



City of Chico Housing Element 2009 - 2014

Adopted
August 2009

7 HOUSING ELEMENT



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VISION STATEMENT

Chico's neighborhoods and housing choices in 2030 will be diverse and reflective of the City's identity and needs. Newer neighborhoods will echo the historic character and design of Chico's existing neighborhoods with local services and amenities for improved walkability and reduction of vehicle trips. Older neighborhoods will be revitalized and enhanced. Throughout the community, there will be a wide range of housing options to accommodate a variety of household sizes, incomes, and stages of life. Implementation of this Housing Element will result in increased housing choice, a rise in homeownership, revitalization of existing housing and neighborhoods, and more energy efficient housing in Chico.

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. More specifically, the City's primary objective is to provide an adequate supply of housing in a range of costs to meet the demand of all income groups and a variety of types for the special needs of the elderly and disabled, as well as providing an opportunity for first-time homebuyers.

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, provision of other public services such as police and fire protection, school facilities and parks, concerns about design and division, preservation of neighborhoods, 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.

PURPOSE OF THE HOUSING ELEMENT

The State of California has declared that "the availability of housing is of vital statewide importance and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order." In addition, government and the private sector should make an effort to provide a diversity of housing opportunity and accommodate regional housing needs through a cooperative effort, while maintaining a responsibility toward economic, environmental and fiscal factors, and community goals within the general plan.

The purpose of the Housing Element is to identify housing solutions that address Chico's local housing needs. The Housing Element must also direct Chico's resources to meet or exceed the



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regional housing needs allocation. This Element establishes the local goals, policies, and actions (programs) the City will implement and/or facilitate to solve identified housing issues.

REGULATORY FRAMEWORK

The Housing Element is a mandatory element of the General Plan with unique requirements for review by the State Department of Housing and Community Development. State Housing Element law requires “An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs.” The law requires an analysis of the following:

- Population and employment trends,
- The City’s fair share of the regional housing needs,
- Household characteristics,
- Land suitable for residential development,
- Governmental and non-governmental constraints on the improvement, maintenance and development of housing,
- Special housing needs,
- Opportunities for energy conservation, and
- Publicly assisted housing developments that may convert to non-assisted housing developments.

The purpose of these requirements is to develop an understanding of the existing and projected housing needs within the community and to set forth actions and schedules promoting the preservation, improvement and development of diverse housing types available.

NEW STATE LEGISLATION

Since the City’s last Housing Element was updated there have been a series of new laws passed that the City will need to comply with regarding the placement of emergency shelters, planning for extremely low-income households and providing a more detailed vacant land inventory. Below is a detailed listing of the new laws passed since the last Housing Element was updated.

SB 2 (Cedillo, 2007): Requires local jurisdictions to strengthen provisions for addressing the housing needs of the homeless, including the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit and allowing transitional and

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supportive housing types as residential uses. This legislation took effect January 1, 2008, and will apply to jurisdictions with Housing Elements due June 30, 2008, and after.

SB 520 (Chesbro, 2002): Requires that in addition to the needs analysis for persons with disabilities, the Housing Element must analyze potential governmental constraints to the development, improvement and maintenance of housing for persons with disabilities and include a program to remove constraints to, or provide reasonable accommodations for housing designed for occupancy by, or with supportive services for persons with disabilities.

AB 2348 (Mullin, 2004): Requires a more detailed inventory of sites to accommodate projected housing needs and provide greater development certainty.

AB 2634 (Lieber, 2006): Requires quantification and analysis of existing and projected housing needs of extremely low-income households. Elements must also identify zoning to encourage and facilitate supportive housing and single-room occupancy units.

AB 1233 (Jones, 2005): If prior Element failed to identify or implement adequate sites, the local government must zone or rezone to address this need within one year of update. This is in addition to new projected need.

SB 1087 (Florez, 2005): Requires local governments to immediately forward adopted Housing Elements to water and sewer providers.

GENERAL PLAN CONSISTENCY

State law requires that “...the general plan elements and parts thereof comprise an integrated, internally consistent, and compatible statement of policies...” The purpose of requiring internal consistency is to avoid policy conflict and provide a clear policy guide for the future maintenance, improvement, and development of housing within the City.

The Housing Element spans a five-year time period and focuses on the City limits, while the overall Chico General Plan includes goals, policies and actions that will direct the City, Sphere of Influence and General Plan Planning Area over a 20-year period. For jurisdictions that are part of the Butte County Association of Governments (BCAG), the State Department of Housing and Urban Development requires that Housing Elements are adopted and certified by August 2009. Therefore, adoption of the Housing Element must occur in advance of the current General Plan Update, which is scheduled for adoption in early 2010. To conform with this schedule, the analysis of City’s ability to meet projected needs is based on the current 1994 General Plan and is consistent with all elements of the General Plan including the land plan, land use designations, and densities, as amended, and current zoning



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HOUSING NEEDS SUMMARY

The findings listed below resulted from the information collected as part of the Housing Needs Assessment Report located in **Appendix A**. These findings provide a direct relationship between community conditions in Chico and the recommended Goals, Policies and Actions in this document.

Demographic Profile

The population of Chico was estimated to be approximately 87,000 residents in 2008, which represents approximately 40 percent of the total population of Butte County. Within the county, Chico's population is unique, with 20 percent (17,034) of the population comprising students attending California State University, Chico. The large student population is a significant factor in the City's median age of 29.1, which is 5 years younger than that of both Butte County (34.7) and the state (34.4).

A shift has occurred over the past decade in terms of the demographics within the City. The median age is rising and is close to 5 years older than it was in 2000 (24.6), with the largest shift in population occurring in persons aged 18–24 (4 percent decline of the total population) and those aged 55–64 (3 percent increase of the total population). The minority population has also begun to increase in the City. The white population has declined by 4 percent since 2000. Though the City and the County are predominantly white communities, the diversity of the City is expected to increase with the growing minority population.

Household Profile

The average household size in the City has changed little since 2000. There was a slight decline (less than 1 percent) in the household size, which is mainly due to the fact that there has been a slight increase of single households. Of the 26,520 households in the City, 11,000 reportedly earn 0–80 percent (\$0–\$31,447) of the area median income (AMI), which was \$39,309 in 2008. Those earning 80 percent or below the AMI are considered to be low-income and of those that are low-income, 1,755 households are considered to be in poverty. The national poverty threshold is the minimum amount of income that is necessary to obtain the necessities of life, as established by the U.S. Census. For example, the 2000 U.S. poverty threshold for a family of four was \$17,463. The number of Chico households in poverty reported above does not include “Non-family Households,” which the U.S. Census defines as unrelated individuals sharing a housing unit. Non-family Households includes students living in dormitories or students sharing off-campus housing.

Special Needs

Eight percent of Chico's households contain five or more persons, of which 50 percent are considered to live in overcrowded conditions, the majority of which are students. Students present a unique challenge in meeting the housing needs of the City's population. The campus is equipped to

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house 1,731 students in on-campus dormitories, while the remainder of the student's housing needs must currently be met by the City's housing stock. The CSU Master Plan accommodates a campus building plan that includes construction of five new major academic buildings, two recreational facilities, a natural history museum, a childcare center, approximately 1,300 bed-spaces of student housing and two parking structures.

In 2000 there were a total of 8,844 residents reporting a disability. The majority of the disabled between the ages of 5 and 64 reported a physical, mental and/or employment disability. Of those with disabilities, 65 percent were ages 5 through 64 and 35 percent were over the age of 65.

Of the 2,732 households headed by a single parent, 22 percent are headed by males and 78 percent are headed by females. Agricultural workers make up a small percentage of the households in the City and mostly comprise seasonal workers. Fifty-five units of farm labor housing are provided at La Vista Verde and Turning Point Commons.

A County Continuum of Care (CoC) has been established by local service providers to address the needs of the homeless population. Within the City, there are a number of organizations that provide emergency shelter, transitional housing and supportive housing. The largest emergency shelter, the Torres Community Shelter, is operated by the Chico Community Shelter Partnership and has 140 available bed spaces. The Esplanade House, operated by the Community Action Agency (CAA), is the largest transitional housing complex with 60 units, and offers families the social services needed to transition from being homeless to becoming permanently housed. Caminar, Inc. operates a 15-unit housing project with supportive services for homeless persons with mental disabilities. Northern Valley Catholic Social Services operates a 22-unit supportive housing project for persons with developmental disabilities. Catalyst runs a 12-bed shelter for victims of domestic violence. ARC of Butte County owns and operates a 24-unit apartment building with 11 units reserved for persons with mental disabilities. The Housing Authority of the County of Butte provides housing at the Locust Street complex, aimed at providing supportive services that help maintain independent living of special needs residents.

