Sphere of Influence	City	Chico Sphere of Influence	City	Chico Sphere of Influence
Total Population	26,603	58,319	40,079	72,526	59,954	84,985
Persons in Household	24,141	55,712	36,980	69,331	56,891	81,846
Persons In Other ¹	2,462	2,607	3,099	3,195	3,063	3,139
Housing Units	11,086	24,716	16,295	30,063	24,386	34,575
Households	10,533	23,362	15,508	28,853	23,476	33,270
Persons Per Household	2.29	2.38	2.38	2.40	2.42	2.46
Vacancy Factor	4.98%	5.30%	5.15%	3.34%	2.2%	3.7%
¹ Includes group quarters and institutions. Source: 1980, 1990 and 2000 Census.						

Household characteristics also include much more than the basic statistics presented above. An examination of these additional household characteristics can result in the identification of special housing needs and conditions which require separate consideration.

2. Household Composition

Household composition identifies whether the household consists of related members or not. As Table 10-13 demonstrates, the City of Chico has a larger proportion of non-family households, at 50 percent, compared to the unincorporated area, which is closer to the statewide rate at 31 percent non-family. However, the City's percent of non-family households declined since 1990, when it was 55 percent.

TABLE 10-13 CHICO SPHERE OF INFLUENCE HOUSEHOLD COMPOSITION			
	City of Chico	Unincorporated	Chico Sphere of Influence
Total Persons	59,954	25,031	84,985
In Households	56,891	24,955	81,846
Heads of Household	23,476	9,749	33,270
Family Households	11,641	6,431	18,072
Non-Family Households	11,835	3,363	15,198
Persons in Group Quarters	3,063	76	3,139
Median Household Size	2.42	2.46	2.46
Source: 2000 Census			

3. Household Income

Table 10-14 presents income characteristics for the City of Chico and Butte County. The distribution of income is very similar except at the lowest level, those earning less than \$10,000 per year. The City has 17.2 percent of its households at this level, compared to only 12.8 percent in the County overall. This situation is primarily a function of the large student population. However, many disabled individuals on fixed incomes prefer to live in Chico where services are more comprehensive.

TABLE 10-14				
2000 HOUSEHOLD INCOME DISTRIBUTION				
	City of Chico		Butte County	
	Number	% of Total	Number	% of Total
Total Households	23,424	100%	79,674	100%
Less Than \$10,000	4,038	17.2%	10,218	12.8%
\$10,000 - \$14,999	2,237	9.6%	7,664	9.6%
\$15,000 - \$24,999	3,894	16.6%	13,696	17.2%
\$25,000 - \$34,999	2,981	12.7%	11,130	14.0%
\$35,000 - \$49,999	3,524	15.0%	13,019	16.3%
\$50,000 - \$74,999	3,541	15.1%	12,928	16.2%
\$75,000 - \$99,999	1,631	7.0%	5,649	7.1%
\$100,000 - \$149,999	1,019	4.4%	3,446	4.3%
\$150,000 - \$199,999	315	1.3%	832	1.0%
\$200,000 or More	244	1.0%	1,092	1.4%
Median Income	\$29,359		\$31,924	
Source: 2000 Census				

An evaluation of household income over time should consider the influence of inflation to determine the increase in what is considered “real income” or income adjusted for inflation. The rate of overall inflation from 1990 to 2000 is 38 percent. The median income for Chico increased from \$19,005 in 1990 to \$29,359 in 2000, which represents an increase of 55 percent. Therefore, real income increased 17 percent over the last ten years. This increase is attributable to the relatively significant increase in the number of persons 45 to 54 years of age, which, as previously stated, typically have higher incomes than other age groups.

After adjusting the 1990 income distribution for inflation, households with annual incomes over \$75,000 changed slightly from 12 percent in 1990 to 14 percent in 2000.

For lower income households, the percentage with incomes under \$20,000 declined from 40 percent to 35 percent (again, adjusted for inflation).

4. Elderly Households

Elderly households are households that both contain a member over 65 years of age and are headed by a person over 65 years of age. This is in contrast to the elderly who live in group quarter situations, such as skilled nursing facilities or assisted living facilities. Elderly persons living “independently” may be in need of special housing considerations due to fixed incomes, disability, or lack of mobility.

Elderly households comprise 16 percent of the total households in the community, which is a slight increase from 1990, when the rate was 14 percent of the population. However, the City’s proportion of elderly households is dramatically below the 27 percent for Butte County. For comparison, the percentage of elderly households statewide is 22 percent. These figures indicate that Chico is not experiencing a significant in-migration of elderly households.

A unique feature of elderly households is that, on average, they are much smaller than the community-wide average household size. The 2000 Census indicates the average household size in the community is 2.42 persons, but only 1.4 persons for households headed by persons over 65 years of age. Therefore, seniors need more housing units as their population increases compared to the community.

TABLE 10-15 ELDERLY HOUSEHOLDS				
	City of Chico		Chico Sphere of Influence	
Total Population	59,954	100%	84,985	100%
Elderly Population	5,932	10%	8,728	10%
Elderly in Group Homes	486		486	
Total Households	23,476	100%	33,270	100%
Elderly Households	3,856	16%	6,536	20%
Average Household Size	1.4		1.3	
Source: 2000 Census				

The incidence of home ownership is relatively greater among the elderly. The best indicator of this situation is the comparison of households that are headed by persons over 65 years of age. The elderly population is composed of 4,493 homeowners (75%), and 1,487 renters (25%).

The City's housing rehabilitation program is designed to assist elderly homeowners to remain in their homes as long as their independence allows by providing income-eligible households with deferred loans for home repairs.

5. Single-headed Households

Family households with only one parent present typically have incomes below the local average because the majority of households today have two wage earners. According to the 2000 Census, Chico's Sphere of Influence includes 3,761 households with a single head-of-household with children under 18 years of age. This represents 11 percent of all households in the SOI and is an increase from 2,695 households in 1990 (nine percent of the total households). Within the City of Chico, the current single-headed households number is 2,563, which is also 11 percent of the total. Since 1990, an additional 1,066 single-parent households were formed within the City limits.

The majority of these households are headed by a female. Within the City, 1,991 households (78 percent) are headed by a female, and in the Chico SOI a similar situation (75 percent) is found. The incidence of poverty for these households is greater than the overall rate. Thirteen percent of all households are in poverty, compared with 33 percent for single female-headed households with children under 18 present. This is obviously a very high rate, but it has declined from 44 percent in 1990.

The most effective housing assistance format for these families in poverty is the Section 8 Rental Assistance program. The program ensures that the family will spend no more than 30 percent of their income on housing expenses. The Housing Authority of the County of Butte administers the Section 8 Voucher Program, and approximately 35 percent of the vouchers are used in Chico.

TABLE 10-16		
2000 SINGLE-HEADED HOUSEHOLDS		
	City of Chico	Chico's Sphere of Influence
Total Households	23,476	33,270
Female-Headed Households (no partner present)	2,644	3,821
Female-Headed Households with children under 18 years (no partner present)	1,991	2,798
Male-Headed Households (no partner present)	918	1,379
Male-Headed Households with children - under 18 years (no partner present)	572	878
Source: 2000 Census		

6. Farmworker Households

The majority of agricultural crops in the Chico area are low labor-intensive production, such as rice and almonds. It is estimated that there are fewer than 100 farmworker households within the City limits. Currently, 47 housing units are provided specifically for occupancy by farm workers and the project has a waiting list with an average of 10 farm worker families. The number of farm worker households in Chico is not expected to increase, and may decline in response to a general weakening of agriculture in the area and increased housing opportunities in the more agriculturally-oriented surrounding communities (Gridley, Hamilton City, Orland, Corning).

Information provided by the Housing Authority of the County of Butte, which operates the migrant farm worker center in Butte County, and the Community Housing Improvement Program (CHIP), which provides housing assistance to farm workers in a four county area, indicate that there is not a need for migrant housing in the Chico Area. Both organizations also indicated that the number of permanent farm worker families, applying for housing assistance in the Chico Area has not increased despite the increase in population.

Farmworkers may take advantage of all assisted housing programs available in Chico if the households meet the eligibility criteria. There are no assisted housing units in Chico that would discriminate against an applicant because their income was from farm labor. The City of Chico's first time home buyer has assisted several farmworker families purchase their first home.

The City's zoning ordinance allows farmworker housing to be built in any residential zone consistent with the density. For example, a farmworker rental housing project for families that proposes 18 units per acre is allowed on sites zoned medium high density residential (R-3).

7. Large Family Households

Large Family Households are households with five or more persons and they currently represent approximately eight percent of the households in Chico and the Chico SOI. Of these households, 90 percent are family households and 10 percent are non-family households. The incidence of large households is significantly less in Chico compared with 16 percent of households statewide.

The primary housing need of large families is obviously housing with four or more bedrooms. A large family with young children is adequately housed in a three-bedroom unit. However, as the children age, the need for additional bedrooms becomes more critical. In Chico's SOI housing market, there are an adequate number of apartments with four bedrooms. However, virtually all of them are located near the University and are occupied by students.

Apartment developers are reluctant to include four bedroom units in their projects because there is always a greater need for two and three bedroom units and there is a concern that the larger units will remain vacant. The developers of affordable housing projects express the same concern.

TABLE 10-17a LARGE FAMILY HOUSEHOLDS				
	City of Chico		Chico's Sphere of Influence	
Total Households	23,476	100%	33,270	100%
Total Household with five or more persons	1,775	7.5%	2,682	8%
Family Households with five or more persons	1,601	7%	2,483	7.5%
Non-Family Households with five or more persons	174	.5%	199	.5%
Source: 2000 Census				

Table 10-17b, below, provides a breakdown of households by size and tenure. The results indicate that approximately six percent of renter households consist of five or more persons and approximately nine percent of owner households are large families. These numbers are similar for the Chico Urban Area. As mentioned above, despite the fact that the vast majority of large households are families (7% vs. 0.5%) multi-family developers seldom include four bedroom units unless they are building for the student population. Therefore some families do end up in overcrowded situations, which is the next discussion.

**TABLE 10-17b
HOUSEHOLD SIZE BY TENURE 2000**

	City of Chico		Sphere of Influence	
Total	23,374		36,123	
Owner Occupied	9,269		17,486	
1 Person Household	2,085	22.5%	3,920	22.4%
2 Person Household	3,464	37.4%	6,601	37.8%
3 Person Household	1,450	15.6%	2,631	15.0%
4 Person Household	1,413	15.2%	2,644	15.1%
5 Person Household	620	6.7%	1,129	6.5%
6 Person Household	131	1.4%	269	1.5%
7+ Person Household	106	1.1%	292	1.7%
Renter Occupied	14,105		18,637	
1 Person Household	4,799	34.0%	6,334	34.0%
2 Person Household	4,359	30.9%	5,712	30.6%
3 Person Household	2,410	17.1%	3,201	17.2%
4 Person Household	1,702	12.1%	2,166	11.6%
5 Person Household	473	3.4%	709	3.8%
6 Person Household	231	1.6%	350	1.9%
7+ Person Household	131	0.9%	165	0.9%
Source: 2000 Census				

8. Overcrowding

Overcrowding is commonly defined as any household containing more than 1.00 person per room. The 2000 Census reported that 1,235 units were overcrowded pursuant to this definition. Approximately 50 percent of these units had between 1.0 and 1.5 persons per room and the other half had more than 1.5 persons per room. These households represent five percent of the total households. Similarly to the large household situation, the incidence of overcrowding in Chico is significantly lower than the 15 percent statewide. Many of these units may be student-occupied, having more than one person per room to reduce housing costs. The 2000 Census results released to date do not provide an opportunity to determine if the overcrowded households are families or non-families.

**TABLE 10-18
OCCUPANCY PER ROOM BY TENURE**

	City of Chico		Chico Sphere of Influence	
Total Households	23,374		36,123	
Owner Occupied:	9,269	100.0%	17,486	100.0%
≤0.50 occupants per room	6,766	73.0%	12,549	71.8%
0.51 to 1.00 occupants per room	2,243	24.2%	4,405	25.2%
1.01 to 1.50 occupants per room	139	1.5%	310	1.8%
1.50 to 2 occupants per room	103	1.1%	178	1.0%
2.01 + occupants per room	18	0.2%	44	0.3%
Renter Occupied:	14,105	100.0%	18,637	100.0%
≤0.50 occupants per room	7,316	51.9%	9,797	52.6%
0.51 to 1 occupants per room	5,814	41.2%	7,324	39.3%
1.01 to 1.50 occupants per room	499	3.5%	769	4.1%
1.51 to 2 occupants per room	327	2.3%	535	2.9%
2.01 + occupants per room	149	1.1%	212	1.1%
Source: 2000 Census				

Table 10-18 demonstrates that the occurrence of overcrowding is not a significant problem in the City of Chico. Less than three percent of the households in the City of Chico and the Chico Sphere of Influence meet the definition of severely overcrowded. There is a difference between the percent of home owner and renter households overcrowded. However, the difference is less than two percent for home owners versus less than four percent for renters.

The City's housing rehabilitation program allows bedroom additions to meet the needs of either a growing family or one that bought too small a home because it was all they could afford. The City is proposing a rental rehabilitation program that will accommodate the need to expand rental units in overcrowded situations

In conjunction with the policies of the State of California Department of Housing and Community Development and the State Tax Credit Allocation Committee, the City encourages multi-family projects to include three-and four-bedroom apartments to serve large families.

I. Housing Characteristics

Table 10-19 provides a summary of the historical development of housing in the City. Within the City of Chico, between 1990 and 2000, 8,057 housing units, including annexations, were added to the housing stock, for a total of 24,352 units. Of these new units, 2,251 were located in multi-family projects accounting for 28 percent of the increase. In 1990, multi-family units comprised 53 percent of all housing units, an eight percent increase from 1980. By 2000, multi-family units represented 45 percent of all units, reversing the increase of the previous ten years. As mentioned previously, except for the 826 multi-family units built in 1991, the period 1990 to 2000 provided an average of 150 additional multi-family units per year.

The growth in the City's housing stock results from the construction of new units and the annexation of existing units from the unincorporated area adjacent to the City. Table 10-19 compares the two sources of units.

TABLE 10-19 CITY OF CHICO HOUSING DEVELOPMENT/HISTORIC TRENDS										
Year	Total Units	Single-family Residences		Multi-Family Residential Units		Owner Occupied		Renter Occupied		Vacant
	Number	Number	% of total	Number	% of Total	Number	% of Total	Number	% of Total	% of Total
1960	5,432	4,082	75%	1,350	25%	n/a	n/a	n/a	n/a	5.4%
1970	6,585	4,655	70%	1,930	30%	3,134	47.6%	3,147	47.8%	4.6%
1980	11,082	6,094	55%	4,988	45%	3,893	35.2%	6,630	59.8%	5.0%
1990	16,295	7,628	47%	8,667	53%	5,096	31.3%	10,412	63.9%	4.8%
2000	24,352	12,802	54%	10,918	45%	9,486	38.8%	13,990	67.3%	3.7%

Source: 2000 Census

Table 10-20 demonstrates that one-third of the units added to the City's housing stock over the last 22 years resulted from annexation. During the last ten years (1993 through 2002), a total of 8,320 units have been added to the housing stock, and of these, 4,557 (55 percent) were added by annexing of existing units. **It is important to consider the significance of annexation when considering the City's growth in population and housing units.**

TABLE 10-20 CITY OF CHICO ANNEXATION AND NEW CONSTRUCTION 1980 TO 2002						
Year	New Construction		Annexation		Conversion/ Demolition	Total
	Single-Family	Multi-Family	Single-Family	Multi-Family		
1980	185	358	1	0	4	540
1981	61	120	7	2	5	185
1982	44	164	13	20	3	238
1983	174	125	5	0	4	300
1984	97	576	13	10	6	690
1985	108	479	12	5	0	604
1986	196	452	18	88	22	732
1987	102	188	12	4	29	277
1988	212	305	18	224	12	747
1989	244	546	47	6	22	821
1990	279	183	0	47	19	490
1991	298	849	54	2	17	1186
1992	331	344	51	2	5	723
1993	270	30	63	45	0	408
1994	242	81	31	0	6	348
1995	174	62	137	6	0	379
1996	241	36	714	391	2	1380
1997	248	29	481	279	8	1029
1998	344	3	282	156	3	782
1999	490	72	31	51	0	644
2000	437	6	144	1357	18	1926
2001	344	172	131	184	11	820
2002	513	33	69	5	16	604
TOTAL	5,634	5,213	2,334	2,884	212	15,853

Table 10-21 contrasts housing characteristics between the City and the unincorporated area, and summarizes the entire Chico Sphere of Influence. Housing units in the unincorporated area of Chico consist more commonly of single-family residences with a significantly higher incidence of owner-occupancy. Multi-family housing is primarily located in the City because of the need for sewer service which is unavailable in the unincorporated area. The majority of mobile homes are located in the unincorporated area. However, through recent annexation, four mobile home parks are now located in the City and combined they contain approximately 1,000 units.

**TABLE 10-21
HOUSING UNIT TYPE BY TENURE
CITY OF CHICO AND CHICO SPHERE OF INFLUENCE 2000**

Structures By Type	City of Chico	Unincorporated	Chico Sphere of Influence
Total Households	23,374	10,220	33,594
Owner Occupied	9,269	6,993	16,262
1 unit detached	8,341	5,466	13,807
1 unit attached	287	87	374
2 units	25	13	38
3 to 9 units	49	18	67
10 to 49 units	61	39	100
50 plus units	15	0	15
Mobile Homes	466	1,335	1,801
Renter Occupied	14,105	3,227	17,332
1 unit detached	3,077	1,224	4,301
1 unit attached	612	318	930
2 units	1,061	296	1,357
3 to 9 units	4,783	1,445	6,228
10 to 49 units	2,415	289	2,704
50 plus units	2,044	142	2,186
Mobile Homes	113	316	429

J. Occupancy Characteristics

The 2000 Census indicates that the decline in home ownership has finally been reversed. In 1970, the tenure rate (whether housing units are owner- or renter-occupied) for owner-occupied units was 48 percent; it declined to 35 percent by 1980, and further declined to 31 percent by 1990. The 2000 Census indicates that the rate for owner-occupancy had turned around and increased to 40 percent. The current rate of 40 percent still is well below the statewide rate of 57 percent and dramatically below the nationwide rate of 67 percent. However, it is definitely moving in the right direction.

Traditionally, the low rate of owner-occupancy has been attributed to the large college student population (in terms of its percentage of the total population). In 1970, the enrollment at California State University, Chico represented 52 percent of the City's population; in 1980, the rate was still 52 percent; by 1990, the rate declined to 41 percent. The current enrollment represents 27 percent. This comparison is designed to indicate a trend and does not suggest that all students live within the City of Chico or that they are all renters. However, it is apparent that as the proportion of the population represented by students declines, their impact on the housing market also declines.

Another event during the period 1990 to 2000 that increased the rate of owner-occupancy was the dramatic increase in the number of persons in the 45 to 54 age group. As mentioned earlier, this age group had the largest numeric and percentage increase, and typically these individuals are homeowners.

The City of Chico implemented an aggressive housing program in 1990 designed to increase home ownership for first-time homebuyers. The City's program assisted over 600 low and moderate income families during the last 12 years with the purchase of their first homes.

K. New Unit Construction

Table 10-22 presents the development of new housing units from 1985 through 2002. As the table demonstrates, the development of single-family homes has been fairly stable over the 17 year period, whereas multi-family housing fluctuated dramatically over the same period.

During the construction period 1990 to 1999, new housing units increased by 4,660. During the same period, the population in households increased from 36,980 to 56,891 persons. This is an increase of 19,911 persons. Applying the standard of 2.5 persons per unit, this increase would require 7,964 units. The shortfall of 3,304 units between new households and new units reflects annexation of existing units and the reduction in the vacancy rate. Annexation activity between 1990 and 2001 added 2,827 units, to the City and there were 782 vacant units in 1990.

TABLE 10-22 CITY OF CHICO NEW CONSTRUCTION TRENDS UNITS CONSTRUCTED BY TYPE AND TOTAL			
Year	Single-Family	Multi-Family	Total
1985	108	479	587
1986	196	452	648
1987	102	188	290
1988	212	305	517
1989	244	546	790
1990	279	183	369
1991	298	849	1,185
1992	331	344	527
1993	270	30	254
1994	242	81	329
1995	174	62	236
1996	241	36	277
1997	248	29	264
1998	344	3	347
1999	490	72	562
2000	437	6	443
2001	344	172	516
2002	513	33	546
2003			
2004			
TOTAL	5,073	3,870	8,943
Annual Average	281	215	497
Source: Planning Division, Building Division, February 2003			

L. Vacancy Rate

The 2000 Census reported a vacancy rate of 2.4 percent for the City (910 units), compared to a vacancy rate of 4.8 percent reported in the 1990 Census (787 units). The vacancy rate should be within the three percent to five percent range for the housing market to be considered efficient. This provides tenants choice but also provides property owners adequate revenue for profitable operation of their properties. The Chico housing market is considered a tight market because its overall rate is below 3 percent. The 2000 Census identified the rate for single-family housing at 1.8 percent and multi-family at 2.6 percent.

The vacancy rate for the single-family housing market is traditionally very low because housing developers do not build more units than they anticipate selling in the very near future. The multi-family market is more sensitive to interest rate and other economic variables. In addition, it can often take two years to complete a multi-family project, which creates a lag in the response to market demand. These factors working together often cause the vacancy rate for multi-family housing to fall to inefficient levels which is followed by building activity which can often continue beyond the market demand, causing a surplus of units. This model represents the market experience in 1991 when a surplus of units was created after the market started responding to the increase in student enrollment and the general growth in population.

TABLE 10-23 VACANCY RATE CITY OF CHICO	
Year	Annual Average
1990	4.8%
1995	5.0%
2000	2.4%
Source: 1990 and 2000 Census, and the CA Dept. of Finance for 1995	

M. Affordability

A simple but significant statement is that not all households in Chico can afford the units they live in. The issue of affordability is viewed in terms of household income and household costs. A household is considered to be living in an affordable situation when their housing costs do not exceed 30 percent of their gross income. The decennial census provides the opportunity to evaluate household income and housing costs for owner and renter households. Table 10-24a presents the findings of the 2000 Census compared to the 1990 Census.

TABLE 10-24a MONTHLY HOUSING COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME								
Percent of Income	Owner Households				Renter Households			
	1990		2000		1990		2000	
Less than 15%	N/A		2,583	31.1%	N/A		1,436	10.2%
15% to 19.9 %	2,267	50.2%	1,392	16.8%	1,744	17.6%	1,381	9.8%
20% to 24.9%	707	15.6%	1,133	13.7%	1,072	10.8%	1,637	11.6%
25% to 29.9%	461	10.2%	944	11.4%	1,027	10.4%	1,304	9.3%
30% to 34.9%	312	6.9%	649	7.8%	922	9.3%	1,157	8.2%
35% or more	765	16.9%	1,577	19.0%	5,139	51.9%	6,501	46.1%

As the table above indicates, a larger percentage of renter households pay more than 30 percent of their income for housing than owner households. The actual percentage declined since 1990 from 61 percent to 54 percent, but the total is still significant. The increase in owner households paying more than 30 percent of their income reflects the increase in homeownership that occurred between 1990 and 2000. The households purchasing new homes typically have higher mortgage payments relative to income, compared to households who have owned their homes for five or more years.

Table 10-24b provides a more detailed analysis of the affordability situation. The table presents affordability by tenure and income levels. The table provides the information necessary to identify the level of overpayment for very low income and lower income households based on the median household income for Chico in 2000, which was \$29,259. Based on the median income, lower income households have incomes below \$23,407 and very low income households have incomes below \$14,670. Because the income categories breakpoint were not at the low and very low income amounts, the technique referred to as extrapolation was used for the following analysis.

**TABLE 10-24b
OVERPAYMENT BY INCOME LEVEL AND TENURE
CITY OF CHICO - 2000**

Affordability	City of Chico					
Total	22,389					
	Owners	% of all Owners	% of Income Group	Renters	% of all Renters	% of Income Group
	8,300			14,089		
Less than \$10,000	241	2.9%		3,618	25.7%	
Less than 20%	0	0.0%	0.0%	10	0.1%	0.3%
20% to 24%	0	0.0%	0.0%	44	0.3%	1.2%
25% to 29%	0	0.0%	0.0%	124	0.9%	3.4%
30% to 34%	13	0.2%	5.4%	75	0.5%	2.1%
35% or more	206	2.5%	85.5%	2,882	20.5%	79.7%
\$10,000 to 19,999	600	7.2%		3,452	24.5%	
Less than 20%	148	1.8%	24.7%	108	0.8%	3.1%
20% to 24%	70	0.8%	11.7%	183	1.3%	5.3%
25% to 29%	33	0.4%	5.5%	232	1.6%	6.7%
30% to 34%	11	0.1%	7.4%	349	2.5%	10.1%
35% or more	338	4.1%	56.3%	2,528	17.9%	73.2%
\$20,000 to \$34,999	1,430	17.2%		3,321	23.6%	
Less than 20%	521	6.3%	36.4%	414	2.9%	12.5%
20% to 24%	86	1.0%	6.0%	732	5.2%	22.0%
25% to 29%	113	1.4%	7.9%	627	4.5%	18.9%
30% to 34%	188	2.3%	13.1%	584	4.1%	17.6%
35% or more	522	6.3%	36.5%	898	6.4%	27.0%
\$35,000 to \$49,999	1,506	18.1%		1,816	12.9%	
Less than 20%	446	5.4%	29.6%	800	5.7%	44.1%
20% to 24%	156	1.9%	10.4%	479	3.4%	26.4%
25% to 29%	375	4.5%	24.9%	230	1.6%	12.7%
30% to 34%	214	2.6%	14.2%	116	0.8%	6.4%
35% or more	315	3.8%	20.9%	157	1.1%	8.6%

Table 10-24c Households Overpaying By Tenure Low and Very Low Income Households City of Chico 2000				
	Very Low Income Households		Low Income Households	
Total Households	5,763	100%	9,004	100%
Owner Households	523	9%	1,170	13%
Owners Overpaying	383	73%	731	62%
Renter Households	5,240	91%	7,807	87%
Renters Overpaying	4,309	82%	6,175	79%
Total Overpaying	4,692	81%	6,906	77%

Table 10-24c documents that 81 percent of very low income households and 77 percent of low income households are overpaying for their housing. The rate of overpayment is higher for renter households than owner households. These results are the basis for the City's policy that affordable housing for very low income renter households is one of the City's major housing needs. The following discussion examines the affordability issue in terms of the causes of the problem and the degree to which it affects all households in the City.

In response to the above findings, the affordability discussion begins with the identification of the median income for households and families from the 2000 Census. The current income levels are compared to the 1990 levels to identify the growth in personal income.

TABLE 10-25 MEDIAN INCOMES CHICO'S SPHERE OF INFLUENCE				
Year	Median Household Income	Percent Change 1990 -2000	Median Family Income (Family of Four)	Percent Change 1990-2000
1990	\$19,005			
2000	\$29,259	54%	\$43,007	58%

The income growth for households is typically evaluated for rent affordability, and family income is evaluated for ownership affordability. The overall growth in the median income for both families and households during the ten-year period exceeds 50 percent. The Consumer Price Index for all prices increased by 38 percent for the same period. Therefore, income growth outpaced general inflation by 16 percent for households and 20 percent for families. The significant growth in personal income should enable households to obtain more affordable housing unless costs increase more quickly.

The following analysis compares median rents and median sale prices to the increases in personal income for the same period. Table 10-25 shows increases in median rents for the period 1991 through 2001. Comprehensive rental surveys were conducted in 1991 and 1998, providing the median rents for those two periods. The 2001 rent levels in Table 10-25 were based on a survey of approximately 25 percent of the rental units (a more comprehensive survey may reveal different median rents, but the difference should not be significant). Table 10-27 lists the median sale price for single-family homes since 1990. This information was provided by the County Assessor's tax roll, which includes information on the date a parcel sold and the sale price.

TABLE 10-26 MEDIAN RENTS CHICO'S SPHERE OF INFLUENCE						
Bedroom Size	1991	1998	Annual % Increase From 1991 - 1998	2001	Annual % Increase From 1998-2001	Annual Average Increase 1991-2001
Studio	\$310	\$350	1.9%	\$425	7.3%	3.7%
1	\$375	\$435	2.3%	\$500	5.0%	3.3%
2	\$475	\$525	1.6%	\$650	7.9%	3.7%
3	\$625	\$645	0.4%	\$750	5.4%	2.0%
4	\$825	\$840	0.3%	\$1,000	6.4%	2.1%

The increase in rents over the last ten years has been slightly below inflation (38 percent) for smaller sized units (studio to two-bedroom units) and about one-half of inflation for three and four bedroom units. However, rents have increased significantly in just the last three years compared with the earlier period (see Table 10-26 above). This is a good example of how the market can appear to be affordable over the long term, but create affordability problems in the short term.

One method used to evaluate the affordability of current rents is to determine the monthly income necessary for the rents to be considered affordable (using the 30 percent of income standard) and convert the monthly income to an hourly wage rate. This method

for analyzing affordable rents allows the reader to consider affordability for households on fixed incomes as well as wage earners.

The analysis of rental affordability begins by reducing the median rent level by a utility allowance determined each year by the Housing Authority. This reduction is required because the definition of affordable rent includes the utility allowance. As an example of this reduction, the current utility allowance for a 2-bedroom apartment is \$65.00, which is added to the market rent level to determine the gross rent for the unit. This analysis of affordable rents is represented in Table 10-27.

TABLE 10-27 AFFORDABLE RENT ANALYSIS CHICO SPHERE OF INFLUENCE						
Unit Size	Median Market Rent	Utility Allowance	Gross Rent	Monthly Income Level Affordability	Annual Income Level Affordability	Hourly Wage Level Affordability
Studio	\$425	\$40	\$465	\$1,550	\$18,600	\$8.94
1	\$500	\$55	\$555	\$1,850	\$22,200	\$10.67
2	\$650	\$65	\$715	\$2,383	\$28,600	\$13.75
3	\$750	\$75	\$825	\$2,750	\$33,000	\$15.87
4	\$1,000	\$85	\$1,085	\$3,617	\$43,400	\$20.87

As the analysis presented in Table 10-27 demonstrates, the gross rent for a two-bedroom unit is considered affordable for a household earning \$2,383/month, or \$13.75/hour.

An alternative analysis is to determine the affordable rent level for a targeted household type. For example, what level of rent is affordable to a single parent with 2 children, earning \$7.50/hour?

Hourly Wage	Monthly Income	Affordable Gross Rent	Utility Allowance	Affordable Net Rent	Gap Between Median Rent
\$7.50	\$1,300	\$390	\$65	\$325	\$325

This example indicates that the single-parent household earning the local minimum wage can afford \$325 per month rent and would require a subsidy of \$325 per month to afford the median market-rate rent level. Rent levels for affordable housing projects are calculated using this method, and demonstrates why such projects require large subsidies to become economically feasible.

TABLE 10-28 MEDIAN SALE PRICE SINGLE-FAMILY HOMES CHICO'S SPHERE OF INFLUENCE 1990 to 2003			
Year	Median Price	Median Square Feet	Median Price/Sq ft
1992	\$123,000	1482	\$83.00
1993	\$121,500	1466	\$82.88
1994	\$124,500	1516	\$82.12
1995	\$123,000	1439	\$85.48
1996	\$123,000	1458	\$84.36
1997	\$120,000	1499	\$80.05
1998	\$122,000	1452	\$84.02
1999	\$128,250	1484	\$86.42
2000	\$139,000	1472	\$94.43
2001	\$168,000	1485	\$113.13
2002	\$181,000	N/A	
2003	\$220,000	N/A	
2004	\$275,000	N/A	

Table 10-28, above, highlights the changes in the single-family market over the last 12 years. The market stayed in the low \$120,000 range until 1998. In 1999, the market jumped up five percent, which was followed by an increase of nine percent in 2000, and another increase of 20 percent in 2001. These current increases from 1999 through 2001 coincide with the increases in the rental market described earlier. The rate of change for 2001 through 2002 is 7.75 percent and the market increased 21 percent for the period 2002 to 2003, and 25 percent from 2003 to 2004. The percentage increase in the median sale price from 2000 to 2004 was 98 percent, which is the equivalent to doubling the price of a home.

Comparing the increase in house prices with inflation and personal income helps put the increases in context. The data for inflation and income is available through 2003. For the period 1992 to 2001, the total increase in the market was 37 percent, which compares to an overall inflation rate of 26 percent for the same period. The median price for single-family homes has increased at a faster rate than inflation. However, the increases in personal income for the same period exceeded the rise in home prices. This relationship, combined with relatively low interest rates, is a primary reason for the

growth in home ownership in Chico during the last ten years. However, the recent increases in home prices have outpaced the growth in income. Since 2000, personal income from wages has increased 22 percent while house prices have increased by 48 percent. The gains in home ownership, made during the 1990s, are at risk of being lost as prices increase at over twice the rate of income.

The determination of affordable home ownership has more variables than the rental market analysis; however, the basic concept is the same. The questions being answered in regard to housing affordability are: who can afford to purchase the typical single-family home, and how affordable is the market to specific households, such as young families? Table 10-29a, below, calculates the income required for homes at four different price levels. The assumptions are a six percent loan rate, five percent down payment, and 33 percent of income as an affordable amount for monthly housing expenses (not including utilities).

TABLE 10-29a				
AFFORDABLE HOME OWNERSHIP ANALYSIS				
CHICO'S SPHERE OF INFLUENCE				
Sale Price	\$120,000	\$140,000	\$160,000	\$180,000
Closing Costs @ 3%	\$3,600	\$4,200	\$4,800	\$5,400
Total Cost	\$123,600	\$144,200	\$164,800	\$185,400
Buyer down @ 5%	\$6,000	\$7,000	\$8,000	\$9,270
Balance to Finance	\$117,600	\$137,200	\$156,800	\$176,130
Loan Payment @ 6%	\$705	\$822	\$940	\$1,055
Property Insurance	\$35	\$35	\$35	\$35
Property Taxes	\$100	\$115	\$130	\$150
Mortgage Insurance	\$50	\$55	\$60	\$75
Total Housing Pmt	\$890	\$1,027	\$1,165	\$1,315
Mo. Income Req @ 33%	\$2,697	\$3,112	\$3,530	\$3,985
Annual Income Req.	\$32,364	\$37,345	\$42,364	\$47,818

For perspective, to purchase a median sale price home in 2004 (\$275,000), a family would need to earn approximately \$70,000 per year. Table 10-29a illustrates that homebuyers can afford homes that are approximately four times their annual income. This factor provides a benchmark when considering what level of home ownership is affordable to a specific family type. For example, suppose one was interested in determining what price level is affordable to a young family with one wage earner who is earning the average wage in Chico. The answer begins by establishing the wage level, converting it to an annual income, and multiplying by four, as shown below:

Hourly Wage	\$ 12
Times 2080 Hours per Year	x 2080
Annual Wage	\$24,960
	<u> 4</u>
Home Affordability	\$99,840

The median sale price of a single-family home in 2003 was \$220,000, which indicates that 50 percent of the single-family units sold above \$220,000, and 50 percent sold below \$220,000. This suggests that few homes are available at the price level of the example used above (\$100,000). A local builder's recent experience building entry-priced homes in Chico indicates that a new home will not be sold for less than \$200,000.

The affordability of newly constructed homes is a more severe problem. The median sale price for new homes in 2002 was \$215,250, and for 2003 it was \$248,250. The median sale price for new homes is approximately 15 percent higher than the median sale price for all housing units.

TABLE 10-29b SALE OF NEW HOMES BY PRICE RANGE CHICO SPHERE OF INFLUENCE						
Price Range	2001		2002		2003	
	Units	%	Units	%	Units	%
\$100,000- \$149,999	22	8.1%	41	11.0%	26	5.5%
\$150,000 - \$199,999	97	35.7%	89	23.8%	110	23.2%
\$200,000 - \$249,999	85	31.3%	165	44.1%	105	22.2%
\$250,000 - \$299,999	30	11.0%	59	15.8%	114	24.1%
\$300,000 - \$349,999	20	7.4%	9	2.4%	49	10.3%
\$350,000 - \$399,999	12	4.4%	2	0.5%	31	6.5%
\$400,000 - \$449,999	3	1.1%	4	1.1%	22	4.6%
\$450,000 - \$499,999	1	0.4%	1	0.3%	6	1.3%
\$500,000 Plus	2	0.7%	4	1.1%	11	2.3%
Total Units	272	100%	374	100%	474	100%
Median Sale Price	\$207,000		\$215,250		\$248,250	

Table 10-29b demonstrates change in price levels in the local market over the last three years. In 2000, 44 percent of new homes sold for less than \$200,000, whereas in 2003, the percent selling below \$200,000 declined to 29 percent. Despite the increases in income and lower interest rates, the level of affordability has declined since 2000.

The analysis above demonstrates that households earning the 2004 median income of \$49,100 can afford a home priced at approximately \$200,000, whereas the median sale price in 2004 was \$275,000. The recent trend of house prices increasing at double digit rates per year and personal income increasing at less than five percent per year indicates that the affordability problem will become more severe.

N. Assisted Housing Developments

Assisted housing is defined as units in which all or part of the costs are subsidized by the public sector so that housing is available to lower income households at more affordable costs. By Housing and Urban Development (HUD) standards, an affordable unit's monthly cost does not exceed 30 percent of the household's income. Historically, this figure was 25 percent, but was raised to 30 percent to more accurately reflect current housing costs. However, financial institutions are using a figure of 30-35 percent of household income for housing costs (principal, interest, taxes and insurance) as a maximum loan threshold.

The rental market contains units that are reserved for low and very-low income households. These units are reserved because the project either received a financial subsidy at the time of construction or receives an ongoing subsidy for assisting tenants with their rent. The methods of subsidy vary. In some projects, such as the Housing Authority of the County of Butte (HACB) "Public Housing", the rent is based on the individual tenant's income. The tenants do not pay more than 30 percent of their income for rent. In the other projects the rent levels are set in accordance with standards established by the government, such as the Federal Department of Housing and Urban Development (HUD) or the State Department of Housing and Community Development (HCD), and all tenants below a specified income level, such as 50 percent of the median income, pay the same rent. This method assures that units are available to very-low and low income households, but the rent levels are still not necessarily affordable. Households may pay more than 30 percent of their incomes in these situations, but are still better off than if paying market-rate rents.

The City of Chico and the Chico Redevelopment Agency continue to work with developers of affordable housing, and the following projects constitute the additions to the local Assisted Housing Inventory since the previous Housing Element was prepared in 1992:

1. New Construction Units

- ⊞ Chico Commons: a 72-unit multi-family apartment project that was financed by a combination of Low Income Housing Tax Credits and a loan/grant from the Chico Redevelopment Agency. The assisted rents are regulated for 55 years.
- ⊞ Campbell Commons: a 56-unit single room occupancy rental project that was financed by Low Income Housing Tax Credits, a loan of City HOME Funds, and a loan from the Chico Redevelopment Agency. The rents are regulated for 55 years.
- ⊞ Walker Commons: a 56-unit elderly apartment project financed by Low Income Housing Tax Credits, City HOME Funds, and the Chico Redevelopment Agency. The rents are regulated for 55 years.

- ⊞ Hartford Place: a 22-unit apartment project for the developmentally disabled. The project was financed by HUD's Section 811 program and a grant from the Chico Redevelopment Agency.

2. Acquisition and Rehabilitation

- ⊞ Cameo Apartments: The Housing Authority of the County of Butte (HACB) acquired a 20-unit existing rental housing project. The City loaned HACB \$100,000 for rehabilitation of the units, and five of the units were set aside for clients of Butte County Department of Behavioral Health's ROOF Program, which provides the mentally ill permanent housing with supportive services. The other 15 units are rented to low income households.
- ⊞ Longfellow Apartments: The ARC of Butte County purchased and rehabilitated a 24-unit existing apartment complex with \$623,000 of assistance from the Chico Redevelopment Agency. ARC rents 12 units to its developmentally disabled clients and the other 12 units to non-client low income households. The program integrates the developmentally disabled households with non-disabled households as an alternative to a project that is fully set aside for the disabled.
- ⊞ Alamont Apartments: The Chico Redevelopment Agency provided HACB a grant of \$100,000 to connect the 30-unit apartment complex to the City sewer system. HACB had recently purchased the units from the open market and restricts the units for low-income households.
- ⊞ Little Chico Gardens: A private developer purchased the Little Chico Gardens Apartments, which were eligible to be converted to market-rate units. All 92 units were substantially rehabilitated. The project funding consisted of an assumed HUD Mortgage, Low Income Housing Tax Credits and a \$523,000 loan from the Chico Redevelopment Agency.

These projects have added 206 new affordable rental units to the local housing stock, preserved 92 units, and converted 52 units from market to assisted.

Three projects on the 1992 Assisted Housing Inventory, Transpacific Gardens I, Colony Village, and Rio Lindo Apartments, subsequently paid off or prepaid the HUD financing and became market-rate projects, removing 308 units. Therefore, despite the local efforts, a net loss of 50 units was experienced (this does not include the 92 units preserved).

The next section discusses the preservation of the existing assisted housing units in greater detail.

Table 10-30a lists the assisted units located within the Chico's Sphere of Influence by source of funding assistance. Map 10.2 details the location of assisted housing projects.

TABLE 10-30a ASSISTED HOUSING PROJECTS

Project Type/Provider	No. of Units
Public Housing/Housing Authority of the County of Butte	
1. Laurel/Locust Streets, 1519 Locust Street	3
2. Humboldt Avenue (between Linden and Willow Streets)	14
3. Natoma/LaLeita Courts, 800 E. 12 th Street	54
4. Hazel/Ivy Street Complex, W. 10 th Street	32
5. E. 20 th Street (Rhodes Terrace)	36
6. Ivy Street (Shelton Arms)	9
Elderly Project- HUD 231/Section 8 & HUD Section 202	
7. Bidwell Oaks, 700 Salem Street	59
8. Villa Rita, 650 Manzanita Avenue	59
9. Chico Christian Retirement Center, 120 Parmac Road (Lucian Manor)	32
California Housing Finance Agency (CHFA):	
10. Cinnamon Village, 1650 Forest Avenue (family)	80
11. Cedar Village, 820 W. 4th Avenue (family)	116
12. Turning Point Commons, 25 Via La Paz (Ltd. equity co-op)	66
HUD Assisted Multifamily Projects Section 236 and 221:	
13. Trans Pacific Gardens II, 725 Nord Avenue (family)	104
Mortgage Revenue Bonds:	
14. Sycamore Glen, 1199 Diablo Avenue (elderly)	40
15. Ceres Plaza, 1459 E. Lassen Avenue	36
16. Pinetree Apartments, 47 Cobblestone Drive (family)	80
17. The Lodge at Sierra Sunrise, Sierra Sunrise Terrace (elderly)	25
Farmers Home Administration	
18. La Vista Verde, 23 Via La Paz (farm-workers)	33
Low Income Housing Tax Credits	
19. East of Eaton, Lassen Avenue / Eaton Road (family)	76
20. Chico Commons, 2071 Amanda Way (family)	72
21. Campbell Commons, 600 Flume Avenue (Single Room Occupancy)	56
22. Walker Commons, Buttonwillow (elderly)	56
HUD Section 811 - (Developmental Disabilities)	
23. Hartford Place, 2058 Hartford Drive	22
24. Autumn Creek*, 120 Menlo Way	105
25. Lincoln Apartments*, 474 E. 12 th Street	18
26. Alamont Apartments*, 811 W. East Avenue	30
27. Longfellow Apartments, 2100 Mariposa Avenue	24
28. Cordillera Apartments, 41 Cameo Drive	20
Total of Assisted Rental Housing Units	1,357
Section 8 Rental Assistance Vouchers Issued in the City Chico Sphere of Influence **	1,041
*These three apartments were purchased by the Housing Authority and only 20% of the units are required to be	
**A portion of the Section 8 Vouchers are used by households living in assisted rental units to make the rents affordable	
Source: City of Chico Housing Office, April 2003	

MAP 10.2
Assisted Housing Projects - Location Map

O. “At Risk” Housing Projects

The Department of Housing and Community Development (HCD) defines a housing project as “At Risk” if the project currently provides affordable housing subject to a governmental regulatory agreement, and the project owners could cancel the regulatory agreement and convert the affordable rents to market rate rents prior to 2010. As mentioned in the previous section on assisted housing, during the time period of the previous Housing Element, 1994 to 2002, three projects on the 1992 Assisted Housing Inventory, Transpacific Gardens I, Colony Village and Rio Lindo Apartments, subsequently paid off or prepaid the HUD financing and became market-rate projects, thereby removing 308 units from this inventory.