Housing Stock Characteristics

Chico's large student population also affects the tenure of the City's 36,484 units that comprise the City's housing stock. In 2008, nearly 60 percent of the housing units in the City were rented, which is much higher than the 42 percent of housing units that are rented in the state. Recently the City's housing stock has grown quickly due to the increase in new homes built during the boom in the housing market and the annexation of surrounding unincorporated communities. The monitoring of the condition of the City's housing stock is done by the City's Code Enforcement Unit. In 2010, 35 percent of the City's housing stock will be 30 years or older, the typical age at which a home will need some level of rehabilitation.



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As of August 2008, the monthly median rent in the City is \$1,300 for a single-family home and \$825 for an apartment in a multi-family project. The U.S. Census Bureau defines a household as all persons sharing the same housing unit, which does not include group quarters (dormitories, group homes and nursing homes). In 2000, 7,658 households paid more than 30 percent of their income (considered to be overpaying for shelter) for rental housing, of which 6,501 paid more than 35 percent (severely cost burdened) of their income. In order for residents to become homeowners in the City, those earning less than the moderate-income level of \$65,400 will overpay for housing cost.

According to Chicohomesearch.net, the median price for a home in the City of Chico in June 2008 was \$272,000, which was a decline of 12 percent from 2007 to 2008, increasing a small portion of the available housing market to potential buyers. In addition, with the current foreclosure crisis many more moderate-income households and possibly low-income households may have the opportunity to purchase homes. According to Realty Trac, as of February 2009, there were 148 repossessed bank-owned properties in the City of Chico. This represents one foreclosed property for every 247 housing units in the City. By comparison, the County with the highest foreclosure rate in the state, Merced County, has one foreclosure for every 59 housing units. The average foreclosure sales price was \$238,600.

Assisted Housing and At-Risk Units

Assisted housing units are those that are subsidized by the public sector to ensure that housing for lower-income households is affordable. Affordable monthly rent is established by Housing and Urban Development (HUD) as monthly rent that does not exceed 30 percent of a household's income. There are a total of 1,695 assisted rental housing units in the City of Chico, which are provided by a number of organizations and funding sources. The Chico Redevelopment Agency (RDA) and the City work closely with developers to ensure affordable housing projects are developed within the City to meet the housing needs of low-income households. Recent affordable housing developments in the City include 1200 Park Avenue, VECTORS, Avenida Apartments, Chico Courtyards, Murphy Commons and Jarvis Gardens.

Three affordable housing projects, totaling 295 units, are considered to be at risk of converting to market rate within the City's 5-year planning period. The projects include Villa Rita (2011 expiration date), Trans Pacific Gardens II (2011 expiration date) and Cinnamon Village (2014 expiration date). The City has a history of working with owners of at-risk properties to preserve affordability and will continue to do so when notified of the intent to convert. RDA funds are likely sources of preservation or replacement funds.

Regional Housing Needs Allocation (RHNA)

The first step in addressing state housing needs is the Regional Housing Needs Allocation (RHNA), which is mandated by the State of California (Government Code, Section 65584) and requires regions to address housing issues and needs based on future growth projections for the area. The California

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Department of Housing and Community Development (HCD) allocates regional housing needs numbers to regional councils of governments throughout the state. The Regional Housing Allocation Plan (RHNP) for Chico is developed by the Butte County Association of Governments (BCAG) and allocates to cities and the unincorporated county their “fair share” of the region’s projected housing needs, also known as the Regional Housing Needs Allocation or “RHNA”. The RHNP allocates the RHNA based on household income groupings over the 5-year planning period for each specific jurisdiction’s Housing Element.

Chico’s Regional Housing Needs Allocation for the 2007-2014 planning period is 5,716 units for all income categories. These allocations are less than the allocation for the previous period. The City is required to develop the necessary policies and programs to ensure the RHNA is met. **Table 1** provides the RHNA target for the planning period 2007 to 2014 for each of the four household income groups for the City of Chico. See **Table A-30** in the Housing Needs Assessment for specific sites that could potentially fulfill the regional housing need allocations for very low-, low-, moderate-, and above moderate-income households in the City of Chico.

**TABLE 1
AFFORDABLE HOUSING NEED AND PRODUCTION
JANUARY 2007–JUNE 2014**

Income Level	Chico RHNA	Chico Progress (since 2007)	Remaining Housing Need
Extremely Low	780	63 ¹	717
Very Low	780	143 ¹	637
Low	1,007	17 ²	990
Moderate	960	0	960
Above Moderate	2,189	310 ³	1,879
Total	5,716	533	5,183

Source: Butte County Association of Governments, May 2008; City of Chico, July 2008

¹ 58 units in Chico Courtyards, 14 in Avenida, 85 in Murphy Commons, 49 in Jarvis Gardens (not incl. manager’s unit)

² 17 units in Chico Courtyards

³ A total of 368 building permits were issued in 2007 and it is assumed that the difference between the total building permits and the total units affordable to low- or very low-income households equals the total number of market-rate units built. A total of 165 permits were issued through July 2008.

(HCD Revised as of 6/24/08)

Based on the state allocation needs, the City of Chico will need to demonstrate the capacity, based on appropriately zoned land, to accommodate 1,560 housing units affordable to extremely low- and very low-income households, and 1,007 housing units affordable to low-income households during the current RHNA period. In addition, the City will have to demonstrate the capacity to accommodate 959 housing units available to moderate-income households.



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Since January 2007, the City has produced 63 housing units affordable to extremely low-income households, 143 housing units affordable to very low-income households, 17 housing units affordable to low-income households and 310 market-rate housing units. As a result of building to date for the RHNA period, the City will need an additional 1,879 above moderate-income units and will still need an additional 3,285 extremely low, very low-, low-, and moderate-income housing units by 2014 to meet their RHNA.

In order to determine which current land is available to meet the RHNA for the City, HCD considers existing land “zoned” for residential single- and multi-family development.

The City of Chico has the ability to facilitate development of many High Density Residential (R3 and R4) sites. The Medium-High Density Residential (R-3) zone allows up to 22 units per acre and the High Density Residential (R-4) zone allows up to 35 units per acre. **Table A-30** in the Housing Needs Assessment lists vacant sites suitable to meet the City’s RHNA. The acreage and unit capacities described in the Housing Needs Assessment demonstrate that the City is able to meet its 2007-2014 RHNA. Chico currently has 126.40 acres of vacant land available for multi-family residential development with a capacity of 1,994 units, 251.31 acres of land appropriate for the development of medium density residential development with a capacity of 2,638 units, and 805.27 acres zoned appropriate for low density residential with a capacity of 3,623 units. The City also has two special planning areas that incorporate high density residential requirements which will provide for an additional 924 units. Realistic capacity was determined by multiplying the number of acres by the maximum density for the site, and then 75 percent of that result was used as the final realistic unit number. The 75 percent assumption was derived from recent developments in the City described in **Appendix A**, the Housing Needs Assessment and maps of these sites can be found in **Appendix C**, Adequate Sites Inventory Maps.

Resources Available for the Provision of Affordable Housing

Currently there are several projects proposed or in the development pipeline that will assist the City in planning to meet its Regional Housing Needs Allocation. The policies that will be implemented will allow local housing development agencies to utilize funding sources to construct projects that will meet the RHNA for low-income households.

The City has available resources of funding that will support developers and agencies in assisting the City to meet the RHNA allocations for low-income households. Those resources include Article 34, Community Development Block Grant (CDBG) funds, HOME Program funds, Revenue Bond Financing, a Mortgage Subsidy Program, a Home Rehabilitation Program and the Chico Redevelopment Agency Low and Moderate Income Housing Fund. Other funding sources that the City will consider pursuing, though they are extremely competitive, in order to meet the RHNA allocations are the Low Income Housing Tax Credit Program, California Housing Finance Agency, State Department of Housing and Community Development (Multifamily Housing Program) and the U.S. Department of Housing and Urban Development (Section 202 and 811).

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Along with the various funding options available to the City, there are a number of organizations active in the City that secure funding to ensure the housing needs of low-income households are met. In cooperation with the City, the Housing Authority of the County of Butte, the Community Housing Improvement Program (CHIP), the Community Action Agency of Butte County, Inc. (CAABC), Northern Valley Catholic Social Services (NVCSS), Habitat for Humanity of Chico and ARC of Butte County, Inc. work to provide and manage affordable housing for the general population, seniors and the disabled.

Governmental Constraints

Within the City's Municipal Code for residential construction, the City permits or conditionally permits a variety of housing types to meet the various needs of the diverse population. The housing types include emergency shelters, transitional and supportive housing, housing for extremely low-income households, second dwelling units and housing for persons with disabilities.

In addition to facilitating a variety of housing types within the City's Municipal Code, the City is also responsible for processing development applications and collecting development fees related to residential construction. The amount of time that it takes for a permit request to be approved impacts the total cost of housing. To increase the speed at which the City approves projects, the City approved code amendments which, among other things, delegate more authority to staff and eliminate multiple hearings for appeals of project decisions. Also, the Development Review Committee (DRC) meets prior to application submittal to assist proposed projects, reducing the amount of time spent revising proposals. The DRC is offered to applicants at no cost, and has been successful identifying issues early in the review process.