It is often difficult to determine which projects in the community fit this definition because the assistance may have been provided by the federal government over twenty five years ago. The City reviewed projects it had assisted, contacted the U.S. Department of Housing and Urban Development, the California Department of Housing and Community Development (HCD) and reviewed reports from the California Housing Partnership Corporation, which tracks At-Risk properties, to prepare a list of local assisted housing projects that meet the above definition.

Table 10-30b lists the Assisted Housing projects presented on Table 10-30a that are considered “At Risk” of converting to market rates.

TABLE 10-30b “AT RISK” ASSISTED HOUSING PROJECTS				
Project Name	Address	Number of At-Risk Units	Subsidy Source	Expiration Date
Ceres Plaza	1459 E. Lassen Ave.	36	Revenue Bonds	2004
Bidwell Oaks	700 Salem	44	Section 8	2005
Villa Rita	650 Manzanita	59	Section 8	2005
Transpacific Gardens II	729 Nord Ave	164	Section 8/Use Agreement	2034
Total Units		303		

1. Assessment of the Conversion Risk

The owners of Ceres Plaza will convert the 36 assisted units to market rate in January, 2004. The revenue bonds were paid off in 2002 and the regulatory agreement is scheduled to expire in January, 2004 (twenty years after the bonds were issued). The owners of Ceres Plaza are working cooperatively with the Housing Authority to place very low income residents on the Section 8 program. Households with incomes above Section 8 eligibility are being referred to the assisted housing projects that contain subsidized units for low income households.

Two senior housing projects, Bidwell Oaks and Villa Rita, are in the same situation. The old HUD-assisted mortgage has been paid off. Both projects still receive Section 8 contracts for 80 percent of the units as project-based certificates. The projects could convert to market-rate by simply not requesting renewal of the Section 8 contract. However, discussions with HUD indicated that this is unlikely because the property owners receive fair market rents that are equal to current market rate rents so there is no incentive to convert.

Transpacific Gardens II recently decided to participate in the new HUD preservation program. The owners entered into a new use agreement that expires in 2034. This project, therefore, is not considered at-risk at this time.

Even though the analysis of assisted projects did not identify any projects that met the HCD definition of "At Risk", it is appropriate for the City to assess the economic issues that are considered in the conversion decision by a property owner.

The assessment begins with a simple analysis of the benefit the owners receive if they convert to market rate rents. The benefit is the difference between current rents and market rate rents, discounted by any costs associated with the conversion. Costs range from the specific transaction expenses, additional debt service, and the risk of a higher vacancy rate in a competitive market.

The rental income gain is determined by estimating market rates for the units and subtracting the current rents. The following chart makes that comparison:

Unit Type	Market Rate Rents	Current Rents*	Rent Gain
1 Bedroom	\$550	500	50
2 Bedroom	650	600	50
3 Bedroom	750	700	50

* The projects currently receive the HUD Fair Market Rents (FMRs) through the Section 8 Program

In the case of Trans Pacific Gardens II, the average of \$50 per unit of additional rental income yields \$8,200 per month. This increase would provide debt service coverage for approximately \$850,000. However, \$850,000 could not provide adequate funds to pay for the needed improvements to compete with market rate rental projects (less than

\$4,000/unit), cover the transaction costs of the conversion, and provide sufficient surplus cash to justify the conversion. Therefore, the City has determined that as long as the project receives HUD Section 8 Rental Payments, it is not a likely candidate for conversion. If the Section 8 Program assistance stops, the project owners will probably decide to convert the project.

Bidwell Oaks and Villa Rita are in the same situation as Trans Pacific Gardens II. The difference between market rate rents and the HUD Fair Market Rents (FMRs) is not sufficient at this time to make conversion feasible. However, if the difference becomes greater, it will eventually make economic sense to convert to market rate rents.

2. Cost of Replacing “At Risk” Units

The best indicator of the cost to replace at-risk units is the recent experience from the Little Chico Gardens Apartment preservation project. In 1999, Little Chico Gardens was sold to a limited partnership that obtained Low Income Housing Tax Credits and assumed the existing HUD financing. The project contains 92 units with one, two, and three bedroom units. The total project cost was \$5,000,000 or \$54,350 per unit. The average cost-per-unit for rehabilitation was \$21,750. This figure includes extensive common area improvements, such as landscaping and parking lots. All windows and appliances were replaced with more energy efficient models.

Currently, the market has a very low vacancy rate and the price of apartment units has increased dramatically. A similar property today would cost \$65,000 for acquisition per unit, compared to \$33,000 in 1999. If \$20,000 per unit for rehabilitation expenses is estimated, the total cost is \$85,000 per unit. Based on this experience, the cost to purchase an existing project that is at risk of converting to market rate rents can be estimated.

If the owners of a property choose to keep the project and convert the units to market rate rents, it would be necessary for the City to replace the converted units with new construction of assisted units. The City is currently working with developers who are proposing multi-family and senior rental projects. The cost-per-unit range for new construction is \$105,000 to \$125,000 (average of \$115,000).

The 303 units potentially at risk, Table 10-30b above, multiplied by the cost estimates discussed above, provides a range for the cost to preserve these at-risk units. If the projects were offered for sale to local non-profits, the total cost would be \$25,755,000 (303 x \$85,000). If the projects were retained by the owners and the rents increased to market, the cost to replace the units with newly constructed units would be \$34,845,000 (303 X \$115,000) .

During the last ten years of the previous Housing Element, a total of 378 units were added to the affordable housing stock. However, during the same 10-year period, a total of 280 units were lost from the affordable stock when three projects repaid their subsidized financing packages.

An owner of an at-risk project can prepay or pay off the HUD mortgage without HUD’s approval. When the mortgage is paid off in full, the rents are thereafter set by the owner based on local market conditions.

The tenants receive Section 8 Vouchers which enable them to stay at the project and continue to pay a subsidized rent level. The difference between the new market rate rent and the affordable rent for the specific tenant is provided to the owner through the Section 8 program.

Tenants may move and take the vouchers with them to be used in other rental projects. This arrangement is referred to as portability.

The experience with Little Chico Gardens provides a model for the City to follow with other at-risk projects. HUD is considering methods to encourage owners of at-risk projects to work with non-profit housing providers. The goal is to reduce the number that are converted to market rate rents.

3. Local Response To “At Risk” Housing Situations

The City of Chico is fortunate in that the Housing Authority of the County of Butte and a local non-profit housing development corporation, Community Housing Improvement Program, has experience in the preservation of “At Risk” housing projects. The City and these two organizations are notified by a variety of agencies when a local project has declared an intent to prepay its mortgage and/or cancel its regulatory agreement. In response to such a notice, the City and the two organizations meet to prepare analysis of the project and determine what steps would be necessary to preserve the project.

P. Regional Housing Allocation Plan

The Regional Housing Allocation Plan, prepared in accordance with the provisions of Section 65584 of the California Government Code, addresses Chico's share of county-wide housing need by income group between 2001 and 2008.

The Butte County Association of Governments (BCAG) prepared a Regional Housing Allocation Plan for the period of 2001 to 2008. The BCAG Plan identified Chico as one of six market areas in the County (five cities and the unincorporated County area). Growth rates for the planning period were assigned on the assumption that each area will maintain its same proportion of the County total to 2008. Based upon projected population growth for the identified income categories, Table 10-31a presents the BCAG estimates for the planning period 2001 to 2008.

Because the City is constrained by inadequate financial resources to meet the need for all very low and low income housing, its overall goal is to meet as much of the need as is possible through available resources and the reduction of existing constraints.

The City's specific goals for the provision of housing for low and moderate income households are as follows:

1. To meet the goal of the allocation plan for providing housing for low and moderate income households, to the extent possible; and
2. To use mechanisms and programs available to the City, maximizing the number of units available at a cost affordable to very low, low and moderate income households.

TABLE 10-31a Regional Housing Allocation Table by Income Level				
Jurisdiction	Very Low	Low	Moderate	Above Moderate
Biggs	33%	13%	11%	36%
Chico	31%	21%	11%	37%
Gridley	28%	16%	11%	45%
Oroville	21%	18%	11%	49%
Paradise	35%	20%	9%	37%
Unincorp.	20%	16%	18%	46%
TOTAL	27%	19%	13%	41%
Source: 2001-2008 BCAG Regional Housing Allocation Plan, 2003				

It is not reasonable to assume that the City can achieve the goals of providing housing to very low, low and moderate income households through the proposed programs and policies contained in this Housing Element without additional federal and state funding programs. The gap separating subsidies required to make ownership and rental housing affordable to moderate and very low income households, respectively, substantially exceeds City resources available. City programs, such as issuance of revenue bonds, the Low and Moderate Income Housing Fund of the Chico Redevelopment Agency, CDBG funds and other non-monetary regulatory requirements and incentives, will continue to be necessary to produce affordable housing; however, they will not be sufficient to meet the allocation goals projected by BCAG.

TABLE 10-31b Basic New Construction Need by Income Group									
Jurisdiction	Very Low		Other Low		Moderate		Above Moderate		Total
Biggs	21	(33%)	13	(21%)	7	(11%)	23	(36%)	65
Chico	2,905	(31%)	1,987	(21%)	1,050	(11%)	3,538	(37%)	9,479
Gridley	105	(28%)	59	(16%)	42	(11%)	171	(45%)	377
Oroville	296	(21%)	248	(18%)	156	(11%)	684	(49%)	1,385
Paradise	522	(35%)	293	(20%)	131	(9%)	556	(37%)	1,502
Unincorp.	1,117	(20%)	894	(16%)	1,005	(18%)	2,569	(46%)	5,585
Total	4,966	(27%)	3,495	(19%)	2,391	(13%)	7,541	(41%)	18,393
Source: 2001-2008 Regional Housing Allocation Plan, Jan 2003									

While the number of housing units currently accessible to the handicapped and the needs for such housing are unknown, it is a goal that one percent of all new units constructed be handicap accessible. Thus, of the 7,500 units expected to be built in the next five years, a minimum of 75 units should be built specifically to be accessible to the handicapped. In light of building code and State requirements, as well as set-aside requirements in housing projects financed through revenue bonds, it is likely that this goal will be achieved.

Q. Manufactured Housing Ownership

An alternative to the common site-built home is found in the purchase of a manufactured or mobile home. Technically, the designation of manufactured housing is applied to factory-built housing units constructed to the standards established by the National Mobile Home Construction and Safety Standards Act of 1974. In 1981, the State adopted legislation requiring that cities and counties permit the installation of manufactured housing.

Manufactured housing, including mobile homes, is permitted on individual lots in all residential zoning districts, subject to being installed on, and secured to, an approved permanent foundation system.

The City also amended the land use regulations to reduce the minimum lot sizes and setbacks in medium and high density residential zones. Minimum lot sizes were reduced by 25 percent, to 4,500 square feet, and setbacks were reduced to 15 feet, front and rear. Development of a manufactured home subdivision within one of the areas zoned for the use and utilizing the reduced development standards could result in a density of 8 to 10 units per acre as compared to 4.5 to 10 units per acre under the old standards.

Of the 2,397 mobile homes in the Chico Sphere of Influence, representing seven percent of total housing units, all but 592 (25 percent) are located outside the City limits. Throughout the County, manufactured homes account for 15 percent of all housing units.

The cost for a manufactured housing unit is usually lower than for a comparably sized site-built home when the unit is placed in an infill situation. Manufactured housing costs are usually about \$45 to \$55 per square foot (including a foundation and installation), compared to a minimum of \$60 per square foot for site-built housing. Prices range from a low of \$42,750 for a two bedroom, 950 square foot unit, to \$68,000 for a 1,200 square foot three bedroom model. Since delivery of a manufactured home is possible in a short time, additional savings can be realized as interest costs are not incurred during construction. Development fees and building permits apply to both types of units.

Because of economies of scale, site-built homes in a subdivision are more cost-effective than in an infill situation, and are often similar in cost to a manufactured unit. Additional costs incurred in setting up the manufactured home are the cost of a garage and public improvements, such as curbs and sidewalks, if built on an individual lot. If the unit is placed in a park, the site development costs are significantly less but the monthly space rental currently averages \$300.

For a manufactured home of approximately 1,000 square feet costing \$40,000, the following monthly costs would be expected in a mobile home park setting:

▶ Mortgage payment	\$275/mo.
▶ Space Rental	300/mo.
▶ Annual Fees/Taxes	50/mo.
Total	\$625/mo.

If the manufactured home were placed on its own lot, these costs would be even higher if lot payments were required. The minimum purchase price for a finished lot would be approximately \$65,000 with monthly payments, for both the lot and the unit (including taxes), of about \$750. Even though manufactured housing is often more affordable than standard housing, there are several financial and practical drawbacks which can deter prospective buyers. Examples are:

- ▶ Higher interest rates
- ▶ Lower rate of appreciation on value of unit than for standard houses
- ▶ “Adult orientation” of most mobile home parks make them unattractive environments for young families
- ▶ Costs for extras such as decks, canopies, stairs, siding, garages, carports, etc.
- ▶ There are no appreciable differences in land costs for placement of a manufactured home versus construction of a standard construction home

R. Housing Stock Condition

The condition of the housing stock in Chico’s residential neighborhoods was surveyed in 1992, as part of the previous Housing Element. Of the 5,155 single-family units surveyed, 8.8 percent (454) needed minor repair, 8.3 percent (432) needed moderate to substantial rehabilitation and .2 percent (10) units were considered to be so deteriorated as to be best suited for demolition. The largest concentration of substandard housing was located in the Chapmantown area, generally east of Mulberry Street and south of East Ninth Street. However, other examples of deteriorated housing were located in Chico’s older neighborhoods.

For this update, a “windshield survey” was conducted of the entire Chico Sphere of Influence because several older neighborhoods were annexed into the City since 1992. A windshield survey is conducted by an experienced building inspector and consists of a visual evaluation of the exterior of the home from a slow-moving car. Neighborhoods that exhibit a higher than average presence of houses in need of rehabilitation are then sampled by walking the neighborhood and doing a more thorough exterior inspection.

The recent survey included 24,314 units that ranged from one to four unit structures. The survey results indicated that overall, the City’s housing stock is in very good condition. In summary, 4.4% of the housing units surveyed indicated a need for some level of rehabilitation. The results by Census Tract are listed on Table 10-32.

The neighborhood that had the highest need in 1992 also has the highest need currently. The neighborhood south of 9th Street and between the SHR 99 and Mulberry Street still has the highest need. However, the current results indicate that progress is being made. The results suggest that 350 units need minor repair (six percent) and 250 units (four percent) need major to moderate rehabilitation. In the other older neighborhoods, the houses exhibiting the highest need for rehabilitation were single-family homes that have been converted to rental housing. This is prevalent in the South Campus and Citrus/North Campus Neighborhoods.

It is common for the older neighborhoods with the highest incidence of housing rehabilitation need to also have a need for basic infrastructure. The City uses its Community Development Block Grant funds to improve and install public improvements in older neighborhoods that are predominately low income. However, several of the streets with the highest housing rehabilitation need are located in the unincorporated area.

**TABLE 10-32
HOUSING CONDITION SURVEY (2003)
CHICO'S SPHERE OF INFLUENCE**

Census Tract	Housing Units (1 to 4)	Minor Need	Major Need	Dilapidated	% Need
1.01	2,163	2	1	0	0.1%
1.02	1,221	2	0	0	0.2%
2.01	1,100	5	0	0	0.5%
2.02	883	0	0	0	0.0%
3	1,108	4	1	1	0.5%
4	1,108	2	1	0	0.3%
5.01	1,104	8	0	0	0.7%
5.02	834	17	4	0	2.5%
6.01	1,074	18	6	0	2.2%
6.03	678	75	35	0	16.2%
6.04	878	55	20	0	8.5%
7	1,704	104	55	2	9.4%
8	1,989	6	1	0	0.4%
9	3,383	3	1	0	0.1%
10	1,680	150	50	10	12.5%
11	987	23	5	2	3.0%
12	1,181	111	47	2	13.5%
13	1,239	125	105	22	20.3%
Total	24,314	710	332	39	4.4%
		2.9%	1.4%	0.2%	

Insert Map 10.3

Chico Housing Condition Survey - Survey Area Boundary- Census Tracts

S. Housing Age

As Table 10-33 demonstrates, despite Chico's age as a City, (incorporated in 1872), the housing stock is relatively young with the majority of the houses built after 1970. The age of the housing stock is a good indicator of the potential need for replacement housing and the adequacy of the housing stock in terms of health and safety standards. It should be noted that the age of the stock is established by the occupant of the unit during the census and, as such, may not be accurate.

TABLE 10-33 AGE OF THE HOUSING STOCK (2000) CHICO'S SPHERE OF INFLUENCE						
	City of Chico		Unincorporated Area		Chico Sphere of Influence Total	
1995 to 2000	2,574	11%	370	6%	2,944	10%
1990 to 1994	3,381	14%	729	13%	4,110	14%
1980 to 1989	5,024	21%	1,361	24%	6,385	21%
1970 to 1979	4,927	20%	1,475	26%	6,402	22%
1960 to 1969	2,591	11%	791	14%	3,382	11%
1940 to 1959	3,492	14%	661	11%	4,153	14%
1939 or earlier	2,363	10%	375	6%	2,738	9%
Total	24,352		5,762		30,114	
Source: 2000 Census, Housing Office						

10.3 RESOURCES AVAILABLE FOR THE PROVISION OF AFFORDABLE HOUSING

A. Article XXXIV Authority

Article XXXIV (34) of the California Constitution can be considered a constraint on affordable housing development because it requires that local voters approve the development, construction, or acquisition of low income housing by a State or public body when more than 49 percent of the units are for low income households. The City received its initial 750 units of Article 34 authority from the community in 1977 and 1979 when two ballot measures requesting the authority were approved. By the 1990s the authority was almost fully allocated to specific projects. Two further ballot measures to gain Article 34 authority for additional units presented to the community in the 1990s, were defeated.

However, the voters approved new Article 34 authority for the City in 2000. The ballot measure authorized up to one percent of the existing housing stock to be available each year, which provides authority for approximately 250 units per year. Based on recent activity, the one percent authority will meet the needs of affordable housing developers subject to Article 34. Therefore, Article 34 is now a resource for the community.

B. Community Development Block Grant

The City has participated in the Community Development Block Grant (CDBG) Program since its inception in 1975. In 1982, the City became an Entitlement City under the CDBG Program. Under the Entitlement Program, the City receives approximately \$1 million annually. The CDBG Program requires that its funds be targeted to low and very low income households. The City has used CDBG for its Citywide Housing Rehabilitation Program (prior to the HOME Program); public improvements in low income neighborhoods; special-needs housing (such as a shelter for victims of domestic violence) and operating grants to social service organizations that serve low income persons.

C. HOME Program

In 1992, HUD implemented the Home Investment Partnership Program (HOME). The City receives approximately \$700,000 of HOME Funds annually, based on a needs formula similar to CDBG. The HOME Program is limited to housing activities.

The City has used HOME Funds for its First Time Homebuyers Program, Housing Rehabilitation Program, Tenant Based Rental Assistance Program, and direct funding for developers of housing affordable to low and very low income households.

D. Revenue Bond Financing

The City has used its ability to issue tax exempt revenue bonds to assist in the development of five housing projects within the community. The bonds were issued prior to the new requirements that the low and very low income units must be made available to, and affordable to, targeted households. The projects were only required to rent a specific percentage of the units to the targeted income group but the rent level was not required to be affordable. Two projects were refinanced, and as a condition of the

City issuing new bonds, the City required the developments to meet the new affordability requirements. However, both projects have since paid off the bond financing and the regulatory period expired. A total of 48 assisted units have been converted to market rate rents.

Affordable housing developers have increased the use of tax exempt bonds in their efforts to use the Low Income Housing Tax Credit Four Percent Program because the Nine Percent Program is too competitive. In response to the increase in activity, specialized agencies were created to issue the bonds. These specialized agencies are more effective in the issuance process and the total costs can be less; therefore, the City of Chico does not anticipate issuing tax exempt bonds for housing projects in the future.

E. Chico Redevelopment Agency

The Chico Redevelopment Agency administers two redevelopment project areas. The Agency receives a portion of the property tax increases in the Project areas. Twenty percent of this “tax increment” is set aside for affordable housing activities. Over the Agency’s 20 years of operation, it has expended over \$18 million to assist housing developers produce more than 1,200 units of affordable housing in the community. Currently, the Agency generates over \$2 million per year that is available for affordable housing development.

As discussed in other sections of this document, the Agency provided financial assistance to rental housing and ownership housing projects. The Agency is the primary funding source for the City’s first time homebuyer program. The Agency will also be the primary local resource for funding to preserve “At Risk” units in the event the need occurs.

TABLE 10-34 CHICO REDEVELOPMENT AGENCY LOW AND MODERATE INCOME HOUSING FUND PROJECTED RESOURCES FOR AFFORDABLE HOUSING 2004-05 TO 2008-09			
Fiscal Year	Revenue	Expenditures	Balance Available
Beginning			\$2,982,844
2000-01	\$2,079,679	\$1,899,796	\$3,162,727
2001-02	\$2,363,064	\$712,227	\$4,813,564
2002-03	\$2,873,695	\$1,166,700	\$6,520,559
2003-04	\$2,335,737	\$2,940,770	\$5,915,526
Projections			
2004-05	\$2,623,108	\$3,825,000	\$4,713,634
2005-06	\$2,705,200	\$3,230,000	\$4,188,834
2006-07	\$2,800,000	\$650,000	\$6,338,834
2007-08	\$2,900,000	\$650,000	\$8,588,834
2008-09	\$3,000,000	\$650,000	\$10,938,834

Table 10-34 above demonstrates that the Chico Redevelopment Agency may provide approximately \$11 million dollars (in present value dollars) for additional affordable housing projects over the planning period for this Housing Element. Currently the average subsidy-per-unit of affordable housing is \$35,000. Therefore, the Agency may have the financial capacity to assist the development of over 300 units of affordable housing over the next five years. This production is in addition to 193 units that will be developed during the next two years, for a potential total of 493 units.

The Chico Redevelopment Agency is planning to fiscally merge its two existing project areas. This action would result in potentially an additional \$5 million (in present value terms) of affordable housing funds over the next five years. Based on the average of \$35,000 per unit assisted, the Agency may be able to assist in the development of an additional 145 units.

F. Affordable Housing Development Organizations

The community is fortunate to have several housing development organizations that are committed to producing and managing affordable housing for the general population, seniors and the disabled:

1. Housing Authority of the County of Butte (HACB)

The City has worked closely with HACB over the years to develop low income housing. The City assisted HACB with development of its initial public housing, 100 duplex units. These units were built at scattered sites throughout the City to encourage a mixture of housing types within City neighborhoods. The units are well maintained and operated by HACB. In addition, HACB manages approximately 1,200 existing Section 8 units in the Chico's Sphere of Influence .

HACB expanded its affordable housing activity from Public Housing and now develops projects using a variety of financing resources. HACB developed a 76-unit multi-family apartment complex and a 56-unit senior housing apartment complex utilizing the Low Income Housing Tax Credit Program (LIHTC). The City of Chico and the Chico Redevelopment Agency provided financial assistance to both projects. HACB formed a nonprofit housing development corporation to represent it in the development of the two projects using LIHTCs.

HACB continues to utilize alternative financing sources to increase the local inventory of affordable housing. HACB purchased four existing projects, containing a total of 195 units, with funds raised from the issuance of bonds and provides project and program management services to other agencies. HACB and Butte County Behavioral Health work together on a program that provides permanent housing with supportive services for the mentally ill. HACB also manages the City's Tenant Based Rental Assistance Program.

The HACB's nonprofit is currently developing a 108-unit senior housing project. The City and the Redevelopment Agency have provided a \$3 million commitment to the project. HACB is applying for LIHTCs to secure the remaining financing.

2. Community Housing Improvement Program (CHIP)

CHIP is a regional nonprofit serving several counties in the Northern Sacramento Valley and it has over 25 years of experience in the production of affordable housing. The City and CHIP have worked together on multi-family housing, self help housing, and special needs housing. CHIP is experienced in the preservation of existing affordable housing and is an important partner in the City's strategy to preserve affordable housing.

3. Community Action Agency of Butte County, Inc. (CAA)

CAA owns and manages the County's only transitional housing facility for families, the Esplanade House, which has operated for over 12 years. CAA is currently in the process of relocating the facility to a larger site and making its transitional program more comprehensive. CAA also operates the weatherization program for the County.

4. Northern Valley Catholic Social Services (NVCSS)

NVCSS is a nonprofit social service and housing development organization. NVCSS developed Hartford Place Apartments, which provides 21 units for the developmentally disabled. The organization is currently pursuing funding for its Forest Manor Project, which is designed to serve the frail elderly.

5. ARC of Butte County, Inc. (ARC)

ARC provides supportive services to the developmentally disabled and their families. ARC developed a unique project where it acquired and rehabilitated a 24-unit apartment project. The project provides 12 units for developmentally disabled households and 12 units for non-disabled households.

G. Project Specific Funding Resources

The organizations mentioned above have accessed virtually all available housing programs to secure the required funding for their housing projects. The following programs are available to housing developers in Chico. The programs are competitive, and requests for funds always exceed the funds available. However, as the community attempts to meet its current and future affordable housing needs, these programs will be considered as potential resources:

1. The Low Income Housing Tax Credit Program (LIHTC) is the primary funding source for low and very low income rental housing projects serving families and seniors. The LIHTC is administered by the California Tax Credit Allocation Committee of the State Treasurer's Office by allocating the tax credit to eligible housing projects. The project funding is provided by private sector investors who purchase the "tax credits", which significantly reduce the investors' tax liability. Major corporations are the primary purchasers of the tax credits. The LIHTC Program has assisted five rental projects in Chico.
2. California Housing Finance Agency
 - a. Single-family programs provide individual loans to families and project loans to developers. The funds are raised through the sale of tax exempt bonds which results in lower interest rates for the loans.

- b. Multi-family programs provide loans to project developers at below-market interest rates. One program is designed for special needs housing projects and the interest rate is typically three percent. The ARC of Butte County has accessed the Special Needs Program for its acquisition and rehabilitation of the Longfellow Apartments.
3. State Department of Housing and Community Development (HCD)
- a. The Multi-Family Housing Program assists developers of rental housing by providing low interest long term loans for the rehabilitation of existing units and construction of new units.
 - b. Cal Home provides grants to local public agencies and nonprofit developers to assist individual households through deferred-payment loans and direct forgivable loans to assist development projects involving multi-family and single-family housing.
 - c. The Emergency Housing Assistance Program provides grants to eligible organizations based on a funding formula for the County. Eligible activities include emergency shelter and transitional housing facility operation and development.
 - d. The Federal Emergency Shelter Grant Program provides grants for the rehabilitation and operation of emergency shelters and transitional facilities.
 - e. The Mobile Home Assistance Program and the Mobile Home Resident Opportunity Program assist residents of mobile home parks in organizing and purchasing an existing mobile home park. The purpose is to preserve affordable housing opportunities that are threatened with the sale of the park for another use.
4. U.S. Department of Housing and Urban Development (HUD)
- a. Section 202 provides grants to eligible nonprofit developers for the construction of rental housing for the lower income elderly. The 38- unit Lucien Manor Apartments on Parmac was financed with a Section 202 grant.
 - b. Section 811 provides grants to eligible non profit developers for the construction of rental housing that serves the physically and/or mentally disabled. Northern Valley Catholic Social Services utilized the Section 811 Program for the development of the 21-unit Hartford Place Apartments on Hartford Drive.
 - c. The Continuum of Care Program is a multi-purpose program designed to fund transitional and permanent housing with supportive services. The targeted residents are the very poor who are currently homeless or at a high risk of becoming homeless. The Community Action Agency is currently working with HUD to receive over \$300,000 for the operation of the to-be-developed Esplanade House Expansion Project.
 - d. Section 8 Rental Assistance Program is operated by the Housing Authority of the County of Butte. In general, the Section 8 Program assists very low income households by subsidizing the difference between 30 percent of the household's income and the market rate rent of their unit. The Housing Authority currently

assists 1846 households, which is almost double the 971 households assisted in 1992. Historically, approximately fifty percent of these households reside within the City of Chico Sphere of Influence. In addition, the Section 8 Program has assistance contracts with specific apartment projects, and there are 90 units under these contracts. Therefore, over 1,000 households within the City benefit from the Section 8 Program.

5. The Affordable Housing Program (AHP) provides grants or subsidized interest rate loans for purchase, construction and/or rehabilitation of multi-family and single-family housing projects. The AHP has been used by the Housing Authority and CHIP in their development of affordable housing projects.

10.4 CONSTRAINTS TO DEVELOPMENT OF HOUSING

Because housing is a fixed asset with a life of 30 to 50 years and is an integral part of the community in which it is located, it is essential for the community to exercise reasonable influence over its location and production.

The question is not whether the local government representing the community is regulating housing; the question is whether the regulatory action is counter-productive in terms of increasing the cost of housing and/or hindering the integration of housing with the other essential services of the community.

A. Governmental Constraints

Although there are several components of housing production which are beyond the control of local government, such as the cost and availability of mortgage capital, labor, and materials, there are key elements which are directly controlled by local government and are thus legitimate subjects of inquiry for the Housing Element. Governmental constraints are those imposed by the government which either limit the number of housing units to be built or increase the costs of those units which are built. Constraints increase costs by either adding direct specific expenses, such as street improvements or development fees, to the cost of a housing unit, or by increasing the time necessary to build the unit, thereby increasing the builder's incidental costs such as interest payments or labor costs. All costs are ultimately passed on to the occupant of the housing unit either in higher mortgage payments or rent. Governmental constraints can be classified in three basic categories: those which impose regulation, those which add direct costs and those which result in time delays. Regulations and time delays result in increased costs, but they cannot be calculated as easily as direct costs such as fees. The most obvious and significant factors falling within the influence of local government are:

1. Land Use Controls

Land use controls can affect the cost of housing if they artificially limit the supply of land available for development and/or limit the type of housing that can be built in a city to certain types which are less affordable. The General Plan and the Zoning Ordinance, which implements the General Plan, are tools used by cities to guide the development of land, including regulations for location, density and intensity. The City of Chico's land use designations allow for a range of housing types. Land use and density categories are sufficient and match well with local housing need.

Land use controls which can impact a city's ability to provide affordable housing include open space and off-street parking requirements. Because these on-site improvements are land-intensive, they increase the cost of land development by reducing the unit density while adding landscaping and parking area development costs. Open space and parking standards are typically determined by surveying similar communities and what the local experience has indicated is appropriate. The City of Chico off-street parking requirements for all residential land uses reflect typical standards found elsewhere around the State, especially among similarly sized communities. The standard parking requirement for apartment development is two spaces for apartments with two or more bedrooms, with guest parking required at 25 percent of the number of units. This

standard provides for adequate off-street parking for tenants and visitors and permits emergency vehicle access and circulation.

Open space standards do not exceed those used in other cities of comparable size. In Chico, these standards reflect a strong community value in open space and the role it plays in the overall quality of life of the City's residents. Standards for conventional lot-by-lot development is 60 percent open space (or 40 percent coverage). This requirement is inclusive of driveways, uncovered patios and swimming pools or other hardscape intended for outdoor use. In considering a minimal 4,500 square foot lot, the site coverage would need to be in excess of 1,800 square feet to exceed this standard. Planned development procedures provide for the clustering of residential units and the concentration of open space for common use. Indeed, the City has consistently encouraged this type of development as one method of providing different housing types at more affordable levels.

In response to policies in the 1994 General Plan and the Housing Element, the City adopted small lot subdivision standards that permit parcels between 3,500 and 4,499 square feet. Lot coverage is allowed to 50 percent. Even smaller lots can be achieved with a planned unit development process.

An amendment to the General Plan or zoning ordinance involves relatively extensive review (including environmental review), notices and hearings mandated by the State. The processing time for an amendment is at least 60 days, and at the end of that period there is not assurance of approval. A comprehensive update to the General Plan was adopted by the City in 1994. The Plan contains principles designed to maintain a compact urban form, enhance street connectivity and bike links and build community through designing neighborhoods, not simply subdivisions. Mixed uses, neighborhood centers, and an overall average density target of seven dwelling units per gross acre are guiding community design principles.

2. Building Regulations

Building standards are essential to ensure safe housing, although some codes and standards may constrain the development or preservation of affordable housing. The City of Chico has adopted the Model Codes consisting of the Uniform Building Code, Uniform Fire Code, Uniform Mechanical Code, Uniform Plumbing Code, and the National Electric Code. The City operates a code enforcement program employing two full-time Code Enforcement Officers. Enforcement involves ensuring that development within the City conforms to the standards contained in the Chico Municipal Code, which includes the above Uniform Codes by reference.

Local exceptions to Uniform Codes. The City of Chico enforces the Uniform Codes noted above, notwithstanding adherence to the following exceptions:

- ▶ CMC 16R.02.020 - Allows the continued use and occupancy of habitable space within a dwelling unit with a ceiling of less than seven (7) feet, if the room is equipped with or served by a device or devices capable of detecting products of combustion and approved by the Fire Chief.

- ▶ CMC 16R.02.025 - Modifies UBC requirements for parapets by not requiring parapet walls on single-family homes under certain conditions where the UBC would otherwise require them.

City Codes do not include any other exceptions from the UBC which affect residential construction. The impact of the modifications clearly is to encourage habitable dwellings where they might otherwise be prohibited.

Housing Rehabilitation. Coordination between the Housing Rehabilitation Program and Building Code Enforcement is maintained by the City. The City funds a Housing Inspector who works with homeowners and contractors to ensure cost-effective rehabilitation. Rehabilitation projects are inspected by the City using qualitative criteria. All rehabilitation improvements done by the contractor must meet Uniform Building Code standards. It is, however, common for certain features of a rehabilitated dwelling to remain in non-compliance with the UBC, if they do not pose a health and safety risk to the occupants.

3. On- and Off-site Improvements

The City requires the provision of certain on- and off-site improvements in conjunction with residential development. These improvements include compliance with street improvement standards, including the provision of fire hydrants, street lighting, storm drainage and sanitary sewer facilities. The California Water Service Company extends water mains and service lines within the Chico Sphere of Influence. As noted above, the City updated its General Plan, which includes community design policies. Prompted by a desire to emulate some of Chico's original neighborhoods and to design local streets to address safety and aesthetics issues, street improvement standards were modified to allow narrower street sections and alternative street lighting, and to require curbside park strips. Both the standard and narrow standards for residential streets are listed below:

Residential Street Standards

The standard that is used depends largely on the number of houses being served, whether the street is a through street, cul-de-sac or loop street and the distance between street intersections.

- Streets with no parking range from 44 to 48 feet of right-of-way depending on whether a 10 or 12 foot travel lane is used. This standard provides for a curb-to-curb dimension of between 20 and 24 feet, an 8 foot park strip and 4 foot sidewalk.
- Streets with parking one side range from 52 to 54 feet of right-of-way, with a curb-to-curb dimension of 28 feet, park strip of 7 or 8 feet and a 4 foot sidewalk.
- Streets with parking both sides range from 56 to 62 feet of right-of-way, with a curb-to-curb dimension between 26 and 32 feet, park strip of 7 or 8 feet and a 4 foot sidewalk.

4. Permits and Fees

Development fees can be assessed against residential projects as a means of providing funding for capital improvements necessitated by the cumulative demand of residential development. Such fees are typically imposed as a condition of subdivision, but can be included in those fees collected at the time of issuance of building permits.

Improvements frequently considered for financing through development fees include schools, parks, storm drainage, and transportation facilities (traffic signals, street widening, bicycle paths, etc.). The City of Chico has adopted the fees listed in Table 10-34 to offset the cost of improvements due to growth in the community. All fees are based on a nexus study conducted by the City to determine the actual cost of providing improvements or facilities. The fees charged to new development are similar to fees charged for other communities in the North Valley.

Over the past fifteen years, City development fees have varied from an initial \$5,604 to a high in 2001 of 13,095. On a percentage basis, development fees ranged from about 4 percent to 8.5 percent of the annual average sales price of a 3 bedroom/2 bath home of between 1,400 and 1,600 square feet. During the same period of time, the average value of the same home fluctuated by as much as \$94,000 over the fifteen year period.

Alternative forms of funding are needed to support improvements required by new development and to fund affordable housing. Reducing impact fees would simply defer development of infrastructure resulting in higher long-term costs to the City and its residents.

TABLE 10-35

Development Fee Comparison

(Based on 1,400 to 1,600 square foot single-family dwelling with a 400 square foot garage)

Year	Plan Check *	Building Permit *	WPCP Capacity	Trunkline Capacity	Storm Drainage **	Transport. Facility	Park	Building and Equip.	CUSD*	Total	Assessor's Valuation ***	Fee % of Valuation
1987	\$363	\$678	\$884	\$530	\$399	\$500	\$0	\$0	\$2,250	\$5,604	\$102,500	5.47%
1988	363	678	919	551	406	1,331	0	0	750	\$4,998	\$105,000	4.76%
1989	375	697	919	551	413	1,334	1,199	0	840	\$6,328	\$140,000	4.52%
1990	389	710	952	572	420	1,382	1,358	0	870	\$6,653	\$160,000	4.16%
1991	611	940	967	581	426	1,404	2,112	0	2,370	\$9,411	\$160,000	5.88%
1992	650	1,000	1,004	603	455	1,404	2,094	0	2,370	\$9,580	N/A	N/A
1993	650	1,000	1,049	630	483	1,660	1,991	200	3,975	\$11,638	N/A	N/A
1994	670	1,030	824	977	512	1,529	2,091	346	2,475	\$10,454	N/A	N/A
1995	696	1,071	824	977	541	1,529	2,126	205	2,580	\$10,549	\$139,000	7.59%
1996	719	1,107	824	977	544	1,529	2,126	205	2,760	\$10,791	\$133,601	8.08%
1997	724	1,114	1,413	797	592	1,529	2,126	205	2,760	\$11,260	\$134,907	8.35%
1998	753	1,139	1,413	797	619	1,530	2,133	351	2,760	\$11,495	\$136,100	8.45%
1999	764	1,155	1,413	797	621	1,646	2,133	409	2,760	\$11,698	\$137,600	8.50%
2000	768	1,163	1,490	841	658	2,101	1,619	465	3,075	\$12,180	\$143,069	8.51%
2001	766	1,179	1,582	893	1,168	2,284	1,619	409	3,195	\$13,095	\$171,340	7.64%
2002	838	887	1,534	866	1,168	2,325	1,619	409	3,195	\$12,841	\$196,662	6.53%

Notes:

*Based on square footage; all other fees based on a single-family dwelling unit.

** Amount varies based on location. Amount reflected is based on the average rate of all ten storm drain areas, and assumes a 7,000 square foot parcel.

***Beginning in 1997, the dwelling unit valuation was based on the average sales price of a 3 bedroom/2 bath unit with garage, with floor area of 1,400 to 1,600 square feet, per information provided by Butte County Assessor's Office.

****Fees revised in mid '02 - fees in table reflect post-revision amounts.

5. Public Services and Facilities; Sewer, Water

- a. **Wastewater Treatment.** Wastewater collected in the City Sewer Service Area is transported to the Chico Water Pollution Control Plant. Flows reaching the plant are presently less than its reliable treatment capacity. The City recently expanded the capacity of the plant to nine million gallons per day (mgd). The design capacity of the WPCP is 16 mgd and the City is now in the design phase for the next expansion of the WPCP. The developer must construct all on-site sanitary sewer facilities and pay an impact fee to connect to the collection system and pay for plant capacity (refer to fees in Table 10-34).
- b. **Storm Runoff.** The City provides for underground storm drainage that directs storm runoff to a number of outfalls into several streams that traverse Chico. In order to comply with the Clean Water Act best management practices are required to treat the first one-half inch of storm runoff from all new development. The developer must also construct storm collection and detention facilities on-site and pay impact fees that support construction and maintenance of major off-site storm water facilities.
- c. **Water Supply.** The California Water Service Company (Cal Water) service area includes the entire Chico Sphere of Influence. The Chico area water distribution system includes 64 deep wells and five storage tanks to boost water pressure when necessary. The system can supply about 90 million gallons per day (mgd). On average, Chico District customers use ten mgd. Peak demand has reached only 40 million gallons per day.
- d. **Gas and Electricity.** The Pacific Gas and Electric Company is the primary provider of gas and electric service to the City of Chico. New developments are charged for extending service and trenching utility lines. Most of these fees are refunded according to regulations set forth by the California Public Utilities Commission.
- e. **Public Services.** Law enforcement and fire protection services are adequate and are planned to provide increased services as the population in the City of Chico grows. These services are provided by the City of Chico. A mutual aid response agreement exists between the City and Butte County within the Chico Sphere of Influence. The Chico Unified School District has a plan to accommodate growth for a five-year planning period.

B. Federal and State Actions

Various State and Federal policies can have significant impacts on the affordability of housing. Most important of these policies are those Federal monetary policies which influence interest rates. Interest rates affect both construction costs (construction loans) and long-term mortgage costs, thereby having a significant direct impact on the affordability of housing (California Statewide Plan Update, 1990). The volatility of interest rates is demonstrated by the fact that within the last 20 years, mortgage rates have been as high as 13 percent and low as 5 percent. Construction financing has been even more volatile.

The Federal Government has increased the per-capita limits on tax-exempt bonds and the Low Income Housing Tax Credit Program. That change provides more allocation authority for states, which simply means more supply of funds. The Federal government has

significantly reduced its involvement in direct construction programs to meet the housing needs of low and very low income households. However, it has worked with local housing authorities to make the Section 8 program more efficient and effective. Additionally, HUD has worked aggressively with private sector owners of older assisted housing projects in an effort to keep them affordable. It is now much easier for owners to sell to nonprofits and for-profits who are willing to enter into new regulatory agreements.