The current development fees established by the City are similar to the fees charged by other jurisdictions located in the northern section of the Sacramento Valley and do not limit the abilities of developers in constructing new housing for low-income households. The typical fees for a single-family development are estimated at \$24,077. This includes the development impact fees, school fees and assumes the building permit fee for a single-family structure of 1,500 square feet (\$2,203). The estimated typical fee for a multi-family unit is \$25,468, which assumes the unit price for an 800 square foot unit in a total 20,000 square foot building (\$1,019/unit). Due to varying construction types, the average of the three types was used in this estimation.

Non-Governmental Constraints

Through responsive programs and policies, the City can offset the market constraints experienced by developers. The major components of the market that have an effect on developers being able to provide housing that meets the needs of residents are land cost, construction cost and the availability of financing.



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The City was successful in lowering the overhead for the development of Murphy Commons by opting to lease the land to CHIP. In order to help first-time homebuyers obtain mortgages since 1989, the City has offered a first-time homebuyers assistance program. Households within the City have also participated in the urban self-help program, which is a program that is executed by the City in conjunction with a partnership with the local Habitat for Humanity chapter as well as CHIP. During the previous planning period, the RDA executive director acquired five parcels of land, totaling 2.4 acres, on which will be built: 38 units of low-income affordable family housing; 10 units of supportive housing for persons with disabilities; and 6 homes for low to moderate income first-time home buyers. The Chico Redevelopment Agency has also assisted with offsetting financing constraints to building by allowing developers to use funding for construction cost, thus reducing the amount of private sector funding needed.

COMMUNITY PARTICIPATION

City staff developed a Housing Element Stakeholder mailing list that included a wide variety of interest groups concerned with housing issues in the City of Chico. The mailing list consisted of 225 individuals that were invited to the meetings described below. It included the following groups: major employers; non profit service providers; non profit developers; for profit developers; real estate brokers, lenders and managers; neighborhood activists and concerned citizens; and public entities.

STAKEHOLDER MEETING #1 (MAY 20, 2008)

On May 20, 2008 the City hosted a Stakeholders' Meeting at City Hall to introduce the Housing Element update to selected groups and persons who represent significant local stakeholders in the development of housing.

The groups that attended included those representing:

- Healthcare (Butte County, Enloe Healthcare)
- Education (local schools, CSU Chico, CSU Associated Students)
- Native American tribal groups (Mechoopda)
- Building industry associations (BIA)
- Property Management (RSC, Sheraton)
- For-profit builders and land developers
- Real Estate Agents

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- Neighborhood Associations
- Legal Services (LSNC)
- Non-profit developers of affordable housing (Community Action Agency, Caminar, CHIP, Housing Authority County of Butte, NVCSS)
- Special needs housing providers and housing services providers (Esplanade House, VECTORS, Christian Church Homes, Catalyst, Torres Shelter, Avenida Apartments)
- Chico General Plan Advisory Committee

The meeting included an introduction to the Housing Element update process and the content of the housing element, a discussion of priority housing needs; and desired locations for housing development.

The group was provided with a summary of the requirements of the Housing Element with specific mention of the need to meet the community’s needs for affordable housing and to meet the housing needs of special needs groups. The discussion included the Regional Housing Needs Allocation, the available land inventory and the current housing challenges of the City.

The attendees were then broken up into smaller groups of 8 to 9 people to perform two exercises and provide guidance to City staff. The first exercise resulted in an identification of housing needs and the relative priority of those needs. Each group created a list of the City’s greatest housing needs. Then each participant had five votes that they could place on the housing needs identified by the group. They had the option of putting more than one vote on one need to give it higher priority. Below is a summary of the housing needs identified.

Number of Votes	Housing Need
10+ votes	<ul style="list-style-type: none"> • Buildable land • Counseling for economic stability
6-10 votes	<ul style="list-style-type: none"> • One-bedroom apartments w/ supportive services (8 votes, identified by 2 groups) • Quality design (accessible, visual appeal, integration with neighborhood, green, 7 votes) • Diversity of housing types and sizes, identified by 3 groups) • Housing for the homeless • Special needs housing for seniors, mentally ill, veterans and homeless • Development assistance • Housing close to downtown, rental and for-sale



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	<ul style="list-style-type: none"> • Mixed income developments • More low-income affordable housing overall • Basic needs housing for seniors • Housing for individuals with credit challenges
Identified by 3 or more groups	<ul style="list-style-type: none"> • Credit counseling • Downpayment assistance • Increased homeless shelter capacity • Inclusionary zoning for all developments • Infill opportunity site development stimulated with regulatory relief • More on-campus student housing • More land for single-family residential

The second exercise had participants provide guidance on the location of new housing and preference for areas for redevelopment including the intensification of housing. Each group was given stickers representing 1,000 affordable units at different densities, which they were required to place on a map of Chico showing vacant land and potential redevelopment areas. The participants identified the following areas as housing development opportunity areas, ranked by area with most units placed.

1. Park Avenue from 8th Street to Meyers Street south of 20th Street
2. Fair Street from 20th Street to East Park Avenue
3. West of downtown from Walnut Street to Broadway between 5th and 11th Streets
4. Esplanade between Cohasset Road and 1st Avenue
5. Nord Avenue between West Lindo and West 8th Avenues
6. North of East Eaton Road just east of Highway 99
7. Highway 32 near the intersection with Bruce Road

Two different groups identified the following as new growth areas for affordable housing:

- Northwest section just east of Highway 32 between Mud Creek and Bell Road
- Esplanade intersection with Nord Highway

FOCUS GROUPS (JULY-AUGUST, 2008)

The City conducted two focus groups to identify housing needs and solutions— one with the Greater Chico Homeless Task Force and one with tenants of affordable housing. Following is a list of some of the highest priority needs identified:

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- Supply of affordable housing, particularly for the extremely low income, such as Single Room Occupancy buildings.
- Funds to assist the homeless, such as help with paying deposits, job training, child care and other supportive services.
- Lack of transitional housing with supportive services for homeless and people discharged from the hospital.

Following is a list of some of the highest priority solutions identified:

- Develop a clearinghouse to disseminate information about affordable housing programs.
- Zoning code flexibility and entitlement streamlining for affordable projects.
- Improve the design and amenities of affordable housing (improve ventilation, location near retail and public transit, additional storage space, additional supportive services).

HOUSING SYMPOSIA (AUGUST-NOVEMBER, 2008)

The City sponsored a series of four housing symposia in order to explore potential new housing programs. These are programs that other cities have successfully implemented, but had not been implemented by the City of Chico. For each symposium, a one-hour guest speaker presentation was followed by a question and answer session. A brief description of each symposium topic follows.

Housing Trust Fund— A Housing Trust Fund is a distinct fund comprised of local dedicated, recurring revenue sources to support production of affordable homes. It provides a flexible source of funding that can be targeted to locally-identified needs. It is usually operated by a non profit or government agency.

Community Land Trust (CLT)— A CLT, a non profit organization, is formed to hold title to land in order to preserve its long-term affordability. The CLT enters into a long-term land lease with a home buyer. The land lease requires a form of shared appreciation that provides limited equity to the buyer while preserving affordability for subsequent buyers. The CLT board of directors is typically composed of public officials, homeowners who lease land from the CLT, and at-large community members.

Employer Assisted Housing— A public-private partnership in which employers assist in reducing housing costs for residents. The program may be targeted to employees of a particular employer or may be a pool of funds with multiple contributing employers. Funds may be used for: homebuyer down payments; rental subsidies; or project financing.



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Inclusionary Zoning or Mixed Income Housing— A policy that requires developers to set aside a certain percentage of newly developed homes as affordable to various income levels. Inclusionary Zoning can include alternatives to building the units, such as land dedication or payment of in-lieu fees. It can also offer incentives to developers, such as density bonuses, use permit variances, public subsidy, and impact fee deferrals or waivers.

STAKEHOLDER MEETING #2 (DECEMBER 4, 2008)

The second stakeholder meeting was held on December 4, 2008 in the Council Chambers with invitations sent to the Housing Element Stakeholder mailing list. The purpose of this meeting was to receive input on Housing Element goals and policies. The meeting was attended by 18 people, consisting of 6 for profit developers, 5 non profit developers, 2 non profit service providers, 2 concerned citizens a representative from Enloe Hospital, a real estate broker, and representative of the Housing Authority of the County of Butte.

The first part of the meeting was an interactive large group discussion regarding the pros and cons of the potential programs, and what programs would be the best fit for Chico. Regarding the Housing Trust Fund, some participants raised reservations about charging impact fees or transfer taxes that would deter community investment or make housing more expensive overall. Other participants believed impact fees would be an appropriate means to raise affordable housing funds. Still others advised linking impact fees with the level of housing production so that larger projects that could afford the fee would be assessed. One participant suggested exploring other sources, such as casino development agreements. Regarding the Community Land Trust, some participants saw challenges in acquiring enough land to make a significant impact and dedicating adequate resources to administration. Others saw opportunities to use the program to redevelop brownfield sites and buy foreclosed homes. For Employer Assisted Housing, two participants recommended that the program is voluntary for employers, and not mandatory. Some saw opportunities for the City to work with Enloe Hospital to provide housing assistance to employees. The Enloe Hospital representative stated that the hospital would be willing to explore such a program, but would want to “own” the program, analyze the costs and benefits, and understand the impact on labor union negotiations before committing to it. In the Inclusionary Zoning discussion, participants identified benefits of the program, such as: a good way to mix housing types within a neighborhood; a method to help meet other federal and state housing production requirements; and a means to help integrate races and limit segregation. Participants also commented that Inclusionary Zoning may encourage development of more expensive luxury homes at expense of middle income homes. Others advised that the program must have a defensible nexus between the requirement and the benefit, and that the inclusionary requirement should be an impact fee instead of a construction requirement. One participant commented that making more land available to increase production would more effectively reduce prices. At the conclusion of the discussion, participants were asked to select their preferred new program. The Housing Trust Fund received 6 votes. No new programs also received 6 votes. Employer Assisted Housing and Inclusionary Zoning received 2 votes each. The Community Land Trust did not receive any votes.

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The second part of the meeting was a small group break-out to discuss the effectiveness of the City's current programs and ways to improve them. The groups were asked to respond to three questions. Below are the questions and their responses.

What are the top three most effective existing programs? Why?

All groups identified the Mortgage Subsidy Program and the Housing Rehabilitation Program as the most effective. Two groups identified rental housing construction. Others mentioned were the Community Development Block Grant (CDBG) program, Tenant Based Rental Assistance (TBRA), and the Rental Accessibility Program.

What suggestions do you have to improve existing programs?

- Fund with attention to what is happening relative to the home building cycle.
- Provide more public information about existing programs.
- TBRA participants may need more time in the program so they can increase income. (Currently participants receive assistance for a one-year period.)
- Research best practices, with a focus on results.
- Expand the Rental Accessibility Program to meet the need, and add incentives to increase more accessible and affordable units.
- Expand all programs.
- Integrate rental units into the surrounding neighborhood in location and design.
- Expand the Housing Rehabilitation Program, when possible.

Are there other programs we have not discussed that you would like to recommend? What housing needs are not being met by current programs?

- More starter homes with smaller square footage.
- Put more money into rehabilitation.
- Waive fees for second units when they are built to accommodate the elderly or disabled.
- Help the University to build student housing.
- Initiate a rental housing inspection program.
- Need housing and services for youth aging out of foster care.
- Encourage small scale infill by offering incentives, including leverage of RDA funds to subsidize infrastructure improvements.
- Explore ways to encourage development on alleys and flag lots.
- Flexible inclusionary zoning that is site specific and offers incentives.
- More funding for the Mortgage Subsidy Program.
- Programs for moderate incomes.

HOUSING SURVEY (DECEMBER, 2008)

In order to solicit broader input on potential new programs, City staff conducted an online survey after the second Stakeholder Meeting. The survey was emailed to the Housing Element Stakeholder



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mailing list. It consisted of two questions: 1) What best describes you? developer; non profit representative; concerned citizen; real estate lender, broker or manager; major employer; public representative or employee; or other.; and 2) Please rank the following in order of preference as a Chico Housing Program (1=greatest preference)— Trust Fund, Community Land Trust, Employer Assisted Housing, Inclusionary Zoning, and None of those listed. The survey was completed by 29 people, identifying themselves as the following: non profit representative (12); concerned citizen (7); public representative or employee (4); real estate lender, broker, or manager (2); developer (1); non profit developer (1); architect (1); pastor (1). The following is how the programs ranked, starting with the highest preference:

1. Housing Trust Fund
2. Community Land Trust
3. Inclusionary Zoning
4. Employer Assisted Housing
5. None of the above

It is interesting to note that Inclusionary Zoning received the most first place votes, with 10, but also received the most fourth-place votes, with 5. The “none of the above” category received the most last place votes.

GENERAL PLAN ADVISORY COMMITTEE (JANUARY 28, 2009)

On January 28, 2009, the General Plan Advisory Committee (GPAC) discussed Inclusionary Zoning and infill development. There were eight members of the GPAC in attendance and 14 members of the public. For each topic, the committee broke into two smaller groups for discussion, and then presented a summary of ideas to the larger group.

Regarding Inclusionary Zoning, the GPAC addressed questions as to how an Inclusionary Zoning ordinance should be drafted if one is adopted by the City Council. Several GPAC members felt it was a significant leap to assume that the City would adopt an inclusionary ordinance, and had reservations that such an ordinance was either necessary or workable. As to whether such a program should be mandatory, optional or incentivized, Group #1 did not believe that it would be a good program overall. If the City were to establish such a program, they recommended that it be mandatory with incentives. Group #2 agreed that incentives are needed for the program to work. No specific incentives were identified by either group. On the question of a reasonable percentage of affordable housing to be required, Group #1 did not make any specific recommendations. Group #2 suggested that 10% would be reasonable, split between affordability to moderate and low income groups based on City demographics. As to whether Inclusionary Zoning should apply to all residential development types, including mixed use, both groups recommended that it be applied to

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all. When asked whether the program should allow the obligation to be met through in-lieu fees, integration of homes into the development, or provision of land, both groups agreed that requirements should not result in concentrations of low-income housing in one area, and that affordable housing must be integrated with non-income targeted units. In the discussion that followed, several committee members stated that the cost burden for producing affordable housing should be spread over the largest possible group of citizens in an equitable way. They believed that if the community wants inclusionary housing, then the entire community should share in the cost. Some examples offered by committee members included transfer taxes prorated by the home selling price, or a sales tax. Two committee members suggested that an affordable housing program should not be a unit construction program, but rather a fee-based program. Two members of the public commented on the topic, one stating that Inclusionary Zoning does not work and is not consistent with Chico's character, and the other stating that Inclusionary Zoning should be considered as a tool to help people that work in the community to live there.

In the same meeting, the GPAC was asked to respond to questions regarding infill development. The following input had relevance as to the development of affordable housing:

- There was a general consensus that the City should do neighborhood planning to build consensus among neighbors for the shared vision of that neighborhood. Related comments emphasized the importance of neighborhood meetings that provide opportunities for meaningful input, and stressing the compatibility of a new development with the existing neighborhood. This could lead to better design and acceptance of infill development.
- The costs of redevelopment are too high. The City needs to incentivize it so it's not more costly than Greenfield development. The City needs to consider the costs and types of public improvements required to develop infill projects. These can make infill cost prohibitive.

In public comments on this issue, one participant urged the City to focus on the production of student housing in partnership with Chico State University to relieve housing demand and reduce costs. Another participant stressed the importance of improving bike routes and public transit to compliment higher density housing.

REVIEW OF PREVIOUS HOUSING ELEMENT

State law requires the City of Chico to review its current Housing Element in order to evaluate:

- "The appropriateness of the housing goals, objectives and policies in contributing to the attainment of the state housing goal."
- "The effectiveness of the Housing Element in attainment of the community's housing goals and objectives."



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- “The progress of the city, county, or city and county in implementation of the Housing Element.”

The appropriateness of the Housing Element can be determined by evaluating the effectiveness of its housing program (i.e., housing goals, policies and actions) in meeting the City’s share of the state’s housing goal. This is ascertained by analyzing the effectiveness of the Housing Element in assisting in the development of housing for all income groups in the City. Goals, policies and actions identified as effective will be continued. Inappropriate or ineffective goals, policies and actions will be discontinued or rewritten in order to bring about a successful conclusion.

The effectiveness of Chico’s Housing Element, in regard to meeting regional housing needs and the City’s quantified objectives, can be measured by the level of achievement in the development of new and rehabilitated housing and the success of the programs. The level of achievement is simply the actual construction divided by the RHNA goal. However, many uncontrollable factors in reaching the RHNA goal influence the City’s effectiveness (such as market recessions, available funding programs, available lenders, available developers and the political climate). For a complete review of the goals, policies and actions in the previous Housing Element, see **Appendix B**.

ADDITIONAL EFFORTS THE CITY IS UNDERTAKING

In addition to meeting the requirements of state law, the City is planning to establish a Housing Trust Fund, explore a Mixed-Income or Inclusionary Zoning program, pursue an Employer Assisted Housing program to meet the current housing needs in Chico, and produce an Affordable Housing Resource Guide. The following is a description of the efforts the City plans to undertake during this Housing Element period.