C. Project Review Process

The City has established the Community Development Department, consolidating the planning, building, and housing divisions to improve processing of development proposals.

The City has established a Development Review Committee (DRC) to review preliminary project proposals and provide timely comments prior to submittal of working drawings. The DRC has been widely praised by design professionals and developers. The weekly DRC meetings are available at no cost, and provide an informal meeting environment at which City development review staff and utility providers review and respond with written comments to preliminary project plans. This process has reduced the number of plan revisions needed as a result of the plan check process.

Compared with other cities in Northern California, Chico's development review process ranks similarly in processing time. Development review has increasingly become a complex process. Chico continues to seek ways to make this process more efficient without sacrificing the public's welfare or safety.

The City's various review procedures are summarized below. Development in the unincorporated area is subject to similar reviews and those County processes are summarized in the Housing Element of the Butte County General Plan.

1. Environmental Review

After receipt of a project application or request for review of a City project, staff initially reviews the proposal to determine if it is subject to environmental review or exempt. Pursuant to provisions of the California Environmental Quality Act (CEQA), if a project is not subject to environmental review (ministerial reviews such as building permits generally do not receive environmental review), no further action is required, and the application is processed without restriction by environmental review time limits. Other projects which are subject to environmental review, but are relatively minor in nature, may fall into categories exempt from further review.

If the project is subject to further environmental review, staff prepares an Initial Study (or environmental evaluation) to determine the potential environmental impacts of the project. The Planning Director then determines, based on the study, whether an Environmental Impact Report (EIR) or negative declaration is to be prepared. The Director may also require the submittal of additional information, such as a traffic or storm drainage analysis, to justify the determination. In many cases, mitigation measures are required to reduce project impacts to less-than-significant levels.

The minimum time required to prepare a negative declaration and make it available for public review and comment is 45 days, although 60 days is more common. If additional information is requested, the time frame is extended by the time necessary to prepare that

information. The overall time frame includes a State mandated 20-day review period (30 days for projects requiring State review and/or approval) as well as lead time required for providing notice and preparing the evaluation.

If a determination is made that an EIR is required, there is no typical time frame. The time to prepare the EIR is dependent on the complexity of the project and issues involved. Time periods can range from an absolute minimum of six months (highly unlikely) to a year or more.

The environmental review process requires the decision-making body (City Council, Planning Commission, or staff) to review and adopt or certify the environmental documentation in making their final decision on a project. In order to expedite the process, staff routinely processes the environmental review at the same time the project is being reviewed by staff and scheduled for public hearing. In general, this saves the project applicant considerable processing time. However, under the Code, the environmental determination of the Planning Director is appealable to the City Council and, in the event an appeal is filed, application processing is delayed by at least 30 to 60 days.

Again, it must be emphasized that all discretionary projects require environmental review at some level, including not only private projects, but City projects and actions as well.

2. General Plan Amendment

A General Plan Amendment may be initiated by the Planning Commission, City Council, or a private applicant. There are no required time frames for the processing of a General Plan Amendment other than the overriding limitations imposed by the State Permit Streamlining Act (adopted locally as CMC 2.74 et. seq.), which provides that all applications will be processed within 6 months after the adoption of a negative declaration or within one year if an EIR is required to be prepared.

Once environmental review is complete, the Planning Staff schedules a public hearing before the Planning Commission. The Commission will review the amendment and forward a recommendation to Council, typically within 60 days of receipt of the complete application. The proposal is then forwarded to the City Council and at least one additional public hearing is scheduled. The City Council action is usually completed within 90 days after the application has been deemed complete (assuming a negative declaration is approved).

3. Prezone/Rezone

A prezone or rezone may be initiated by the City Council, Planning Commission, City Staff, or private applicant. It is subject to the Permit Streamlining Act time frames and is subject to environmental review as discussed above. Once the process is complete, a public hearing is scheduled before Planning Commission, with action typically occurring within 60 days after the application has been deemed complete. Once the Planning Commission has made its recommendation, the item is scheduled for hearing before the City Council, with final action typically occurring 60-90 days after application completeness.

4. Use Permit/Variations

Use permits and variances may be initiated by a private applicant or the City Staff and are subject to environmental review. Use permits and variances determined to be minor and noncontroversial in nature are heard by the Zoning Administrator. Typical processing time is 30-45 days. These permits may be appealed to the Planning Commission, in which case the processing time is the same as for any other use permit or variance.

All other use and variance permits are heard by the Planning Commission. Typically, these hearings occur within 45 days of submittal of a complete application, if the project is exempt from environmental review, or within 60 days if an initial study must be prepared. Unless appealed, the Planning Commission decision is final and the permit is approved or denied. Should an applicant or affected party be dissatisfied with the Commission's action, an appeal is made to the City Council within 15 days of the action. The appeal is placed on the next available City Council agenda for discussion. If the Council votes to hear the appeal, the record is called up and scheduled for a public hearing, typically within 30 days. If the item is appealed, the total period for final resolution is approximately 90 days.

5. Subdivision/Parcel Maps

Subdivision applications have the most extensive and technical requirements for a complete submittal. Applicants who utilize the Development Review Committee process are usually able to better determine the extent of information required for a complete submittal because of the initial informal review with staff and utility representatives. Once a complete subdivision application is submitted, State law requires the City to complete and make an environmental determination within 50 days. The Planning Commission usually considers a subdivision map 30 days after environmental review has been completed and noticed for public review. Extension of the processing time beyond 50 days may occur only with the consent of the applicant.

Subdivisions which require a modification of City standards or those subject to an appeal of the Planning Commission decision are considered by the City Council within 30 days of Planning Commission consideration.

The 30-day period is set by State law and may be extended only with the consent of the applicant.

6. Boundary Line Modification/Minor Land Division

These minor subdivision applications are administratively approved by staff within 30 days of submittal of a complete application, unless an appeal is filed. An appeal of staff approval is considered by the Planning Commission in 15-30 days, and if further appealed, considered by the City Council in an additional 15-30 days. Most of these applications are exempt from environmental review.

7. Development Review Committee/Architectural Review Board

The lead time for the Development Review Committee is typically seven days; however, 14 days lead time may be required for very complex projects. The Architectural Review Board lead time is 14 days. The Development Review Committee meets weekly and the ARB meets the first and third Wednesday of each month.

Projects requiring a building permit, other than single-family dwellings, minor construction such as fences, decks or interior remodels require architectural review and approval. This

process does not, typically, add time to development approval as it is accomplished in conjunction with the building permit/plan check process. Architectural review is conducted administratively, by staff, or through the Architectural Review Board for larger projects. Site planning, landscaping and building elevations are reviewed and approved. Projects are evaluated for basic good design principles and consistency with General Plan and other appropriate policies.

Multiple-family projects are subject to architectural review but do not require discretionary permits, such as, use permits or planned development permits, if proposed in an appropriate zoning district (R2, R3, RHD). Multiple-family projects can obtain building permits within 8 weeks depending on the size of the project and motivation of the builder.

In response to AB 1866, implementation of H-I-3 has been largely completed. Standards imposed included; size limitations, depending on lot size; use of complimentary materials to main house; conformance to setbacks, height and site coverage of applicable zoning district; parking; pedestrian access; consideration of privacy of existing surrounding residences and provisions for adequate fire protection. Several second units have been approved since these standards were approved. Provided the market for one and two bedroom rental units remains high property owners will seek to build these units.

8. Housing for Persons with Disabilities

The City provides for a variety of housing intended to care for the special needs of the disabled. “Residential Care Homes” is defined in the city land use regulations “as facilities providing residential social and personal care for children, the elderly, and people with limited ability for self-care, but where medical care is not a major element.” This land use category includes children’s homes, transitional housing, orphanages, rehabilitation centers, and self-help group homes. In accordance with the Community Care Facilities Act, residential care housing for six or fewer residents is permitted as a matter of right in all residential districts and the office residential and neighborhood commercial districts. Housing for seven or more persons is permitted in all residential districts, office residential and commercial districts with a use permit. The conditions of the use permit are specific to each use. Generally, the conditions are designed to make the housing for the disabled and the surrounding uses compatible. For example, a residential use for the disabled may provide comprehensive supportive services on site. The use permit may require additional parking. Another example is conditions that require the structure that will be used for residential purposes meet required ADA provisions or reasonable accommodations be demonstrated. The use permit process provides an opportunity for the proponents of the use to have a dialogue with the neighbors and meet their reasonable concerns or remove the concerns through information.

Assisted and congregate care facilities for the elderly are permitted in most residential and commercial districts either by right or with a use permit. Temporary emergency shelters are allowed as a permitted use within all districts (until recently the City’s emergency shelter program was rotated amongst local churches). Two emergency shelter facilities currently exist in the City (refer to Section 10.2 (F) page 14). Permanent emergency shelter facilities are permitted in most commercial zones and the Light Manufacturing district with a use permit. The City’s efforts to address ADA requirements in new and existing housing is discussed on page 13 (Section 10.2, E). The City has created a Zoning Administrator process

to hear minor, non-controversial projects. This process shortens the use permit timeline considerably and is used whenever possible. Typically, a Zoning Administrator use permit can be obtained in around 30 days.

9. Permits and Processing for Housing for Persons With Disabilities

As noted above, residential care homes for six or fewer persons are allowed as a permitted use in all residential zones consistent with State law. Residential Care Homes serving 7 to 12 persons, regardless of age, are permitted in all residential districts with a conditional use permit and homes with more than 12 persons are permitted in the OR Office Residential, CN Neighborhood Commercial, CC Community Commercial and CS Commercial Services zoning districts. Environmental review under provisions of the California Environmental Quality Act may also be required. While this process does subject the project to neighborhood review and involves some added time and expense, the permitting process is a legitimate and necessary function of local government. The City works closely with project proponents to insure that the process works smoothly and that issues are addressed at the appropriate level to allow the home to function well within its neighborhood setting. The conditional use process is not used to unduly restrict the ability of residential care homes to locate on suitable sites in the community.

An example of a recently approved residential care home is the Caminar, Inc. home providing 15 ground-floor apartments for people with permanent disabilities. Conditions required in this instance included revising the site plan to correctly indicate a total of 15 apartment units; to indicate location of security fencing at rear of property; location of security gate at driveway entrance indicated on plans and reviewed with Building and Fire Departments for emergency access and landscape and monument sign approval subject to staff level architectural review. These scale and operational issues are typical of issues addressed by residential care home use permits. Most of those permits can be approved using the Zoning Administrator process, further saving the applicant time and expense.

After surveying several other comparable communities, the above described regulations and processes have been found to be typical with communities throughout the State. The City recognizes that the 12-person limitation on size of residential care homes permitted in residential zones could be limiting in some cases; therefore, a program has been added (see Program H-I-18a) whereby the City will process a code amendment to revise the 12-person limitation to 7 persons and above.

D. Non-Governmental Constraints

As expressed earlier, housing development involves many varied participants, any one of which can effectively slow or stop production. Frequently the market creates its own impediments. In such instances, there is generally little that local government can do to correct market imperfections, such as labor management difficulties, poor contractor/sub-contractor relationships, or material shortages caused by trade disputes. In other instances market impediments are caused by government, but cannot be alleviated by local government. For example, Federal Monetary Policy will directly affect the supply and cost of mortgage capital.

There is much public concern about the rapid escalation of housing prices. While government regulations contribute to an extent to this upward spiral, as do the forces of

inflation, an often overlooked reality is the influence of the market itself—buyers and sellers—upon housing prices. For example, the second-time home purchaser repeatedly rejects "basic" houses, preferring instead the dwelling with substantial amenities and other extras. This is a reaction to the fact that a family's home is usually its largest, if not only, financial investment (savings).

Areas of major non-governmental constraints are listed below.

1. Identification of Adequate Sites

Map 10.4 shows the Land Use Diagram of the City of Chico General Plan. Adopted in 1994, Chico's General Plan established an Urban Development Boundary containing developable land for 15 to 25 year buildout. Buildout was projected at 134,000 people, a 54,000-person increase over the base year population of 80,500. City zoning and rezoning, consistent with the planned land use designations, were established concurrent with Plan adoption. Plan policies encouraged a compact urban form, infill strategies and an overall average density of seven housing units per acre for newly developing areas.

Areas of new development in the southeast and northeast quadrants are environmentally constrained with vernal pool and other sensitive habitats and the beginning of the Cascade foothills. In order to factor in such constraints, sensitive lands were designated as Resource Management Areas and a 50 percent development factor was assumed in calculating land availability and capacity. In addition to this reduction in development capacity an additional 15 percent reduction was assumed for lands anticipated to remain vacant at the end of the planning period, i.e., timing of infrastructure extension. This includes, roughly, the land identified on Map 10.5C as "developable beyond Housing Element planning period." Table 10-36 "Land Availability Holding Capacity Analysis" provides a summary of residential land suitable for development under a variety of General Plan designations. This analysis shows that vacant residential land and approved tentative and recorded subdivision maps exist to support a maximum of 11,726 housing units.

TABLE 10-36			
Land Availability Holding Capacity Analysis			
Land Availability Holding Capacity of Vacant (1)			
Residential Land Use Designation(2)	Acreage(3)	Units/Acre (Average)	Total Units
VLDR	468	1	468
LDR	779	3.8	2,960
MDR	314	8	2,512
MHDR	202	17	3,434
HDR	24	25	600
Subtotal			9,974
Vacant Approved Tentative/ Recorded Map Capacity			
VLDR			142
LDR			1,458
MDR			152
Subtotal			1,752
Addition VLDR - Very Low Density Residential; LDR - Low Density Residential; MDR - Medium Density Residential; MHDR Medium-High Density Residential; HDR - High Density Residential al Capacity - Transitioning Sites			
NW Chico/Alkop (LDR)	143	5	715
NW Chico/Alkop (MHDR)	5	17	85
Enloe (LDR)	100	8	800
Enloe (MDR)	39	14	550
Enloe (MHDR/RHD)	13	20-25	300
SHR 32 / W. 8 th Ave.	32	8	256
Park Ave. @ 12 th St.	2	66	106
Lassen Corridor	20	10	200
East 20 th St. @ Notre Dame(4)	3.5	14	50
Second Units(5)	-	-	73
Subtotal	358		3,135
Total			14,861

- 1) This land availability and holding capacity analysis identifies the most readily developable land designated for residential use.
- 2) VLDR - Very Low Density Residential; LDR - Low Density Residential; MDR - Medium Density Residential; HDR - High Density Residential.
- 3) The acreage figures represent vacant land within the City's Sphere of Influence and designated for residential use. Residential land identified as having environmental constraints are assumed to have a 50 percent development potential. In order to estimate land availability within the 7.5 year Housing Element planning period, acreage was reduced an additional 15 percent to account for land vacancy and inability to extend urban services in a timely manner. The 15 percent vacancy factor roughly accounts for the two areas indicated as "not developable within the next five years." Bidwell Ranch removed from inventory and GSA 7 not included (outside of SOI).
- 4) The East 20th Street @ Notre Dame Blvd. Project will provide 50 affordable senior housing units through the Northern Valley Catholic Social Services and Christian Retirement Homes. The City is currently processing a General Plan Amendment and rezone to Medium-High Density Residential/R3 from an Open Space Designation.
- 5) Second units number derived from 15 units produced during prior Housing Element and 56 units produced since 2001 in a single TND development (Doe Mill Neighborhood).

Insert Map 10.4
General Plan Land Use Diagram

Insert Map 10.5, A
Available Residential Land (Less Than One Acre)
Within the City of Chico Sphere of Influence

Insert Map 10.5, B
Available Residential Land (One to Five Acres)
Within the City of Chico Sphere of Influence

Insert Map 10.5, C
Available Residential Land (Five Acres and larger)
Within the City of Chico Sphere of Influence

Table 10-37 Vacant Residential Land by General Plan Designation			
Designation	Parcel Sizes*		
	Less than 1 Acre	1 to 5 Acres	Over 5 Acres
Very Low Density	20	102	429
Low Density	54	129	840
Medium Density	7	59	444
Medium-High Density	3	12	187
High Density	0	4	20

* Acreage calculated using ArcView 3.2 (Maps Attached)
 * Acreage Totals include Resource Management Areas Adjustments
 * Former Bidwell Ranch Area Removed from Vacant Land Inventory, and CSA 87 is not included.

Vacant parcels are also indicated on Maps 10.5A, B, and C, and the above Table 10-37 which show vacant parcels by size. In addition, sites anticipated to develop residentially or as mixed use/residential from existing non-residential designations and zoning add an additional estimated 323 acres and an estimated 2,320 housing units. The five sites falling into this category are shown on Map 10.6 and are described below:

NW Chico/Alkop

This area contains 148 acres and is projected to be developed with about 740 housing units, both single- and multiple-family. Although outside of the City’s Sphere of Influence and jurisdictional boundary, a Specific Plan is currently in progress to annex this area to the City and establish land uses, infrastructure and funding mechanisms. The Specific Plan is scheduled for completion in Summer 2005 and initial development by Fall 2005.

East 20th Street Enloe Property

Recently purchased, this 152 acre parcel had been zoned to accommodate a new regional hospital and associated medical offices. Enloe Hospital has subsequently opted to expand in their present location and has optioned the property to a large New Urbanist developer. A charrette and subsequent entitlement procedures are in progress and it is expected that approximately 1,200 housing units will be developed on this property. The applicant/developer has indicated they will submit a complete application in 2004 with initial phases to break ground in 2006.

According to the developer, the 152 acres will be developed with 100 acres of single family residential at 8 units per acre (800 units); 39 acres of medium density residential multi-family units at 14 dwellings units per acre (550 residences); and 13 acres of higher density multi-family residences at 20 to 25 units per acre (300 residences).

SHR 32/W. 8th Avenue

This property located between State Highway Route 32 and the Union Pacific Railroad tracks and west of W. 8th Avenue consists 32 acres currently developed with orchards. The entire site has been annexed to the City and rezoned from Limited Manufacturing to R2 Medium Density Residential/Planned Development. A 160 to 200 unit small lot subdivision, including several live/work units has been approved by the Planning Commission. It is anticipated that the remaining 12 acres will develop similarly providing a total of approximately 256 additional housing units.

Park Avenue @ W. 12th Street

A two acre redevelopment site located on the Park Avenue Transit Corridor. Acquired by the City of Chico for a senior housing project to be owned and operated by the Housing Authority of the County of Butte (HACB). HACB has failed on three attempts to secure tax credit financing, despite receiving all possible points. A fourth attempt to secure tax credit funding was successful. Construction will begin on this project in 2005. The City approved this project at a density of 66 units per acre and an off-street parking reduction of 50 percent.

Lassen Corridor

The Lassen Corridor developed in Butte County was recently annexed to the City in order to extend sanitary sewer facilities. It is designated in the General Plan as Medium Density Residential and zoned R2 Medium Density Residential. It is anticipated that connection to sanitary sewers will make an estimated 20 acres of land, previously used for septic tank and leach field facilities, available for additional housing units. Since this area is zoned and developed with mobile home parks and apartment complexes, it is projected that an average density of 10 units per acre will be achieved providing an estimated 200 housing units affordable to low and moderate income households.

E. 20th Street and Notre Dame Boulevard

The City has initiated a General Plan and zoning amendment of 3.5 acres of surplus open space located at the southeast corner of East 20th Street and Notre Dame Boulevard. The city-owned site will be designated and zoned Medium-High Density Residential to allow development of 50 very low income senior housing units. It is anticipated that this project will begin construction in 2005.

The City has prepared a study to determine the feasibility of extending urban services to three areas outside of the existing Sphere of Influence. The City Council has conducted its review of the Growth Area Feasibility Study and has directed staff to proceed with preparing environmental review and a specific plan for two areas that could accommodate several years of growth beyond the current General Plan.

Insert Map 10.6
Additional Housing Sites

2. Housing Affordable to Various Income Groups

The above description and analysis of available residential land demonstrates that the City of Chico has adequate land capacity for the number of units identified in the regional housing allocation for the planning period of this Housing Element. The follow-up question is whether any of the identified land is more appropriate for meeting the low and very low income needs identified in the Regional Allocation Plan.

The parcels would be more appropriate for very low and low income housing if the location contributes to the economic integration of the community and the site's value was less than the average cost per acre. The sites identified above are located in areas that will promote the economic integration of the community. However, the location does not provide a reduced land value. The residential land market is relatively homogeneous. In fact, the cost per acre for the proposed senior housing project site on Park Avenue is greater than an acre of land zoned for multi-family housing because it is valued as commercial property. The approval of the density bonus resulted in the cost of land per unit to be similar to existing multi-family land.

Because housing sites for affordable housing projects are not available at reduced cost, the City uses other techniques to make the cost financially feasible. For example:

- a. The City provided off-site improvements for a self-help subdivision. The cost savings was approximately \$20,000 per unit.
- b. The City has purchased and leased sites to a rental housing project and an emergency shelter. The provision of the affordable housing was the required consideration.
- c. The City and Redevelopment Agency provide deferred loans and grants to affordable housing projects to offset the cost of the land.
- d. The City provides fee deferrals to affordable housing projects.

Table 10-38 shows total housing units by General Plan designation for all housing units in Table 10-36. The total capacity for housing units is estimated just under 15,000 units, significantly above the City's regional allocation of 9,479 housing units. Table 10-39 provides a further breakdown of housing units anticipated to meet regional need by household income. It should be noted that housing units in the Very Low and Low Density Residential categories are assumed to be ownership housing while land designated Medium-High and High Density Residential is projected to produce rental housing. Medium Density Residential acreage was divided evenly between ownership and rental.