Housing Trust Fund (Action H.2.5.1)

The City will set up a Housing Trust Fund within the next 5-year Housing Element period. Staff received significant input throughout the Housing Element meetings emphasizing housing needs for the “workforce” (those earning near median income), and for the homeless and persons with disabilities. Housing that could assist these groups include first time home buyer opportunities, homeless shelters, and transitional housing with supportive services. However, federal and state funding sources restrict the City’s ability to create this type of housing. Redevelopment agency funds and federal HOME funds must be spent on “permanent” housing, affordable to persons earning less than 120% of area median income and to persons earning less than 80% of area median income, respectively. This excludes workforce housing affordable to households earning more than 120% of area median income, shelters and transitional housing. Federal CDBG funds can be used for shelters, but eligible costs for transitional and permanent housing are limited, and the allocation is small in relation to the need. The trust fund can address these needs by generating local funds that have the flexibility to meet local priorities, unrestricted by federal and state regulations. The trust fund could potential be used to expand housing and supportive services for homeless families, enhance the

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continuum of care network that assists the homeless in becoming self-sufficient, and build workforce housing that strengthens the economy.

The Housing Trust Fund will be a certified Community Development Financial Institution capable of providing donors with tax credits. City staff will provide technical assistance to organize the trust fund as a 501c3 nonprofit, with board membership representing the City and other government bodies, nonprofits, and the private sector. The board will establish funding criteria responsive to local housing needs and will raise funds. A small staff will manage the fund and market the program.

The City will establish the trust fund with the capacity to solicit and manage donations, set funding criteria, and disburse funds, by 2012. Staff will also research the fund generation capacity and economic impact of various permanent funding sources, such as real estate transfer fees and impact fees. After the trust fund is established, these options will be presented to the City Council for consideration.

Mixed-Income Program (Action H.2.5.2)

The City will implement a Mixed-Income or Inclusionary Zoning program that is responsive to the local political and economic environment. Many participants in the Housing Element meetings expressed the desire to integrate communities economically. Mixed-income housing is a possible means to reach that goal. At the same time, participants were wary of programs that place unfair burdens to produce affordable housing on certain segments of the community. Many emphasized the importance of offering incentives to building affordable housing.

Employer Assisted Housing (Action H.2.5.3)

The City plans to explore Employer Assisted Housing in the form of a first-time homebuyer assistance program for participating employers. This would be a match program in which the City contributes a match for each dollar of employer contribution toward an employee's home purchase, by means of a deferred-payment second loan.

Infill Incentive Program (Action H.2.3.2)

The City will develop an Infill Incentive Program in partnership with the Planning and Building Departments. Staff has received strong direction from the public and the City Council to direct a significant portion of future growth to infill areas within the city boundaries. In order to accomplish this, and produce affordable housing, a comprehensive and coordinated infill incentive program is necessary. Current general plan policies and the zoning code need to change if the City is to achieve its Updated General Plan vision. Deterrents to affordable infill housing include: costs to upgrade infrastructure; impact fees; parking restrictions; limitations on density; and a lengthy and costly entitlement process. Many of these changes will become part of the Updated General Plan, scheduled to be adopted in the summer of 2010. New mixed use zoning designations with higher residential



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densities are part of the Preferred Land Use Alternative that the City Council selected in November 2008. They include densities of up to 60 units per acre in the Downtown. Over the next year, City staff will develop more specific zoning code elements that will encourage infill development.

Affordable Housing Resource Guide (Action H.2.3.2)

The City will create an Affordable Housing Resource Guide that efficiently connects people in need of affordable housing with available resources. The guide will provide key information about current programs and affordable units, such as overall descriptions, qualification requirements, amenities and services, disabled accessibility, neighborhood information, deposit and rent amounts, and contact information. The guide will be distributed in two mediums: 1) a booklet to be distributed to housing providers, service providers, and the general public; and 2) an interactive website on which availability of vacant units and waiting list information is posted.

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Goals, Policies, and Actions

- Goal H.1:** Increase equal housing opportunities for all persons and households in Chico.
- Goal H.2:** Provide housing that is affordable for residents with low-incomes and low paying jobs, fixed incomes and pensions.
- Goal H.3:** Promote the construction of a range of high-quality housing choices that serve all households, ranging from the workforce to seniors.
- Goal H.4:** Encourage the creation of housing for those with special housing needs.
- Goal H.5:** Encourage the improvement, rehabilitation, and revitalization/reinvestment of Chico's existing residential neighborhoods.
- Goal H.6:** Increase the homeownership rate in Chico.
- Goal H.7:** Encourage energy efficient resources in new residential development as well as the existing housing stock.

The purpose of this section is to provide a plan for meeting the housing needs of the existing and future residents of Chico. The plan includes goals, policies and actions directed toward the preservation, improvement and development of a range of housing types and choices affordable to all income ranges in Chico. The housing program below provides a foundation upon which detailed housing activities will be developed and implemented.

- **GOAL H.1: Increase equal housing opportunities for all persons and households in Chico.**
 - **Policy H.1.1:** Encourage and support the enforcement of laws and regulations prohibiting discrimination in lending practices and in the sale or rental of housing.
 - ▲ **Action H.1.1.1:** 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. Department of Housing and Urban Development, depending on the specifics of the complaint.

Responsible Party: Housing & Neighborhood Services

Funding Source: CDBG

Time Frame: Ongoing

- **Policy H.1.2:** Remove regulatory constraints that impede equal opportunity to housing in the City.



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- ▲ **Action H.1.2.1:** Support a fair housing audit/review program to ensure that there are no regulatory constraints impeding persons from obtaining housing.

Responsible Party: Housing & Neighborhood Services

Funding Source: CDBG

Time Frame: Annually review the City's fair housing procedure to ensure there are no regulatory constraints.

- **GOAL H.2:** Provide housing that is affordable for residents with low-incomes and low paying jobs, fixed incomes and pensions.

- **Policy H.2.1:** Encourage development incentives that result in production of below-market-rate housing.

- ▲ **Action H.2.1.1:** Develop an Infill Incentive Program in partnership with the Planning and Building Departments. This program will encourage an increase in the development of affordable infill housing that integrates with neighborhoods. The City will research and identify effective incentives, including infrastructure assistance, exceptions in development standards, decreased parking requirements, flexible building code, impact fee deferrals or waivers, and project financing. The City will also adopt zoning code revisions that remove obstacles to developing infill projects, such as modifications to allowable density, parking requirements, and 2nd unit standards.

Responsible Party: Housing & Neighborhood Services/Planning Services/Building & Development Services

Funding Source: CDBG

Time Frame: Adopt zoning code revisions in 2011 subsequent to adoption of the Updated General Plan. Conduct an impact analysis of incentives with respect to effect on the city budget and economy by 2012. Develop a system for packaging and advertising incentives to developers by 2013. Prepare a proposal for Planning Commission and City Council consideration by 2014.

- ▲ **Action H.2.1.2:** Adopt a revision to the City zoning code regarding density bonuses for housing affordable to low and moderate incomes. Make the City zoning code consistent with current State law (California Government Code 65915-65918), including the provision for a density bonus of up to 35 percent and three incentives or concessions for projects that have at least 20 percent of units affordable to low-incomes, or 11 percent of units affordable to very low-incomes.

Responsible Party: Planning Services Department/Housing & Neighborhood Services Department

Funding Source: None.

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Time Frame: Revise zoning code in 2011 subsequent to adoption of the Updated General Plan.

- **Policy H.2.2:** Facilitate the use of federal and state programs which can assist in the development of new or purchase/rental of existing affordable housing.

- ▲ **Action H.2.2.1:** Provide financial assistance to private developers and nonprofit agencies to acquire rental housing that will be affordable to extremely low-, very low- and low-income households and maintain affordability for at least 55 years. Leverage federal and state funding for 130 units of rental housing affordable to extremely low-, very low- and low-incomes.

Responsible Party: Housing & Neighborhood Services/HACB

Funding Source: Low- Moderate Income Housing Fund (LMIHF)

Time Frame: Allocate LMIHF for the development of 60 units by 2011. Allocate LMIHF for the development of 70 additional units by 2012.

- **Policy H.2.3:** 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, off-site constructed housing, and City-provided technical assistance.

- ▲ **Action H.2.3.1:** The City will annually complete a Housing Element review and hold a public workshop or study session with the City Council to report the progress of the Housing Element implementation and discuss additional approaches to meeting the City's housing needs.

Responsible Party: Housing & Neighborhood Services

Funding Source: LMIHF

Time Frame: Annually

- ▲ **Action H.2.3.2:** Develop an Affordable Housing Resource Guide that efficiently connects people in need of affordable housing with available resources. Create a booklet that includes information about current programs (including a description, qualification requirements and contact information) and affordable units (including description, target population, amenities and services, disabled accessibility, qualification requirements, neighborhood information, deposit and rent amounts, and contact information). Develop an interactive website to post this information and notify of vacant units as they become available.

Responsible Party: Housing & Neighborhood Services

Funding Source: LMIHF



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Time Frame: Distribute the booklet to government offices, service providers and the general public by 2010. Develop an interactive website on which housing providers can post vacant units as they become available by 2011.

- **Policy H.2.4** Facilitate community awareness of the relationship between various housing densities and public impacts, costs and opportunities associated with the densities.

- ▲ **Action H.2.4.1:** 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. Incorporate an educational component to all affordable housing strategies proposed for adoption and financial assistance.

Responsible Party: Planning Services/Housing & Neighborhood Services

Funding Source: General Fund

Time Frame: This educational program will be combined with the annual Housing Element review City Council workshop and public meeting.

- **Policy H.2.5:** Develop funding and housing production mechanisms that bring local resources to bear on the greatest housing needs.

- ▲ **Action H.2.5.1:** Set up a Housing Trust Fund that is a certified Community Development Financial Institution capable of providing donors with tax credits. City staff will provide technical assistance to organize the trust fund as a 501c3 nonprofit, with board membership representing the City and other government bodies, nonprofits and the private sector. The board will establish funding criteria responsive to local housing needs and will raise funds. A small staff will manage the fund and market the program.

Responsible Party: Housing & Neighborhood Services

Funding Source: LMIHF

Time Frame: Establish a Housing Trust Fund by 2011. Research the fund generation capacity and economic impact of various permanent funding sources, including real estate transfer fees and impact fees, by 2012. After the trust fund is set up, present permanent funding source options to the City Council for consideration by 2014.

- ▲ **Action H.2.5.2:** The City will develop and implement a Mixed Income/Inclusionary Zoning program that is responsive to the local political and economic environment. The City will at least consider the following topics:

- Minimum number of units threshold
- Feasible affordable set-aside requirements

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- Alternatives to building on-site
- Types of effective incentives

Responsible Party: Housing & Neighborhood Services

Funding Source: LMIHF

Time Frame: Present these options to the City Council for consideration and feedback by 2012.

- ▲ **Action H.2.5.3:** The City will explore an Employer Assisted Housing Program in the form of a first-time homebuyer assistance program for participating employers. This would be a match program in which the City contributes a match for each dollar of employer contribution to an employee's home purchase, by means of a deferred-payment second loan. The City will form a working group with interested employers and research appropriate dollar amounts and types of loans, along with best practices. The City will share the working group's information with employers to understand employers' needs and assist them in conducting cost benefit analyses.

Responsible Party: Housing & Neighborhood Services

Funding Source: LMIHF

Time Frame: If there is adequate interest, draft policies and procedures to present to participating employers and the City Council for adoption by 2013.

- ▲ **Action H.2.5.4:** At the time of entitlement applications, the City will negotiate with developers within newly developing Special Planning Areas (SPA) to assure the provision of housing units affordable to very low-, low-, and moderate-income households within the SPA.

Responsible Party: Housing & Neighborhood Services

Funding Source: General Fund/LMIHF

Time Frame: 2009-2014.

- **Goal H.3:** Promote the construction of a range of high-quality housing choices that serve all households, ranging from the workforce to seniors.
 - **Policy H.3.1:** Ensure a balanced rate of growth between housing production, employment and provision of services.



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- ▲ **Action H.3.1.1:** Consider expanding the City's Sphere of Influence 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.

Responsible Party: Planning Services

Funding Source: General Fund/Private Development

Time Frame: 2010/2012

Projected Units: N/A

- ▲ **Action H.3.1.2:** Continue to implement the Transit Corridor Overlay (TCO) Zone throughout the City including parts of the Esplanade and Park Avenue to encourage higher density and mixed uses along underutilized transit corridors. The overlay zone allows residential uses above ground floor office or retail and reduced parking standards.

Responsible Party: Planning Services

Funding Source: General Fund

Time Frame: The City will inventory housing opportunities in the TCO zone by August 2010.

- **Policy H.3.2:** Strive to maintain adequate opportunity for housing construction to meet future needs.

- ▲ **Action H.3.2.1:** The City will continue to maintain a current inventory of vacant and underutilized 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. The City's ability to meet the projected RHNA allocation is based on the current 1994 General Plan (e.g., land plan, land use designations, densities), as amended, and current zoning. Anticipated additions to the City's land supply from the General Plan Update will be incorporated after adoption of the 2030 General Plan. The City will also disallow incremental rezoning and/or General Plan amendments which reduce available acreage below that needed to provide for the regional housing allocation.

Responsible Party: Planning Services

Funding Source: General Fund

Time Frame: This will be completed as part of the General Plan implementation program that will be completed by early 2011.

Projected Units: N/A

- ▲ **Action H.3.2.2:** Most assisted housing developments utilizing State or federal financial resources include 50 to 150 units. The City will provide incentives and technical assistance through the processing of subdivision or larger sites located in Specific Plans and Special Planning Areas to facilitate development of a variety of housing types and affordability

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consistent with typical developments affordable to lower income households. The City will offer the following incentives for the development of affordable housing including but not limited to: priority processing for subdivision maps that include affordable housing units, expedited review for the subdivision of larger sites into buildable lots where the development application can be found consistent with the General Plan, applicable Specific Plan and master environmental impact report, financial assistance (based on availability of federal, state, local foundations, and private housing funds, and modification of development requirements, such as reduced parking standards for seniors, assisted care, and special needs housing on a case-by-case basis.

Responsible Party: Planning Services

Funding Source: General Fund

Time Frame: Ongoing, as projects are submitted to Planning Services.

- **Policy H.3.3:** Promote a mix of dwelling types and sizes and avoid the formation of new residential areas having a uniform housing type and size throughout.
- ▲ **Action H.3.3.1:** Implement the City's adopted Neighborhood Plans, Master Plans and Specific Plans which identify underutilized areas for transitioning to residential or mixed uses, and provides specific design guidance requiring mixed housing, neighborhood-serving retail and maximization of transit opportunities.

Responsible Party: Planning Services

Funding Source: General Fund

Time Frame: Ongoing.

- ▲ **Action H.3.3.2:** Continue to implement the Traditional Neighborhood Development Code (TND) that promotes higher density, vertical and horizontal mixed use, and greater flexibility in the provision of parking. The goal of the code is to promote a significant variety of housing stock, commercial and community services within walking distance of residences, within a pedestrian scale environment.

Responsible Party: Planning Services

Funding Source: General Fund

Time Frame: Ongoing. The TND code was adopted in 2007.

- ▲ **Action H.3.3.3:** Update/modify the zoning code to implement land use policies and promote design flexibility for residential developments, particularly for those located in unique settings.

Responsible Party: Planning Services

Funding Source: City Funded/Private Development



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Time Frame: 2010-2011; new land use designations currently being developed for the General Plan update will be incorporated.

- ▲ **Action H.3.3.4:** Implement mechanisms that promote and facilitate mixed residential-commercial development along commercial corridors served by transit such as:
 - Allow horizontal and vertical residential-commercial uses
 - Enable separate ownership of ground-level commercial and above-ground residential uses
 - Include development standards that act as an incentive for mixed use, including reduced off-site parking and open space standards
 - 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
 - Concentrate higher density housing near transit routes, shopping centers and downtown
 - Facilitate development of a mixed-use demonstration project

Responsible Party: Housing & Neighborhood Services

Funding Source: General Fund /LIHTF

- **Time Frame: Implement mechanisms and adopt necessary code revisions, consistent with the Updated General Plan, by 2011. Policy H.3.4:** Encourage residential development which provides quality housing and incorporates good design principles.

- ▲ **Action H.3.4.1:** Amend the City's Design Review Manual to provide a more predictable and transparent entitlement process.

Responsible Party: Planning Services

Funding Source: City Funded

Time Frame: 2009-2010.

- **Policy H.3.5:** Strive to maintain an adequate supply of rental housing in Chico to meet the needs of all renters, including students and employees of the college.

- ▲ **Action H.3.5.1:** As part of the update to the General Plan Land Use Element, increase the zoning densities around the CSU Chico campus to encourage and promote construction of additional housing for students and faculty within walking distance of campus.

Responsible Party: Planning Services

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Funding Source: General Fund

Time Frame: 2010-2011

- ▲ **Action H.3.5.2:** Ensure the development of an adequate number of one- and two-bedroom apartments to serve the needs of small households within the community through negotiations with developers in newly developing Special Planning Areas (SPA) (Action H.3.2.2), mixed-use land designations in the General Plan update (Action H.3.3.4), and implementation of the density bonus provision in the Municipal Code (Action H.2.1.2).

Responsible Party: Planning Services Department

Funding Source: General Fund

- **Time Frame: 2010–2014** **Policy H.3.6:** Promote the continued maintenance and enhancement of residential areas, both in terms of housing and public facilities.

- ▲ **Action H.3.6.1:** Provide for infrastructure and service demands, including sanitary sewers, storm drainage, street and alley improvements, transit facilities, utilities, schools, and park facilities, generated by residential development as development occurs.