Table 10-38 Total Housing Units by General Plan Designation										
G.P. Designation	G/P Vacant	Alkop	Enloe	SR32/ W 8 th Ave	Lassen Corridor	Park Ave 12th St.	E 20 th St. Notre Dame MHDR	Approved TSM	Second Units	Total
VLDR	468							142		610
LDR	2,960	715	800					1,458		5,933
MDR	2,512		550	256	200			152		3,670
MHDR	3,434	85	300				50		73	3,942
HDR	600					106				706
TOTAL	9,974	800	1,650	256	200	106	50	1,752	73	14,861

TABLE 10-39 Housing Units by Housing Type			
Land Use Category	Rental	Ownership	Total
VLDR		610	610
LDR		5,933	5,933
MDR	1,835 ⁽¹⁾	1,835	3,670
MHDR (1)	3,942		3,942
HDR	706		706
TOTALS	6,483	8,378	14,861

1) Includes 73 second units

Densities achievable in the Medium-High (14 to 22 units per acre) and High Density Residential (22 to 35 units per acre) designations are assumed to produce housing potentially affordable to very low and low income households with subsidization. Of the 4,892 units needed to serve lower income households, land exists in the medium-high and high density residential designation to provide approximately 4,648 housing units, a shortfall of about 250 units. Program H-I-6a has been added, committing the City to redesignate and rezone sufficient lower density residential and non-residential land to compensate for the shortfall by 2006. The City has initially identified three parcels for this program:

- 4.6 acres currently zoned community commercial located on Pillsbury Road, and
- Two parcels of approximately 14 acres, currently designated Low Density Residential in the Foothill Park Development for redesignation and rezoning to medium high density residential.

As noted above, one-half of the Medium Density Residential total units have been assumed to be included in the units potentially affordable to lower income households.

The following discussion supports the above assumption regarding Medium Density Residential land. To determine if land designated Medium Density Residential could be developed with multi-family housing affordable to lower income households project scenarios were created for three person and four person households earning 70 percent of the area median income. Development, financing, and operating costs were based on current market rate factors. The results demonstrated that property, priced at \$250,000 acre, could provide affordable rental housing if developed at densities of 14 units per acre for two bedroom apartments and 12 units per acre for three bedroom apartments. The affordable rent levels provided debt capacity for 70 percent of the development cost, leaving 30 percent for the developer equity. The City could provide subsidy of approximately \$10,000 per unit and reduce the developer equity requirement to 20 percent. A \$10,000 subsidy is significantly below the \$35,000 per unit subsidy required to achieve affordable rent levels for very low income households.

The City asserts that based on the above “local experience and analysis”, some amount of land designated medium density residential should be counted toward land accommodating housing affordable to very low and low income households. However, with Program H-I-6a (cited above), the City will have sufficient land, even discounting all land designated medium density residential.

Land designated for Very Low and Low Density Residential housing accounts for the approximate 8,000 units of the remaining housing unit capacity. Due to the allowed lower density, this capacity will be predominantly ownership affordable to moderate and above moderate households. The City’s regional need is slightly less than 4,600 housing units affordable to these household incomes.

The projected regional housing allocation demonstrates the need for 9,479 units from 2001 - 2008. Chico's supply of vacant residential land and sites transitioning to residential are more than adequate to meet the total housing need. Based on recent historical trends and local projections the regional allocation for Chico is extremely high. Almost three years into the planning period slightly more than 1,500 housing units have been constructed under very favorable building conditions. **If this trend continues less than 50 percent of the projected regional need would be constructed.**

The status of areas beyond the City’s jurisdictional boundary which are and are not expected to develop within the Housing Element planning period are shown circled in blue and black, respectively. The areas not expected to develop by 2008 are constrained by the timing of infrastructure and are accounted for by the 15 percent vacancy factor built into the land availability analysis summarized in Table 10.3536. The Northwest Planning Area shown circled in blue, although located beyond the City’s jurisdictional boundary, is expected to be available for development within the City during the planning period ending in 2008. A specific plan is now in progress for this area which will establish land use relationships and infrastructure timing and funding. Maps 10.7 and 10.8 show existing sanitary and storm sewer systems and the relationship of vacant residential land to these systems. California Water Service and Pacific Gas and Electric provide water and power services throughout the Chico Urban Area.

Insert Map 10.7
Existing Sanitary Sewer and Available Residential Land

Insert Map 10.8
Existing Storm Sewer and Available Residential Land

3. Construction Costs

The cost of construction was approximately 50 percent of the value of a new home in 1995. In 2003, in response to recent increases in the price of land, the construction cost is now approximately 40 percent of the total. Inflation in the cost of materials has remained low and has been similar to overall inflation of less than two percent per year. The low interest rates have also kept construction financing down. Wages in the construction industry have not increased faster than other labor sectors. Overall, construction costs have been relatively stable since 1995.

4. Availability of Financing

Since 1989, the City has operated a downpayment assistance program for first-time homebuyers, and to date, over 500 families have been assisted. In addition, 116 households have participated in the urban self-help program. These two programs have provided the City with an opportunity to work with local residential lenders. This experience indicates that residential loan funds for homeownership are available in all neighborhoods. There is no evidence of redlining, either overt or subtle.

Developers of multi-family housing do complain that construction financing is either not available or not available at a reasonable cost. The fluctuations in rates and availability is a macro-economic variable and not within the influence of the City. The City and Redevelopment Agency address this constraint by allowing funding to be used for construction expenses to reduce the level of private sector financing required.

5. Other Existing Measures that Build Housing Capacity

Beyond simply providing developable land, the City has numerous existing policies and programs that result in creating housing opportunities.

- a. Prezoning and annexation - The City has designated and prezoned all land within its General Plan Urban Development Boundary and annexes land outside of its present incorporated boundaries in response to property owner requests and has taken advantage of the opportunity to annex unincorporated islands in accordance with State law.
- b. Established minimum densities - Minimum and maximum density ranges were established for all residential designations in the 1994 General Plan and zoning districts in the 1999 Land Use Regulations.
- c. Instituted Flexible Zoning - The 1999 revision to the Land Use Regulations permits duplexes on corner lots, in any residential district, and standards have been adopted for second units in all residential districts. Residential development is permitted by right in commercial and office zones above the first floor and with a use permit at ground level. Density is allowed up to 22 units per acre with much higher density in areas with access to transit and in the downtown area.
- d. Allow and encourage residential development in non-residential districts - Residential units are permitted above ground floor retail by right in the downtown, community and neighborhood commercial districts. A use permit is required for ground floor residential units in commercial districts.

- e. Infill development - A major policy direction of the General Plan is fostering infill development, particularly along established arterials and transit corridors. The Park Avenue Visioning Study establishing direction to intensify the Park Avenue corridor and encouraging commercial/residential mixed use is in rough draft form and will be processed in the near future.
- f. Overzone - As shown in the land availability and capacity analysis, the City land base is approximately 20 percent in excess, with a 15 percent land vacancy factor built in.
- g. Allow small and irregular size lot development - The City adopted a small-lot subdivision ordinance in 1999 that permits small lots below the City minimum lot size of 4,500 square feet. Lot sizes between 3,500 and 4,499 square feet are permitted in conformance with specified standards. These standards include: reduced lot area, setbacks, increased lot coverage, tandem parking and shared driveways and reduced lot widths. A Planned Development Permit may be obtained for developments with lots below 3,500 square feet.
- h. Planned Development Procedures - The City uses planned development procedures to entitle a variety of projects that do not conform to conventional development standards. A new urbanist mixed housing project combining ownership and rental housing at over 10 housing units per acre was recently approved (this density does not include second units which over one-half of the home buyers have opted to have constructed). An affordable senior housing project, along the Park Avenue transit corridor, was also recently approved through the planned development process providing density above 70 units per acre and receiving a 50 percent parking reduction.
- i. Building Height - Three story construction is allowed in all residential districts with up to 65 foot height standards in the downtown area (the Five-Year Program proposed in this Housing Element contains program H-I-10 that would amend the land use regulations to allow up to a 65 foot maximum height in all R2 and R3 zoning districts).
- j. Growth Area Feasibility Study, initiated by the City Council, has been prepared for consideration of adding three large areas for urban development outside the existing Sphere of Influence (SOI). If direction is given to proceed a range of additional developable land could be added to the SOI between 138 and 1,580 acres, after adjusted for open space and major infrastructure.

The proposed new programs contained in this update include a variety of measures designed to increase infill opportunities and provide additional affordable ownership and rental housing.

6. Environmental Constraints

Since adoption of the previous Housing Element in 1986, additional environmental issues have been identified which affect development. Major planned development in southeast and northeast Chico have been impacted most. These areas are characterized by a thin mantle of hydric soils overlaying lava cap, creating shallow drainages, vernal pools and arroyos. These formations are generally categorized as wetlands, requiring authorization

of the Army Corps of Engineers and in some instances, the State Department of Fish and Game prior to development. Avoiding prime agricultural lands west of the Greenline has meant a slow progression into the foothills, which contain a variety of other development constraints. As noted above, the City's General Plan and the land availability holding capacity analysis discussed above address these constraints by assuming a 50 percent reduction in buildable acreage in designated sensitive resource areas.

Other environmental constraints include soil contamination, agricultural land preservation, surface and groundwater quality, flooding, hillside development, and air quality. These are discussed below.

- a. **Soil Contamination.** Approximately 50 to 60 acres of land in southeast Chico are impacted by this constraint. This area was used as a landfill in the past and has been found to contain elevated lead levels. A portion of this land is designated for commercial use and open space. A remediation plan is in progress for this area.
- b. **Agricultural Land Preservation.** The Agricultural Greenline was drawn in 1983. The greenline marks Chico's Sphere of Influence on the south and west and protects prime agricultural land from further encroachment by urban development. Jointly adopted by the City and County, development was directed to the southeast and northeast where poorer agricultural soils exist. As noted above, however, these soils support other environmentally sensitive areas.
- c. **Surface and Groundwater Quality.** The City has traditionally disposed of urban storm water runoff through underground systems which carry it to one of five waterways that pass through the Urban Area. Among the issues of concern are downstream flooding and the protection of the fish and wildlife habitat provided by these waterways. The creeks and channels also provide corridors for linear parks which have been or are planned to support passive recreation opportunities. In order to mitigate capacity peak flows in several creeks and urban runoff, developments in several watersheds are required to detain storm runoff on site so as to not further impact peak flows. This usually requires construction of detention basins or other detention facilities which reduce available land or increase project costs.
- d. **Air Quality.** The Chico Urban Area has been identified as a PM10 and ozone non-attainment area. In compliance with the State Clean Air Act, the City has prepared PM10 and Ozone Attainment Plans establishing mitigation measures designed to comply with Clean Air Standards.

10.5 HOUSING GUIDING AND IMPLEMENTING POLICIES (2003-2008)

Guiding Policies: Equal Housing Opportunity

- H-G-1 Provide equal housing opportunity and access for Chico citizens regardless of race, color, age, religion, national origin, sex, marital/family status, or handicap. Protected classes as defined by law shall be covered by this provision.
- H-G-2 Encourage and support the enforcement of laws and regulations prohibiting discrimination in lending practices and in the sale or rental of housing.
- H-G-3 Remove regulatory constraints that impede equal opportunity to housing in the City.
- H-G-4 Cooperate with non-profit organizations and other agencies to ensure equal opportunity and access to housing for all residents.

Implementing Policies: Equal Housing Opportunity

- H-I-1 In conjunction with Legal Services, provide workshops for tenants and landlords concerning Fair Housing and other relevant issues. In addition, flyers, press releases, official proclamations, and other activities will be conducted to maintain a high profile for Fair Housing. Fair Housing complaints will be referred to the Community Legal Information Center, Legal Services of Northern California, State of California Department of Fair Housing, or U.S. Dept of Housing and Urban development, depending on the specifics of the complaint.

Assignment: Housing Office
Funding: CDBG
Time: On-going
Projected Units: N/A

- H-I-2 Coordinate efforts between the Housing Authority of the County of Butte (HACB) and the City to further fair housing and equal opportunity through the preparation of the local "Analysis of Impediments to Fair Housing Document" as required by the Department of Housing and Urban Development. The City will complete the Analysis of Impediments by the end of 2003.

Assignment: Housing Office
Funding: CDBG
Time: On-going
Projected Units: N/A

Guiding Policies: Affordability

- H-G-5 Provide housing affordable to all economic segments of the community.
- H-G-6 Promote efficient use of land, public services and facilities which result in reduced development costs and affordable housing.
- H-G-7 Promote the development and conservation of lower cost multiple-family development.

- H-G-8 Strive to achieve economical and efficient development which produces quality, affordable housing.
- H-G-9 Encourage development incentives that result in production of below-market rate housing.
- H-G-10 Facilitate the use of federal and state programs which can assist in the development of new or purchase/rental of existing affordable housing.
- H-G-11 Revise second-unit provisions to conform to existing State Law and develop appropriate standards to minimize the impact of second-units.
- H-G-12 Continue to encourage the types of housing desired by households whose incomes are above the area's median household income.
- H-G-13 Facilitate the utilization of innovative programs and approaches to providing housing at affordable costs. Programs that should be continued or pursued include: self-help housing, cooperative housing projects, co-housing, offsite constructed housing, and City-provided technical assistance.
- H-G-14 In special situations, subsidize development fees for projects affordable to very low and low income households.
- H-G-15 Continue to assist residential development by providing current land use and zoning information to the public.
- H-G-16 Continue to view density bonus provisions as a useful tool for creating below market rate housing.
- H-G-17 Strive to maintain residentially designated and zoned sites within the urban area, particularly those appropriate for medium, medium-high and high density residential development, by discouraging incremental rezoning and/or General Plan amendments, which reduce available acreage below that needed to provide for the regional housing allocation plus a surplus acreage of 20 percent to permit market forces to operate.
- H-G-18 Strongly encourage review of options for additional revenue streams aimed at low to very low income housing, which could include mechanisms such as a transfer tax.

Implementing Policies: Affordability

- H-I-3 Amend the second-unit provisions of Title 19 to include additional standards designed to limit the impact of second units on existing neighborhoods.

Assignment: Planning Division
 Funding: City Funded Staff
 Time: 2004-2005
 Projected Units: N/A

- H-I-4 Prepare and adopt a "parallel code" regulating alternative development patterns to facilitate neighborhood development characterized by mixed housing types, smaller and more variable lot sizes and narrower street sections and use of rear lanes.

- | | | |
|--|------------------|-------------------|
| | Assignment: | Planning Division |
| | Funding: | City Funded Staff |
| | Time: | 2003-2004 |
| | Projected Units: | N/A |
- H-I-5 Explore the feasibility of amending Titles 18 and 19 of the Municipal Code to allow duplexes on corner lots within all single-family residential areas as a permitted use subject to compliance with specified standards.
- | | | |
|--|------------------|-------------------|
| | Assignment: | Planning Division |
| | Funding: | City Funded Staff |
| | Time: | 2004-2006 |
| | Projected Units: | 20 |
- H-I-6 Prepare and maintain a current inventory of vacant residentially designated and zoned parcels and the development potential of such parcels, along with a list of the current status of development projects in the City. This information shall be available to the public and updated at least twice annually. Work to make this information accessible on the City's website.
- | | | |
|--|------------------|---|
| | Assignment: | Planning Division |
| | Funding: | City Funded Staff |
| | Time: | Initially completed as part of the Housing Element 12/03 and revised in response to the Growth Analysis |
| | Projected Units: | N/A |
- H-1-6a The City shall designate and rezone low or medium density residential or non-residential designated and zoned land to medium-high density or high density residential sufficient to accommodate at least 250 multi-family housing units. Approximately 14 acres at an assumed average density of 17 housing units per acre would be needed to meet this objective.
- | | | |
|--|------------------|-------------------------------|
| | Assignment: | Planning Division |
| | Funding: | City Funded staff |
| | Time: | Initiate and complete by 2006 |
| | Projected Units: | N/A |
- H-I-7 Adopt the City's revised subdivision ordinance (Title 18) consistent with the General Plan and 1999 Title 19 Land Use Regulations.
- | | | |
|--|------------------|-----------------------|
| | Assignment: | Planning Division/CDD |
| | Funding: | City Funded Staff |
| | Time: | 2004-2006 |
| | Projected Units: | N/A |
- H-I-8 Provide financial assistance to assist private developers and non-profit agencies to acquire rental housing that will be affordable to very low and low income households and maintain affordability for at least 55 years.
- | | | |
|--|------------------|---|
| | Assignment: | Housing Office/HACB |
| | Funding: | LMIHF |
| | Time: | In response to specific project proposals |
| | Projected Units: | 80 |

H-I-9 Use authority of the City and Housing Authority of the County of Butte (HACB) for the issuance of revenue bonds for financing residential development projects. Both single- and multi-family housing are eligible for such funding. Issuance of bonds for multi-family development should be conditioned upon at least 20 percent of the units being available to very low income households, or 40 percent to low income households, and first floor units to be handicapped accessible.

Assignment: Housing Office
Funding: City Funded Staff
Time: In response to specific project proposals
Projected Units: 200

H-I-10 Allow buildings up to 65 feet tall in both R2 and R3 zoning districts.

Guiding Policies: Balanced Growth

H-G-19 Ensure a balanced rate of growth between housing production, employment and provision of services. Generally, communities want to strive to achieve a 1:1 jobs-housing balance.

H-G-20 Ensure that an adequate supply of housing is available as jobs increase.

H-G-21 To the extent feasible, balance employment opportunities with the provision of housing. Promote housing types which enable persons to live and work in Chico.

H-G-22 Provide for infrastructure and service demands, including sanitary sewers, storm drainage, street improvements, utilities, schools, and park facilities, generated by residential development in advance of or at the time such development occurs.

Implementing Policies: Balanced Growth

H-I-11 Subsequent to comprehensive review, amend the City's Design Criteria and Improvement Standards which result in excessive cost without providing necessary benefits. Amend the standards to reflect current cost saving materials and technology. Standards should only be modified in consideration of:

1. Ensuring that the change does not adversely affect the public health, safety or welfare.
2. Long-term maintenance costs versus short-term saving.
3. City versus property owner liability.

Assignment: Building Division/Planning Division/Engineering Division
Funding: City Funded Staff
Time: 2004-2006
Projected Units: N/A

H-I-12 Develop mechanisms that promote and facilitate mixed residential-commercial development along target strip commercial corridors served by transit. Such mechanisms should be directed to:

1. Allow horizontal and vertical residential-commercial uses.

2. Enable separate ownership of ground-level commercial and above-ground-level residential uses.
3. Include development standards that act as an incentive for mixed use, including reduced off-site parking and open space standards.
4. To achieve a better balance of jobs and workforce housing, target appropriate mixed-use residential/commercial areas for a minimum ratio of residential to commercial.
5. Concentrate higher density housing near transit routes and shopping centers.

Assignment: Planning Division
 Funding: City Funded Staff
 Time: 2004-2006
 Projected Units: NA

- H-I-13 Develop an educational program for the public, development community, and decision-making leaders to increase acceptance, collaboration, and understanding of the need for a greater mix and variety of smaller, more affordable, creatively designed housing units. Facilitate community awareness of the relationship between various housing densities and public impacts, costs and opportunities.

Assignment: Planning Division/Housing Division
 Funding: City Funded Staff
 Time: 2004-2006
 Projected Units: NA

- H-I-14 In coordination with the Local Child Care Planning Council and the Butte County Office of Education, identify mechanisms that encourage the integration of childcare into all family-oriented residential developments.

Assignment: Housing Division
 Funding: City Funded Staff
 Time: 2004-2006
 Projected Units: NA

- H-I-15 Evaluate underutilized commercial and industrial areas for rezoning to residential or mixed uses, with planned development overlays.

Assignment: Planning Division
 Funding: City Funded Staff
 Time: 2004-2005
 Projected Units: NA

Guiding Policies: Diversity

- H-G-23 Encourage a diversity of housing opportunities that satisfy the physical, social and economic needs of all Chico residents.

- H-G-24 Ensure adequate land for housing construction to meet future needs.

- H-G-25 Assist in the provision of housing for residents with special needs.

- H-G-26 Promote the continued maintenance and enhancement of residential areas, both in terms of housing and public facilities.
- H-G-27 Seek to provide emergency shelter for persons temporarily in need of such housing.
- H-G-28 Encourage the development of lower-cost housing in new and existing single- family developments.
- H-G-29 Promote a mix of dwelling types and sizes in new residential areas; discourage the formation of new residential areas having a uniform housing type and size throughout.
- H-G-30 Encourage adoption of a variety of mechanisms designed to assist the elderly to remain housing-independent, such as shared-equity programs, co-housing, etc.
- H-G-31 Seek and encourage the development of affordable housing for single-headed households.
- H-G-32 Recognize the importance of and need to temporarily house the homeless and others in crisis situations.
- H-G-33 Provide programs for identifying and developing adequate sites for emergency shelters and transitional housing.

Implementing Policies: Diversity

- H-I-16 Encourage development of a variety of housing options for the elderly by providing funding support and application of modified development standards reflecting the specific needs of the elderly in housing. Where specific standards are applied to housing development for the elderly, restrictions should be adopted to prohibit its conversion to non-senior use. Provide technical assistance to organizations and individuals interested in development of elderly housing.

Assignment: Housing Office/Planning Division
 Funding: City Funded Staff/HUD Section 202/LMIHF/other State and Federal Programs
 Time: On-going
 Projected Units: 120

- H-I-17 Investigate the opportunity to develop a second Single Room Occupancy (SRO) or other type of housing affordable to low-income persons convenient to transportation and other support services. SRO's are currently a permitted use in all multi-family zones

Assignment: Planning Division/Housing Office
 Funding: City Funded Staff/LIHTC/RDA-LMIHF /other State and Federal Programs as available
 Time: Potential sites will be identified and assessed in 2004 and development feasibility determined in 2005.
 Projected Units: 50

- H-I-18 Continue to allow emergency shelters and transitional housing facilities within the following districts. The Conditional Use Permit process shall not be used to unduly

restrict the ability of emergency shelters and transitional housing to be located on suitable sites in Chico.

Temporary Emergency Shelter	Emergency Shelters	Transitional Housing
Permitted in all districts	Permitted with Use Permit in Office Residential, Office Commercial, Community Commercial, Commercial Service, and Light Manufacturing districts	Facilities housing 7 to 12 persons permitted with use permit in all residential districts and facilities serving 7 and above allowed with use permit in Office Residential, Neighborhood Commercial, Community Commercial, and Commercial Services districts

Assist agencies and/or groups interested in developing emergency shelters or transitional housing facilities and programs.

Assignment: Housing Office
 Funding: City Funded Staff
 Time: On-going
 Projected Beds: 50

H-I-18a The City shall amend Title 19 Land Use Regulations to allow residential care homes greater than seven persons in RS, R1, R2, R3, R4 and RD zoning districts with a use permit.

Assignment: Planning Division
 Funding: City-Funded Staff
 Time: 2005
 Projected Units: N/A

H-I-19 In cooperation with Independent Living Services of Northern California (ILSNC), provide an inventory of accessible and adaptable units to all agencies assisting the handicap to obtain appropriate housing. The inventory shall be updated and distributed annually and contain the apartment name and address and the Number of total accessible and adaptable units.

Assignment: Building Division/Planning Division
 Funding: City-Funded Staff
 Time: On-going beginning January, 2004
 Projected Units: N/A

H-I-20 In cooperation with Independent Living Services of Northern California (ILSNC), assist persons in need of accessible units by providing information on available units. In addition, provide funding assistance to ILSNC to modify existing units for accessibility improvements.

Assignment: Housing Office

- Funding: City Funded Staff/Private Activity Bond Fee
 Time: Ongoing
 Projected Units: 30
- H-I-21 Encourage “visitability” in new residential construction to enable disabled persons to visit non-disabled persons.
- Assignment: Building Office/Planning Office
 Funding: City Funded Staff
 Time: During 2004, in cooperation with ILSNC, information on development options will be prepared for distribution to the public and housing developers.
 Projected Units: N/A
- H-I-22 Continue Tenant Based Rental Assistance Program (TBRA) to assist households at risk of becoming homeless and who are participating in a self-sufficiency program. Consider expansion of financial assistance to include rent, security, and utility deposits.
- Assignment: Non profit
 Funding: LMIHF/CDBG
 Time: Ongoing
 Projected Units: 50
- H-I-23 Consider expanding the City’s Sphere of Influence (Growth Area Feasibility Study) to increase the amount of available land for housing that will meet the needs of all income groups and provide supporting land uses and employment.
- Assignment: Planning Division
 Funding: City-Funded Staff
 Time: April, 2004
 Projected Units: NA

Guiding Policies: Conservation

- H-G-34 Conserve Chico’s older neighborhoods and their housing.
- H-G-35 Maintain and enhance the character and affordable nature of Chico's older neighborhoods.
- H-G-36 Minimize the loss of existing assisted units because of conversion to market rate units or physical deterioration.
- H-G-37 Improve the condition of the City's existing housing.
- H-G-38 Seek cooperation from local lending institutions for financing improvements to older structures.
- H-G-39 Continue to be committed to preserve older neighborhoods through housing rehabilitation, compatible infill and redevelopment projects.
- H-G-40 Endeavor through the development approval process to ensure that community character, housing quality and aesthetics are fostered.

- H-G-41 Aggressively enforce compliance where code violations exist in residential structures, in order to maintain existing housing stock in a safe and habitable condition.
- H-G-42 Continue to pursue low-interest loan programs targeted to rehabilitation of older residential structures.
- H-G-43 Support and guide the rehabilitation of and reinvestment into existing residential buildings.

Implementing Policies: Conservation

- H-I-24 Continue established policies that require affordability restrictions on assisted housing units and establish policies and procedures to preserve existing assisted units that are not subject to restrictions.
 - a. Restriction on the occupancy or sale of residences rehabilitated through Community Development Block Grant program to owner-occupants or other low income households, or require repayment of rehabilitation loans at the time of sale. All such units shall be restricted.
 - b. Restriction on the occupancy or sale of residences purchased by households assisted through the MSP Program to owner occupants or other low/moderate income households, or require repayment of MSP loans at the time of sale. All such units shall be restricted.
 - c. Restrictions on affordability of rental units assisted by the LMIHF for a minimum of 55 years.
 - d. Develop a program to recapture a proportional share of home equity appreciation when homes purchased with the MSP are sold.

Assignment: Housing Office/Planning Division
 Funding: City Funded Staff
 Time: On-going
 Projected Units: N/A

- H-I-25 Maintain a monitoring system and coordinate with the Housing Authority of the County of Butte and local non-profit housing development organizations to preserve assisted housing units that are scheduled to be converted to market rate units in response to the expiration of assisted housing regulatory agreements with State or Federal housing agencies.

Assignment: Housing Office
 Funding: LMIHF/ HOME/CDBG
 Time: On-going
 Projected Units: N/A

- H-I-26 Continue the City's program for rehabilitating substandard owner-occupied residential units occupied by low income households qualifying under Federal guidelines.

Assignment: Housing Office
Funding: LMIHF/HOME/CDBG
Time: On-going
Projected Units: 40

H-I-27 Consider the feasibility of establishing a program for rehabilitation of rental housing units which will, through agreement with the City, remain affordable to low income households. Program design will begin in 2004 with implementation scheduled to begin in 2005

Assignment: Housing Office
Funding: LMIHF/HOME/CDBG
Time: 2004-2005
Projected Units: 75

H-I-28 Establish an on-going program to monitor and inventory housing condition in the Chico Urban Area. This program should include annual review of demolition and home improvement activity with field followup as warranted and a comprehensive community survey conducted in conjunction with the update of the Housing Element.

Assignment: Building Division/Planning Division/Housing Office
Funding: City Funded Staff
Time: Annually
Projected Units: N/A

H-I-29 Revise existing land use regulations incorporating standards for infill development within existing residential neighborhoods, to reduce conflicts resulting from, but not limited to, setbacks, building height, fencing and landscaping. Infill standards shall provide for privacy of existing residences, to the extent feasible, through the use of landscape and/or fence screening, setbacks, building height and orientation of structures. The overall intent of the standards shall be to efficiently utilize infill parcels consistent with densities permitted by the General Plan while preserving neighborhood character.

Assignment: Planning Division
Funding: City Funded Staff
Time: 2004-2005
Projected Units: N/A

H-I-30 Consider implementing a neighborhood planning program, in conjunction with the General Plan update, that would include the following actions:

1. Conduct a study to determine what local factors discourage infill development and/or redevelopment and consider opportunities to eliminate such disincentives.
2. Identify, prioritize and schedule improvement of infrastructure in targeted neighborhoods that will encourage desired residential infill development and/or redevelopment.

Assignment: Planning Division
Funding: City Funded Staff
Time: 2004-2005

Projected Units: N/A

- H-I-31 Identify and implement strategies that the City can take to encourage continued development of small residential infill projects, including second units and corner duplexes, while conserving and enhancing the existing character of mature neighborhoods.

Guiding Policies: Ownership

- H-G-44 Promote homeownership opportunities for all economic sectors of the population.
- H-G-45 Encourage the development of affordable housing for first-time homebuyers.
- H-G-46 Continue to allocate resources to assist low and moderate income households to become homeowners.
- H-G-47 Assist low and moderate income homeowners to transition to a larger or safer unit when rehabilitation of their existing unit is impractical.
- H-G-48 Support programs which enable the elderly to remain in their homes.
- H-G-49 Increase homeownership of housing types other than conventional single-family detached residences, such as attached single-family units, duplexes, condominiums, second units, manufactured housing and equity cooperatives, by developing land use regulations and financial assistance programs which encourage such development.

Implementing Policies: Ownership

- H-I-32 Promote homeownership through the Mortgage Subsidy Program for low and moderate income first-time homebuyers. The City will utilize its HOME funds for lower income households and the Redevelopment Agency Low and Moderate Income Housing Fund (LMIHF) as the funding source. Loan repayments will also provide significant funding for new loans.

Assignment: Housing Office
Funding: LMIHF/HOME
Time: On-going
Projected Units: 75

- H-I-33 In conjunction with local non-profits, continue to develop local resources and apply for State and Federal funds, as appropriate, needed to offer the Urban Self-Help program to low income first-time homebuyers.

Assignment: Housing Office/Non profit
Funding: State HCD/CHFA/LMIHF
Time: On-going
Projected Units: 50

- H-I-34 Encourage counseling on the responsibilities of home ownership and debt management, home loan information and house analysis through assistance to local housing and credit counseling service providers.

Assignment: Local non-profits/Property management organizations
Funding: CDBG/HOME

Time: On-going
Projected Units: N/A

H-I-35 Consider a land trust program which combines land banking and improvements as the City's equity share with a local non-profit organization or private developer constructing units and/or supervising self-help projects. Land cost and improvements would be discounted to reduce a price of the house and thus lower payment and mortgage amounts.

Assignment: Housing Office/Non profit
Funding: City Funded Staff
Time: On-going
Projected Units: Unknown

H-I-36 Facilitate, through land acquisition or other leveraging of City resources, the development of a demonstration project featuring attached ownership housing, such as townhouses, condominiums or row-houses.

Assignment: Housing Office
Funding: City Funded Staff
Time: 2004-2008
Projected Units: 20

H-I-37 The City shall actively promote measures to reduce impediments to constructing attached housing imposed by construction defect liability issues, and, as a consequence, inflated premiums for the builders. New legislation was passed at the State level to address this issue. However, if the new legislation is not effective, the City will provide whatever support is appropriate to assist builders achieve effective reforms.

Assignment: Housing Office
Funding: City Funded Staff
Time: 2004-2008
Projected Units: N/A

Guiding Policies: Energy Conservation

H-G-50 Promote the conservation of energy in all residential development.

H-G-51 Reduce long-term housing costs through planning and applying energy conservation measures.

H-G-52 Encourage increased application of active and passive solar energy systems in residential development.

H-G-53 Continue to enforce energy standards required by the State Energy Building Regulations for residential development.

Implementing Policies: Energy Conservation

H-I-38 Develop informational materials for dissemination to developers and project designers during development review. These materials shall include, but not be limited to, passive solar planning through subdivision, lot and structure orientation,

protection of solar access, and application of passive and active energy saving features. The City shall also review its land use regulations and subdivision ordinance and where appropriate add provisions which promote and/or require energy conservation planning as a factor in project approval.

Assignment: Planning Division
Funding: City Funded Staff
Time: 2003-2005
Projected Units: N/A

H-I-39 Require natural gas hookups on the patios of all new single-family residential construction.

Guiding Policies: Quality of Life

H-G-54 Ensure the highest possible quality of life for every resident through balancing and blending the need for shelter with sensitivity and respect for Chico's unique natural setting.

H-G-55 Encourage residential development which provides quality housing and incorporates good design principles.

H-G-56 Promote new and infill housing projects which meet specific housing needs and are design-responsive to the site and surrounding built and natural environment.

H-G-57 Use the City's architectural review process to ensure that medium and high-density infill projects are sensitive to the character and appearance of their surroundings.

H-G-58 Use the Planned Development regulations to refine land use policies and promote design flexibility for residential developments, particularly for those located in unique settings.

Implementing Policies: Quality of Life

H-I-40 Amend the City's Design Review Manual to reflect changes to the land use regulations and other General Plan implementation.

Assignment: Planning Division
Funding: City Funded Staff
Time: 2003-2004
Projected Units: N/A

10.6 REVIEW AND EVALUATION OF HOUSING PROGRAMS OF PREVIOUS HOUSING ELEMENT PERIOD (1992-2002)

Equal Opportunity

These programs address the provision of equal housing opportunity and access for Chico citizens regardless of race, color, age, religion, national origin, sex, marital/family status or handicap. Discrimination in housing and removal of constraints that impede equal opportunity to housing are emphasized.

Programs:

- H-I-1 Provide a process for the resolution of allegations regarding housing discrimination by continuing to refer such actions to Legal Services of Northern California, the responsible local agency.
- Assignment: Housing Office
Funding: CDBG
Time: On-going
Projected Units: N/A
- Evaluation: The City provides CDBG funding to Legal Services of Northern California to assist low income persons and families in resolving issues concerning housing discrimination.
- H-I-2 In conjunction with Legal Services, provide workshops for tenants and landlords concerning Fair Housing and other relevant issues. In addition, flyers, press releases, official proclamations, and other activities will be conducted to maintain a high profile for Fair Housing.
- Assignment: Housing Office
Funding: CDBG
Time: On-going
Projected Units: N/A
- Evaluation: The City has continued to sponsor Fair Housing workshops annually for tenants and landlords with Legal Services and the North Valley Property Owner's Association. The workshops are advertised in the weekly and daily newspapers and are accessible to all residents.
- H-I-3 Coordinate efforts between Housing Authority and the City to further equal opportunity efforts.
- Assignment: Housing Office
Funding: CDBG
Time: On-going
Projected Units: N/A

Evaluation: The City coordinates its Fair Housing awareness efforts with the Housing Authority. The City reviewed the affirmative action and admission policies of the Housing Authority and other non-profit housing providers during the development of the City's Analysis of Impediments of Fair Housing Choice.

Affordability

Providing housing that is affordable to all economic segments of the community is the primary objective of programs in this category. Efficient use of resources, including land, facilities and finances, to meet the community's housing needs is stressed with particular emphasis on providing affordable rental and ownership housing to the very low, low and moderate income households.

Programs:

- H-I-4 Conduct a study to determine the feasibility of permitting second units within all residential zones. Any ordinance to allow second units should impose development standards which may include, but not be limited to, any of the following:
- a. Require owner-occupancy of main or second unit.
 - b. Restrict the number of second units within neighborhood area or by block.
 - c. Limit the maximum size and number of bedrooms.
 - d. Require off-street parking for second units to be adjacent to alleys, where such facilities exist. In areas not developed with alleys, on-site tandem parking should be considered. On-street parking for the second unit may be considered where it is not feasible to meet required parking on-site and existing street improvements and the level of on-street parking use in the area permit such consideration.

Assignment: Planning Division
Funding: City Funded Staff
Time: 1992-1993
Projected Units: 20

Evaluation: Second dwelling units are allowed by right or with a use permit in all residential districts, except for this R3 Medium-High Density Residential district and R4 High Density Residential district, which are reserved for multi-family residential development. Standards were also adopted that relate to size, parking, setbacks and architectural compatibility of second units. Recent legislation requires cities and counties to approve second units ministerially after June 30, 2003. The City of Chico has recently adopted second unit standards. In the past ten years 36 second units were constructed in Chico.

H-I-5

Prepare and consider an ordinance providing procedures for approving small lot subdivisions of 10 dwelling units or more where approval involves an increase in density above the maximum density permitted by the parent zoning district. The purpose of such an ordinance shall be to encourage developers to provide owner-occupied residential units affordable to households with gross incomes between 80 and 120 percent of the area median family income.

This ordinance may include, but need not be limited to, any of the following provisions:

- a. Review and approval is granted through an expedited process, such as a one-step planned development procedure.
- b. Minimum subdivision size is 10 units or more.
- c. A mixture of housing types and sizes is encouraged.
- d. A minimum of 10 percent of the proposed units are required to be affordable to the targeted households.
- e. The architectural style of affordable units shall be compatible with the exterior appearance of the housing units in the subdivision and, to the extent practical, dispersed throughout the subdivision.

Assignment: Planning Division
Funding: City Funded Staff
Time: 1992-1993
Projected Units: 20

Evaluation: Provisions for small-lot subdivisions are contained in Section 19.76.150 of Title 19 of the City Municipal Code. Adopted in 1999, these regulations establish reduced standards for lot size, lot width, setbacks, coverage, parking and street width. Most of the ownership housing produced using these standards were affordable to households with gross incomes of 80 to 120 percent of the area median income.

H-I-6

Implement State statutes regarding provisions for specialized housing and programs, such as density bonuses, second units and off-site constructed housing.

Assignment: Planning Division
Funding: City Funded Staff
Time: 1992-1993
Projected Units: N/A

Evaluation: The 1999 comprehensive update of the City Land Use Regulations conforms to the existing State statutes regarding provision of density bonuses, second units, and off-site constructed housing. Density bonus provisions provide for an increase above the General Plan allowed maximum density for residential projects that include

specified amounts of restricted affordable housing units. Additional incentives are also available in accordance with state law. Off-site manufactured housing is permitted on all residential zoned lots where single-family detached housing is allowed and must conform to the same development standards.

H-I-7 Develop residential standards which encourage more use of cluster and mixed use development which provides higher density, efficient use of development and land best suited for preserving the area's natural resources.

Assignment: Planning Division

Funding: City Funded Staff

Time: 1992-1994

Projected Units: N/A

Evaluation: Mixed use and cluster development are important tenets of the General Plan and implementing land use regulations. Compact growth, natural resource protection and affordable housing goals are encouraged in Title 19 regulations through the Planned Mixed Use zoning district, Transit Corridor overlay district, Resource Management overlay district, Special Design Considerations overlay district, and foothill development standards. These mechanisms provide both regulatory control and incentives to foster mixed use development and efficient but sensitive use of land resources.

H-I-8 Explore feasibility of amending Titles 18 and 19 of the Municipal Code to allow duplexes on corner lots within all single-family subdivisions as a permitted use subject to compliance with specified standards such as those noted below:

- a. Maximum lot size shall be 10,000 square feet.
- b. Duplex units shall be architecturally compatible with surrounding residences as to bulk, scale, height, exterior materials and provision of garages.
- c. Duplex units shall comply with development standards of overlaying zoning district, except as noted in these provisions.

Assignment: Planning Division; Funding: City Funded Staff;
Time: 1992-1994; Projected Units: 20.

Evaluation: Section 19.42.020 permits duplex units on corner lots in the R2, R3, R4 and RD districts. Duplexes are also permitted in the R1 district as part of subdivision approval or with a use permit, consistent with overall maximum density for the R1 district. During the Housing Element period, developers did not avail themselves of this program opportunity.

H-I-9 Prepare and maintain a current inventory of vacant residentially designated and zoned parcels and the development potential of such parcels, along with a list of the current status of development projects in the City. This information shall be available to the public and updated at least twice annually.

Assignment: Planning Division
Funding: City Funded Staff
Time: On-going
Projected Units: N/A

Evaluation: The Planning Division tracks and prepares a current development list at least semi-annually (and up to four times per year).

H-I-10 Revise zoning and land use regulations and subdivision ordinance subsequent to adoption of the General Plan, to develop regulations which promote affordable housing while meeting other goals and objectives of the community.

Assignment: Planning Division/CDD
Funding: City Funded Staff
Time: 1994-1995
Projected Units: N/A

Evaluation: Land use regulations/zoning underwent a comprehensive update following the 1994 adoption of the General Plan. In October 1999 the City adopted new land use and zoning regulations implementing General Plan policies, including the promotion of affordable housing. Title 18, Subdivision Ordinance, has been updated by staff, and is under review by the City Attorney's Office.

H-I-11 Study the feasibility of increasing the Low and Moderate Income Housing Fund (LMIHF) set-aside of the RDA tax increment from the existing 20 percent to 30 percent to generate 50 percent additional funds for low and moderate income housing projects community-wide.

Assignment: Housing Office/RDA
Funding: City Funded Staff
Time: 1993-1994
Projected Units: 100

Evaluation: The Redevelopment Agency considered the Program and determined that the current 20 percent set-aside was adequate. Increasing the set-aside would reduce the funding available for other activities directly related to the removal of blighted conditions. In addition, during the review period, the City became eligible for the HOME Program, which provided an annual grant in excess of the proposed 10 percent increase. No units were produced.

H-I-12 Study producing additional rental units affordable to very low and low income households by subsidizing owners of existing vacant units. Participating property owners will be required to restrict the unit while the household being subsidized continues to reside in the unit. The initial phases will be to study the implications of redevelopment law and relocation law for the program.

Assignment: Housing Office/Housing Authority
Funding: LMIHF
Time: 1992-1993
Projected Units: 20

Evaluation: The study indicated that it was more cost-effective in the long run to purchase existing apartment complexes than to provide ongoing subsidies to property owners. The Housing Authority purchased four complexes during the review period, adding 183 units to the affordable housing inventory.

H-I-13 Ensure sufficient Article XXXIV authority is available for low income projects requiring it. Seek additional authority prior to or at such time that the number of authorized units remaining declines to fifty.

Assignment: Housing Office/City Attorney
Funding: LMIHF
Time: As necessary
Projected Units: N/A (essential to other programs)

Evaluation: The City Council placed a referendum on the 2000 ballot and the voters approved it. The measure provides the City Council the authority to annually allocate Article 34 units in an amount that represents one percent of the exiting housing stock. Based on the current housing stock, the annual allocation is approximately 230 units.

H-I-14 Consider partnerships with both for-profit and nonprofit developers whereby the City assumes an equity position, in contrast to a loan or grant, in order to leverage resources to a greater degree. When the City considers a proposal for housing assistance, this option will be explored. Its feasibility will depend on the type of project and other funding available.

Assignment: Housing Office
Funding: LMIHF
Time: On-going
Projected Units: 100

Evaluation: Analysis of this program resulted in the determination that it is more appropriate and equally efficient for the City and Agency to remain in a creditor position rather than an equity partner. If interest rates rise significantly and the ability for a housing project to support debt declines, this program may be reviewed.