Responsible Party: Capital Projects/General Services Department

Funding Source: General Fund/CDBG

Time Frame: 2009–2014

- **GOAL H.4:** Encourage the creation of housing for those with special housing needs.

- **Policy H.4.1:** Encourage a diversity of housing opportunities that satisfy the physical, social and economic needs of all Chico residents.

- ▲ **Action H.4.1.1:** The City currently evaluates the need for reasonable accommodations for persons with disabilities on a case-by-case basis. The City will develop a more formalized reasonable accommodation procedure that will provide an administrative exception process in zoning and land use matters for housing for persons with disabilities, as required by State law (SB 520). For example, a physically disabled resident may request an entrance ramp that must be built within the setback stipulated by the zoning code. The process may include minimal review by the Planning Director and may include the following criteria:

- The request for reasonable accommodation will be used by an individual with a disability protected under fair housing laws.
- The requested accommodation is necessary to make housing available to an individual with a disability protected under fair housing laws.



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- The requested accommodation would not impose an undue financial or administrative burden on the City.
- The requested accommodation would not require a fundamental alteration in the nature of the City's land use and zoning program.

Responsible Party: Planning Services

Funding Source: General Fund

Time Frame: The City will develop a formalized procedure by November 2010. Information regarding reasonable accommodations will be available on the City's website.

- **Policy H.4.2:** Incorporate childcare services into new residential developments.
 - ▲ **Action H.4.2.1:** 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.

Responsible Party: Housing & Neighborhood Services

Funding Source: General Fund

Time Frame: 2010-2012

- **Policy H.4.3:** Assist in the provision of housing for persons with disabilities.
 - ▲ **Action H.4.3.1:** In cooperation with Independent Living Services of Northern California (ILSNC), 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 total number of accessible and adaptable units. The City and ILNC are also working to encourage more "visitability" in new residential construction to enable disabled persons to visit non-disabled persons.

Responsible Party: Building & Development Services/Planning Services/Housing & Neighborhood Services

Funding Source: CDBG

Time Frame: The inventory will be distributed annually and the brochure on "visitability" will be completed in August of 2009.

- **Policy H.4.4:** Assist in the provision of housing for seniors.
 - ▲ **Action H.4.4.1:** Encourage the development of a variety of housing options for the elderly by providing financial support when feasible and by providing technical assistance

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to organizations and individuals interested in development of elderly housing. Promote programs that allow seniors to age in place.

Responsible Party: Housing and Neighborhood Services/Planning Services/Redevelopment Agency

Funding Source: City-funded staff/HUD Section 202/LMIHF/other state/redevelopment and federal programs

Time Frame: Ongoing, as projects are submitted to the Planning Services

- **Policy H.4.5:** Seek to provide emergency shelter for persons temporarily in need of such housing.
- ▲ **Action H.4.5.1:** Continue the Tenant Based Rental Assistance Program (TBRA) to assist households at risk of becoming homeless and who are participating in a self-sufficiency program.

Responsible Party: Housing & Neighborhood Services

Funding Source: LMIHF/CDBG

Time Frame: This program will continue as funding is available.

- **Policy H.4.6:** House the homeless and others in crisis situations and identify adequate sites for emergency shelters and transitional housing.
- ▲ **Action H.4.6.1:** California Health and Safety Code (Section 50801) defines an emergency shelter as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or households may be denied emergency shelter because of an inability to pay.”

Currently the City allows emergency shelters allows “outright” permanent emergency shelters in the Public/Quasi-Public (PQ) zone, the only vacant areas within the City with that designation are generally future park sites. Pursuant to Senate Bill 2, the City will amend the Zoning Ordinance to allow emergency shelters as a permitted use in the (ML) district without a conditional use permit or other discretionary review. In addition, the City will evaluate adopting development and managerial standards that will be consistent with Government Code Section 65583(a)(4). These standards may include such items as:

- Lighting
- On-site management
- Maximum number of beds or persons to be served nightly by the facility



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- Off-street parking based on demonstrated need
- Security during hours that the emergency shelter is in operation.

Funding Source: General Fund

Time Frame: The City will amend the Municipal Code to allow permanent shelters in the ML zone by August 2010.

- ▲ **Action H.4.6.2:** Pursuant to Senate Bill 2, the City must explicitly allow both supportive and transitional housing types in all residential zones. The City shall update its Zoning Code to include separate definitions of transitional and supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14. Both transitional and supportive housing types will be allowed as a permitted use subject to only the same restrictions on residential uses contained in the same type of structure.

Responsible Party: Planning Services

Funding Source: General Fund

Staff Time: The City will amend the Municipal Code to allow for transitional and supportive housing in all residential zones by August 2010.

- **Policy H.4.7:** Allow for the development of Single Room Occupancy units.
 - ▲ **Action H.4.7.1:** The City will continue to support the development of Single Room Occupancy (SRO) units or other types of housing affordable to extremely low-, very low- and low-income persons convenient to transportation and other support services. The City will prioritize and leverage federal and state funding for the development of SRO units (in conjunction with Action H.2.2.1). SROs are currently a permitted use in all multi-family zones in the City's Municipal Code.

Responsible Party: Planning Services/Housing and Neighborhood Services

Funding Source: City-funded staff/LIHTC/RDA-LMIHF/other state and federal programs as available

Time Frame: Ongoing, as funding becomes available and projects are processed through the Planning Department.

- **Policy H.4.8.1:** Continue to work with Chico State University to provide housing for students.
 - ▲ **Action H.4.8.1:** Encourage Chico State University to continue to involve residents, community organizations, students, staff, city government and school administrators in long and short-range plans for campus housing.

7 HOUSING ELEMENT



Responsible Party: Planning Services/Housing and Neighborhood Services

Funding Source: General Fund

Time Frame: Meeting with the Chico Campus Housing Department annually to discuss student housing plans.

- GOAL H.5: Encourage the improvement, rehabilitation, and revitalization/reinvestment of Chico's existing residential neighborhoods.
- **Policy H.5.1:** Maintain and enhance the character and affordable nature of Chico's older neighborhoods.

▲ **Action H.5.1.1:** The City will continue implementing the neighborhood planning program that includes the following actions:

1 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.

Responsible Party: Planning Services/Housing Neighborhood Services

Funding Source: Apply for state infill grants as NOFAs are released.

Time Frame: Infill development sites will be identified as part of the City's General Plan update. The new Land Use Map is due for adoption in 2010.

- **Policy H.5.2:** Minimize the loss of existing assisted units because of conversion to market-rate units or physical deterioration.

▲ **Action H.5.2.1:** Maintain a list of existing affordable housing developments that are at risk of losing affordability covenants and coordinate with the Housing Authority of the County of Butte and local nonprofit housing development organizations to preserve these units. Assist in negotiating affordability period extensions or sale of property to local nonprofit organizations. Allow owners to redevelop their properties at higher densities as an incentive to maintain affordability covenants.

Responsible Party: Housing and Neighborhood Services

Funding Source: LMIHF/HOME/CDBG

Time Frame: Annually update the list of existing affordable housing developments at risk. Contact the owners one year prior to expiration to determine the owner's plan and the feasibility of preserving the affordability of the units.



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- **Policy H.5.3:** Continue the commitment to preserve older neighborhoods through housing rehabilitation, compatible infill and redevelopment projects.

- ▲ **Action H.5.3.1:** Continue to implement Infill Residential Flag Lot Standards. These regulations will allow infill development in the form of flag lots, while protecting the character of existing neighborhoods and the privacy of adjacent residents.

Responsible Party: Planning Services

Funding Source: General Fund

Time Frame: Ongoing

- **Policy H.5.4:** Aggressively enforce compliance where code violations exist in residential structures, in order to maintain existing housing stock in a safe and habitable condition.

- ▲ **Action H.5.4.1:** The City will conduct a Rental Rehabilitation Inspection Program to develop an inventory of eligible rental complexes. A program for rehabilitating rental units will be developed after the inventory is completed.

Responsible Party: Housing and Neighborhood Services

Funding Source: LMIHF/HOME/CDBG

Time Frame: Conduct initial inspection by August 2011 and develop a program by October 2012.

- **Policy H.5.5:** Continue to pursue low-interest loan programs targeted to rehabilitation of older residential structures.

- ▲ **Action H.5.5.1:** Continue the City's program for rehabilitating substandard owner-occupied residential units occupied by low-income households qualifying under federal guidelines.

Responsible Party: Housing and Neighborhood Services

Funding Source: HOME/CDBG

Time Frame: 2009–2014

- **Policy H.5.6:** Support and guide the rehabilitation of and reinvestment in existing residential buildings.

- ▲ **Action H.5.6.1:** Establish an ongoing program to monitor and inventory housing conditions in the Chico Urban Area. This program should include annual review of demolition and home improvement activity with field follow-up as warranted and a comprehensive community survey conducted in conjunction with the update of the Housing Element.