Balanced Growth

The focus in this section is on balancing the growth of jobs, housing and facilities, and services. Generally, communities want to strive to achieve a 1:1 jobs-housing balance. This one-to-one balance permits persons to work and live in the community, promoting a diverse and lively community and avoiding problems caused when those working in the community must look elsewhere for affordable housing.

Programs:

- H-I-15 Subsequent to comprehensive review, amend the City's Design Criteria and Improvement Standards which result in excessive cost without providing necessary benefits. Amend the standards to reflect current cost saving materials and technology. Standards should only be modified in consideration of:
- a. Ensuring that the change does not adversely affect the public health, safety, or welfare.
 - b. Long-term maintenance costs versus short-term saving.
 - c. City versus property owner liability.

Assignment: Building Division/Planning Division/Engineering Division
Funding: City Funded Staff
Time: 1992-1993
Projected Units: N/A

Evaluation: Review of the City's Design Criteria is an ongoing process. Since adoption of the 1992 Housing Element, three significant cost- saving changes have been instituted, including: an alternate residential street standard, allowing narrower streets; street lighting standards, providing for alternative light fixtures and reduced minimum illumination standards; and use of PVC pipe for sanitary sewers.

Diversity

Closely coupled with balancing growth is ensuring that Chico residents are offered access to a wide selection of housing options that meet their varied needs. Special needs housing for the disabled, various types of housing to meet the needs of the elderly; emergency and transitional housing and varied ownership housing opportunities are some of the housing needs these programs attempt to address.

Programs:

- H-I-16 Encourage development of a variety of housing options for the elderly by providing funding support and application of modified development standards reflecting the specific needs of the elderly in housing. Where specific standards are applied to housing development for the elderly, restrictions should be adopted to prohibit its conversion to non-senior use.

Assignment: Housing Office/Planning Division
 Funding: City Funded Staff/HUD Section 202/LMIHF/other State and Federal Programs
 Time: On-going
 Projected Units: 100
 Evaluation: In the area of affordable senior rental housing, a 56-unit complex (Walker Commons) was constructed and continues to be owned and operated by a non-profit corporation established by the Housing Authority of the County of Butte (HACB). Also, HACB has recently received development entitlements for a 107-unit senior apartment complex in the Park Avenue transit corridor area and is now in the process of arranging project funding.
 (Update)

H-I-17 Investigate the opportunity to develop Single Room Occupancy (SRO) or other types of housing affordable to low-income elderly and other low-income households convenient to transportation and other support services. This program will require that an SRO ordinance and/or amendment of the City land use regulations be drafted for consideration.

Assignment: Planning Division/Housing Office
 Funding: City Funded Staff/HUD Section 202/RDA/LMIHF /other State and Federal Programs as available
 Time: 1993
 Projected Units: 100
 Evaluation: The Community Housing Improvement Project (CHIP) developed and continues to manage a 56-unit single room occupancy facility at 600 Flume Street. This facility is located on city-owned land leased to CHIP. The Chico Redevelopment Agency was also a significant participant in providing funding for the facility construction, and a City-approved use permit provided for increased density and reduced required off-street parking. Development standards for SRO's are specified in Section 19.76.140 of the land use regulations and establish standards for proximity to transit, density, parking, design, and open space.

H-I-18 Provide technical assistance to organizations and individuals interested in development of housing for the elderly.

Assignment: Housing Office
 Funding: City Funded Staff
 Time: On-going
 Projected Units: N/A

Evaluation: The City provided the Housing Authority with direct assistance on the Low Income Housing Tax Credit Program and the Affordable Housing Program. These programs were used by the Authority to finance over 130 units of affordable housing.

H-I-19 Amend the City Land Use Regulations to establish an overlay zone for emergency shelters. The overlay zone shall identify areas where such facilities may be developed and operated as permitted uses subject to conformance with specified development standards, pertaining to aspects of site development as mentioned below.

Assignment: Planning Division
Funding: City Funded Staff
Time: 1992-1993
Projected Units: N/A

Evaluation: This approach was considered. However, after the Homeless Task Formed in 1995, it analyzed available land throughout the community. A site near the Silver Dollar Fairgrounds was acquired, and the first phase of the shelter facility has been constructed and is now open to the homeless. When complete, it will provide shelter for up to 125 individuals and four families. A use permit was also approved to allow the Jesus Center (a local free meal program) to provide shelter for up to 49 women and children. The shelter portion of the Jesus Center has been recently completed. Winter shelter for homeless persons has been provided for the past several winters by local churches. The Chico Community Shelter Partnership (CCSP) has been responsible for managing the winter shelter program.

H-I-20 Amend the City Land Use Regulations to stipulate emergency shelter development standards. Development standards should include, but not be limited to:

- a. Size of facility
- b. Off-site parking
- c. Security lighting
- d. Proximity to residential zoned property
- e. Concentration of such facilities within each overlay area.

Assignment: Planning Division
Funding: City Funded Staff
Time: 1992-1993
Projected Units: N/A

Evaluation: The Homeless Task Force was formed to address the issue of establishing a permanent shelter facility. As mentioned above, temporary shelter has been provided at local churches during the winter months. The City amended its land use regulations to allow temporary emergency shelters as a permitted use in all residential districts, in order to accommodate the winter shelter program. Additionally, emergency shelters are allowed in office and commercial districts and the ML Limited Manufacturing district with a use permit. Development standards are set through the use permit approval process and are not specified in the land use regulations.

H-I-21 Amend the City Land Use Regulations to add transitional housing use. This use shall be defined and permitted in the R-3 High Density Residential District and all commercial zones with a conditional use permit. The purpose of this use permit will be to address those criteria and concerns typical of the use permit process without requiring a more rigorous review than for other uses granted by use permit.

Assignment: Planning Division
Funding: City Funded Staff
Time: 1992-1993
Projected Units: N/A

Evaluation: Transitional housing has been grouped with other similar uses under the land use term “residential care homes.” In accordance with state law, such facilities serving six or fewer persons are permitted by right within all residential districts. The City also permits residential care homes housing seven to twelve persons in all residential districts (except Rural Residential) with a use permit. Residential care homes serving 7 or more are allowed in the OR Office Residential, CN Neighborhood Commercial, CC Community Commercial and CS Service Commercial districts with a use permit.

H-I-22 Assist other agencies and/or groups interested in developing emergency shelters or transitional housing facilities and programs.

Assignment: Housing Office
Funding: City Funded Staff
Time: On-going
Projected Units: 50

Evaluation: The Housing Office assisted the Chico Community Shelter Partnership (CCSP) in its efforts to obtain operating funds for its winter shelter program, and to obtain a permanent site for the shelter program. The Housing Office is also working with the Community Action Agency (CAA) in its

efforts to relocate its transitional housing program to a new site that will accommodate expansion of the program from 13 units to 60 units. Housing Office staff assisted the CAA in obtaining over \$200,000 to rehabilitate its existing facility and construct a day care center at the project site.

H-I-23 Provide an inventory of accessible and adaptable units to all agencies assisting the handicapped to obtain appropriate housing. The inventory shall be updated and distributed annually and contain the apartment name and address and the number of total accessible and adaptable units.

Assignment: Building Division/Planning Division
Funding: City Funded Staff
Time: On-going beginning January, 1992-1993
Projected Units: N/A

Evaluation: Independent Living Services of Northern California maintains an referral system for disabled clients who are seeking accessible units.

H-I-24 Assist persons in need of accessible units and/or information on the City's ability to fund rehabilitation of existing units to meet accessibility requirements.

Assignment: Building Division/Housing Office
Funding: City Funded Staff/Private Activity Bond Fee
Time: 1992-1993
Projected Units: N/A

Evaluation: The City funding for the Rental Housing Accessibility Program also includes funding for ongoing advertisements in the newspaper and in other publications. Independent Living Services of Northern California markets the Accessibility program to its clients and other social service providers.

H-I-25 Provide funding assistance to disabled persons to modify existing units for accessibility through private activity bonds and Community Development Block Grant funds.

Assignment: Housing Office
Funding: City Funded Staff/Private Activity Bond Fee
Time: 1992-1993
Projected Units: 30

Evaluation: The City has continued to fund the Rental Housing Accessibility Program to provide funds for improvements to rental units for disabled persons. The program is funded with administrative fees from Private Activity Bonds previously issued. This program is operated by the Independent Living Services of Northern California. The

program has provided funds for ramps, roll-in showers, grab bars, lowered counter tops, and doorway widening.

H-I-26 Use authority of the City and Housing Authority for the issuance of revenue bonds for financing residential development projects. Both single and multi-family housing are eligible for such funding. Issuance of bonds for multi-family development should be conditioned upon 20 percent of the units being available to very low income households, or 40 percent to low income households, and first floor units to be handicapped accessible. For the units restricted to very low and low income households, a maximum percentage of income, which can be paid in rent shall be established.

Assignment: Housing Office
Funding: City Funded Staff
Time: As Federal and State Legislation allows
Projected Units: 200

Evaluation: The Housing Authority issued a tax exempt bond and used the proceeds to purchase six projects in its service area (Butte County), and 153 units were located in Chico. Private sector developers have not utilized bond programs to build new units during the review period. However, two projects did refinance the bonds previously issued. The City was able to negotiate a set-aside of affordable units for both projects, providing 56 units for very low income households.

H-I-27 Investigate a rental assistance program to assist households which cannot secure rental housing units because they lack ability to accrue the required first, last, and cleaning deposit funds.

Assignment: Nonprofit
Funding: LMIHF/CDBG
Time: 1992-1993
Projected Units: 50

Evaluation: In 1996, the City created the Tenant Based Rental Assistance (TBRA) Program using funds from the Home Investment Partnerships Program (HOME). The TBRA program provides temporary rental assistance to very low income tenants who are participating in “self sufficiency” programs. The City operates the program in conjunction with the Housing Authority.

Conservation

Conservation of Chico’s older neighborhoods and its housing is an important goal that runs throughout the City’s General Plan. Maintaining and improving existing housing along with preserving the character of older neighborhoods through compatible in-fill and redevelopment are primary objectives.

Programs:

- H-1-28 Continue established policies that require affordability restrictions on assisted housing units and establish policies and procedures to preserve existing assisted units that are not subject to restrictions.
- a. Restriction on the occupancy or sale of residences rehabilitated through Community Development Block Grant program to owner occupants or other lower income households, or require repayment of rehabilitation loans at the time of sale. All such units shall be restricted.
 - b. Restriction on the occupancy or sale of residences purchased by households assisted through the Mortgage Subsidy Program (MSP) to owner occupants or other low/moderate income households, or require repayment of MSP loans at the time of sale. All such units shall be restricted.
 - c. Restrictions on affordability of rental units assisted by the LMIHF for a minimum of 30 years.
 - d. Restrictions on the conversion of multi-family units occupied by elderly households to condominium ownership. Units occupied by elderly households and converted to condominiums will be available to elderly households through a long term lease (five year minimum), with the total number of units so reserved not required to exceed 20 percent of the units in the project. Relocation assistance shall be provided to all elderly households displaced by the conversion of units to condominium ownership.

Assignment: Housing Office/Planning Division
Funding: City Funded Staff
Time: On-going
Projected Units: N/A

Evaluation: Program continues except for condominium conversions.

- H-I-29 Maintain a monitoring system and coordinate with the Housing Authority and local nonprofit housing development organizations to preserve assisted housing units that are scheduled to be converted to market rate units in response to the expiration of assisted housing regulatory agreements with State or Federal housing agencies.

Assignment: Housing Office
Funding: LMIHF/ HOME/CDBG
Time: On-going
Projected Units: 100

Evaluation: A cooperative program is in place. The Housing Authority, the Community Housing Improvement Program, and the

City of Chico monitor at-risk projects in the City. The Housing Authority was able to receive “Preservation Vouchers” for two assisted projects that paid off the HUD-subsidized mortgage.

- H-I-30 Continue the City's program for rehabilitating substandard owner-occupied residential units occupied by low income households qualifying under Federal guidelines.
- Assignment: Housing Office
Funding: LMIHF/HOME/CDBG;
Time: On-going
Projected Units: 50
- Evaluation: The City has continued to operate the Housing Rehabilitation Program, which provides low-interest loans to low income households for basic home repair. The program utilizes a variety of funding including CDBG, HOME, and LMIHF. The program is available Citywide. The program has provided rehabilitation assistance to 60 households since 1993.
- H-I-31 Beginning in 1993, obtain funding through the Home Investment in Affordable Housing (HOME) program and earmark such funds for rehabilitation of rental housing units which will, through agreement with the City, remain affordable to low income households for a minimum of 15 years.
- Assignment: Housing Office
Funding: LMIHF/HOME/CDBG;
Time: 1992-1993
Projected Units: 75
- Evaluation: The City Council has considered a rental rehabilitation program on three different occasions. The Council has consistently decided against initiating a program because the rental property owners have not made a compelling argument that the assistance is necessary to conserve the units.
- H-I-32 Establish an on-going program to monitor and inventory housing condition in the Chico Urban Area.
- Assignment: Building Division/Planning Division/Housing Office
Funding: City Funded Staff
Time: Annually
Projected Units: N/A
- Evaluation: The experience of the last 10 years has shown that the housing stock is improving in all areas of the community. The escalation in housing prices is resulting in older units being replaced with newly constructed units. It appears

that there is not a need to sample the housing stock more often than once every five years for the Housing Element update, and therefore no reason to submit an annual report to the Planning Commission as called for in the next program.

H-I-33 Prepare an annual report to the Planning Commission and City Council by September 1, updating the status of the Housing Condition Survey and Inventory.

Assignment: Building Division/Planning Division/ Housing Office;
Funding: City Funded Staff
Time: Annually
Projected Units: N/A
Evaluation: See above.

H-I-34 Revise existing land use regulations incorporating standards for infill development within existing residential neighborhoods, which reduce conflicts resulting from, but not limited to, setbacks, building height, fencing, and landscaping. Infill standards shall provide for privacy of existing residences, to the extent feasible, through the use of landscape and/or fence screening, setbacks, building height and orientation of structures. The overall intent of the standards shall be to efficiently utilize infill parcels consistent with densities permitted by the General Plan while preserving neighborhood character.

Assignment: Planning Division
Funding: City Funded Staff
Time: 1993-1994
Projected Units: N/A
Evaluation: The City has not adopted specific infill standards. Minimum and maximum density standards were adopted, as well as small-lot subdivision standards and standards for setback, building height and landscaping in conjunction with the update of the City land use regulations. Infill land divisions will often include conditions for additional setback, open space or reduced density, depending on neighborhood issues.

H-I-35 Consider implementing a neighborhood planning program, in conjunction with the General Plan update.

Assignment: Planning Division
Funding: City Funded Staff
Time: 1992-1993
Projected Units: N/A
Evaluation: A variety of approaches to neighborhood planning have been analyzed, and the Planning Commission has held public hearings. A specific recommendation has not been forwarded to the City Council. City planning staff

maintain a list of neighborhood groups that are notified of development projects within their general areas.

Ownership

The dramatic increase of CSU Chico and Butte College during the past three decades led to a significant increase of apartment units shifting Chico's housing tenure to about a two- to-one ratio, renter over ownership. The City has a goal to increase ownership opportunities, especially for first time homebuyers.

Programs:

- H-I-36 Promote homeownership through the Mortgage Subsidy Program for low and moderate income first-time homebuyers.
- Assignment: Housing Office
Funding: LMIHF
Time: On-going
Projected Units: 75
- Evaluation: This program was implemented in 1990 and continues today. During the period 1992 to 2002, the program assisted over 500 first-time homebuyers to purchase a home.
- H-I-37 In conjunction with local non-profits, continue to develop local resources and apply for State and Federal funds, as appropriate, needed to offer Urban Self-Help program to lower income first-time homebuyers.
- Assignment: Housing Office/Non profit
Funding: State HCD/CHFA/LMIHF
Time: On-going
Projected Units: 50
- Evaluation: The City allocated direct financial assistance to the Community Housing Improvement Program for two self-help subdivisions, Baywood and Rawlins, which provided 64 units of homeownership for lower income households. The City, through its Redevelopment Agency, provided Mortgage Subsidy Program loans to households participating in two other self-help projects.
- H-I-38 Assist homeowners who need larger or safer units and rehabilitation of their existing unit is impractical.
- Assignment: Housing Office
Funding: CDBG/HOME
Time: On-going
Projected Units: 5 - 10
- Evaluation: This program was meant to serve as an alternative method of assisting households when the rehabilitation of their home did not make economic sense. This situation did not arise during the last ten years.

- H-I-39 Establish alternative financing options for low/moderate income homebuyers, such as equity sharing by private investors, creation of local community bank and/or local lender fund pooling to reduce risk.
- Assignment: Housing Office/Local Banks and Savings & Loan
Funding: Private Sector
Time: 1992-1994
Projected Units: N/A (funding to assist other programs).
- Evaluation: Low interest rates and the strong economy obviated the need to explore other options.
- H-I-40 Encourage counseling on the responsibilities of homeownership and debt management, home loan information and house analysis.
- Assignment: Local non-profits/Property management organizations
Funding: CDBG/HOME
Time: On-going
Projected Units: N/A
- Evaluation: A program is in place. The Chico Community Credit Counseling Center is a subsidiary of the Community Housing Improvement Program, a local nonprofit housing development organization. The Center is funded by the Department of Housing and Urban Development and the Chico Redevelopment Agency. The Center provided first time homebuyer workshops, credit counseling, and technical assistance to households faced with a foreclosure.
- H-I-41 Consider a land trust program which combines land banking and improvements as the City's equity share with a local nonprofit organization constructing units and/or supervising self-help projects. Land cost and improvements will be discounted to reduce the price of the house and thus buy downpayment and mortgage amounts.
- Assignment: Housing Office/Non profit
Funding: City Funded Staff
Time: On-going
Projected Units: N/A
- Evaluation: The City was unable to explore this program prior to 2000, when Article 34 Authority was approved by the voters. Currently, the City is using the site located at Humboldt and Notre Dame as a demonstration project for this program.

Energy Conservation

Applying passive and active energy conservation systems to lower long term housing costs is an objective that seems to grow in importance. These programs encourage coordination with utility providers, application of appropriate development design, and standards to achieve lower energy use, benefitting the community and individual households.

Programs:

- H-I-42 Coordinate with Pacific Gas and Electric Company to ensure that the public is informed of all available programs providing incentives for the installation of energy conserving measures.
- Assignment: Planning Division/PG&E
Funding: City Funded Staff
Time: On-going
Projected Units: N/A
- Evaluation: This program has not been implemented. (Clarify/update)
- H-I-43 Develop informational materials for dissemination to developers and project designers during development review. These materials shall include, but not be limited to, passive solar planning through subdivision, lot and structure orientation, protecting solar access, and application of passive and active energy saving features. The City shall also review its land use regulations and subdivision ordinance, and where appropriate add provisions which promote and/or require energy conservation planning as a factor of project approval.
- Assignment: Planning Division
Funding: City Funded Staff
Time: 1993
Projected Units: N/A
- Evaluation: The City reviews compliance with Title 24 requirements for energy conservation in all development. To the extent feasible, planning staff advise developers of options available to include energy conservation measures in development of the projects. Section 19.42.040 (Residential Design Guidelines) includes a variety of energy conservation and solar design measures. The City of Chico Design Manual also includes a section regarding passive measures for orienting buildings and providing seasonal energy benefits.

Quality of Life

This section addresses the importance of blending the need for shelter with sensitivity to Chico's unique physical setting and existing character. A continued mix of high quality housing constructed in a manner that respects the natural and existing built environment is a principle objective.

Programs:

H-I-44

Amend the City's Design Review Manual to reflect changes to the land use regulations due to the General Plan Update and the adoption of a Community Design Element.

Assignment: Planning Division

Funding: City Funded Staff

Time: 1994-1995

Projected Units: N/A

Evaluation: The Design Manual was revised following adoption of land use regulations implementing the 1994 General Plan. Although this was not a comprehensive update of the manual, it included the main design elements desired by the community as the city develops.

**CITY OF CHICO
HOUSING ELEMENT PROGRAM REVIEW
GOALS ACCOMPLISHED 1993-2000**

Program Number	Goal	Actual			Notes
	Units	Very Low	Low	Mod	
H-1-4	20	0	0	36	New state level legislation was adopted to facilitate greater development of 2 nd units
H-1-8	20	0	0	0	Developers did not build duplexes on corner lots during the plan period.
H1-11	100				These 3 programs were not implemented as proposed. However, two affordable rental projects, Chico Commons and Hartford Place demonstrated the programs were not required or not efficient
H-1-12	20				
H-1-14	100	35	57	0	
H-1-16	100	55		0	Campbell Commons
H-1-17	100	25	31	0	Walker Commons
H-1-22	50	49	0	0	Emergency Shelter Complete Esplanade House II Pending
H-1-25	30	23	0	0	Accessibility Program
H-1-26	200	53	100	0	HACB Acquisition of 4 projects
H-1-27	50	137	0	0	Tenant Based Rental Assistance
H-1-29	100	42	50	0	Little Chico Gardens
H-1-30	50	50	0	0	Citywide Owner Rehab program
H-1-31	75	24	24	0	Alamont, Longfellow & Cameo Apts
H-1-36	75	0	250	255	Mortgage Subsidy Program
H-1-37	50	32	64	0	CHIP Self Help Program & Rancheria Mutual Housing
H-1-38	10	0	0	0	Program was not required
Total Goal	1150	525	576	291	1392 Units Actually Produced

Of the 1,392 units produced during the planning period, 1,356 were restricted for the designated income level by regulatory agreements.