7 HOUSING ELEMENT



Responsible Party: Building & Development Services/Planning Services/Housing and Neighborhood Services

Funding Source: CDBG/LMIHF

Time Frame: Inventory the City's housing conditions by December 2011 and develop an annual review program thereafter.

■ GOAL H.6: Increase the homeownership rate in Chico.

- **Policy H.6.1:** Promote homeownership opportunities for all economic sectors of the population.

- ▲ **Action H.6.1.1:** 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.

Responsible Party: Housing & Neighborhood Services

Funding Source: LMIHF

Time Frame: Begin construction of an attached ownership housing project by 2011. Complete construction by 2012.

- **Policy H.6.2:** Encourage the development of affordable housing for first-time homebuyers.

- ▲ **Action H.6.2.1:** Promote homeownership through the Mortgage Subsidy Program for low- and moderate-income first-time homebuyers. The City will utilize its MSP 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.

Responsible Party: Housing & Neighborhood Services

Funding Source: LMIHF/HOME

Time Frame: Ongoing, as funding is available

- **Policy H.6.3:** Continue to allocate resources to assist low- and moderate-income households to become homeowners.

- ▲ **Action H.6.3.1:** In conjunction with local nonprofits, 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.

Responsible Party: Housing and Neighborhood Services/Nonprofits

Funding Source: State HCD/CalHFA/LMIHF



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Time Frame: Complete 8 self-help homes by 2011. Complete an additional 15 self-help homes by 2012.

- **Policy H.6.4:** Continue to provide credit counseling services to residents.
 - ▲ **Action H.6.4.1:** Encourage counseling on the responsibilities of homeownership and debt management, home loan information and house analysis through assistance to local housing and credit counseling service providers.

Responsible Party: Local nonprofits, property management organizations, Chico Redevelopment Agency and the Community Housing and Credit Counseling Center (CHCCC)

Funding Source: CDBG/HOME

Time Frame: Ongoing

- **Policy H.6.5:** Consider the feasibility of a community land trust.
 - ▲ **Action H.6.5.1:** Consider a land trust program which combines land banking and improvements as the City's equity share with a local nonprofit organization or private developer constructing units and/or supervising self-help projects. Land cost and improvements would be discounted to reduce the price of the house and thus lower payment and mortgage amounts.

Responsible Party: Housing and Neighborhood Services/Nonprofits

Funding Source: LMIHF

Time Frame: Ongoing

- **GOAL H.7: Encourage energy efficient resources in new residential development as well as the existing housing stock.**
 - **Policy H.7.1:** Continue to enforce energy standards required by the State Energy Building Regulations for residential development and reduce long-term housing costs through planning and applying energy conservation measures.
 - ▲ **Action H.7.1.1:** Disseminate informational materials 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.

Responsible Party: Planning Services

Funding Source: City Funded

Time Frame: 2009–2014

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- ▲ **Action H.7.1.2:** The City shall review its land use regulations and subdivision ordinance and where appropriate add provisions which promote and/or require energy conservation planning and renewable energy systems as factors in project approval.

Responsible Party: Planning Services

Funding Source: City Funded

Time Frame: 2009–2014

- ▲ **Action H.7.1.3:** Explore financing options including State and Federal grants, low interest loans, etc. for the installation of energy-efficiency measures and renewable energy systems in all new and existing residential projects.

Responsible Party: Planning Services/Housing & Neighborhood Services

Funding Source: General Fund

Time Frame: 2009–2014

- ▲ **Action H.7.1.4:** Incorporate green building design, systems and materials into projects receiving City funding that exceed current City Building Code standards for energy efficiency.

Responsible Party: Housing & Neighborhood Services Department

Funding Source: CDBG/HOME/LMIHF

Time Frame: 2009–2014

- **Policy H.7.2:** Increase the energy efficiency of the existing housing stock.

- ▲ **Action H.7.2.1:** Partner with the local weatherization provider, Community Action Agency (CAA), to increase the energy efficiency of homes that receive assistance through the City's Housing Rehabilitation Program for low-income home owners. Establish a minimum number of homes to be assisted on an annual basis and assistance procedures through a Memorandum of Understanding with CAA.

Responsible Party: Housing & Neighborhood Services Department

Funding Source: Federal Department of Energy/PG&E

Time Frame: Execute a Memorandum of Understanding with CAA by 2010.

QUANTIFIED OBJECTIVES SUMMARY

Based on the policies and actions outlined above, the following objectives represent a reasonable expectation of the maximum number of new housing units that will be developed, rehabilitated or conserved and the number of households that will be assisted over the next 5 years (Table 2). The City should be able to facilitate the construction of 5,183 new units, assist 150 household with first-



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time home buyer loans, assist with the rehabilitation of 100 units, and preserve 295 units between 2009 and 2014.

TABLE 2
SUMMARY OF QUANTIFIED OBJECTIVES

Task	Income Level					Total
	Extremely Low	Very Low	Low	Moderate	Above Moderate	
New Construction	717	637	990	960	1,879	5,183
First-time Homebuyer Program	0	0	50	100	0	150
Preservation ¹	0	0	100 ¹	0	0	100
Conservation		295 ²		0	0	295
Total	717	932	1,140	1,060	1,879	5,728

1 Estimate for the number of owner occupied rehabilitations the City anticipates doing over the next five years.

2 Units currently at risk of losing affordability: Villa Rita (52 units), Trans Pacific Gardens (163 units), and Cinnamon Village (80 units).

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The Housing Needs Assessment is the section of the Housing Element that presents the characteristics of the City's population and housing stock as a means of better understanding the nature and extent of unmet housing needs. The following components comprise the Housing Needs Assessment: (1) Demographic Profile; (2) Household Profile; (3) Housing Stock Characteristics; and (4) Regional Housing Needs. The data used in preparing the Housing Needs Assessment was taken from the 1990 and 2000 U.S Census, 2006 American Community Survey, Department of Finance, Butte County Association of Governments (BCAG), 2008 Claritas projections, Housing and Urban Development, Employment Development Department, and the California Department of Housing and Community Development. While the 2000 Census is still considered the most reliable source of demographic information, it has now been 10 years since the data was collected and therefore the validity of the numbers has lessened. To correct this, the City has used 2008 projections provided by Claritas, a data collection firm. The Claritas numbers use 2000 Census data as a baseline for these projections. In instances where Claritas did not provide updated numbers, the 2006 American Community Survey was used.

DEMOGRAPHIC PROFILE

Demographic changes in the makeup of the City can affect the type and amount of housing that is needed to meet the needs of the City's residents. This section addresses the demographic segments of population, age, race and ethnicity, and employment. Student enrollment trends at California State University, Chico are also examined, due to the unique influence students have on the City of Chico's housing stock.

Population Growth Trends and Projections

Chico and the surrounding area have grown steadily since 2000. **Table A-1** summarizes the estimated population growth for the City of Chico, Butte County and California in 2000, 2004 and 2008. The Department of Finance (DOF) estimates that Chico's 2008 population is 86,949, which is an increase of 44 percent from the 2000 DOF estimate. The DOF also projects that the state's population over the 8-year period will grow by 12 percent and the County by 8 percent. The high rate at which Chico's population has grown can be attributed to the City's recent annexations of surrounding unincorporated areas, which also explains the County's minimal growth rate of 3.8 percent from 2004 to 2008. Between 1996 and 2004, the City acquired a large number of housing units as part of its annexation of surrounding unincorporated communities.



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**TABLE A-1
POPULATION GROWTH TRENDS 2000–2008**

Population	2000	2004	2008	Percentage Change 2000-04	Percentage Change 2004-08
Chico	60,516	71,207	86,949	18%	22%
Butte County	203,171	212,293	220,407	5%	4%
California	33,873,086	36,199,342	38,049,462	7%	5%

Sources . Dept. of Finance, Table 2 E-4 Population Estimates for Cities, Counties and State

As seen in **Table A-2**, Bay Area Economics (BAE) projects that between 2010 and 2030 the population of Chico will grow by 41 percent, with an annual average growth rate of 2 percent. The BAE projections do not include growth due to annexations of already inhabited land. Through the life of the General Plan, the City staff anticipates that annexations will add 5,220 residents to the City population.

**TABLE A-2
POPULATION GROWTH PROJECTION**

Jurisdiction	2010	2015	2020	2025	2030	Percentage Change 2010-2030
Biggs	1,955	2,311	3,062	3,533	3,997	104%
Chico*	90,009	98,140	107,006	116,672	127,211	41%
Gridley	7,231	9,141	10,804	11,928	13,170	82%
Oroville	15,696	20,033	23,447	25,888	28,582	82%
Paradise	27,592	29,433	30,781	32,192	33,667	22%
Unincorporated County	93,991	98,786	103,825	109,121	114,687	22%
Total Butte County	232,075	254,224	276,277	297,882	321,315	38%

Source: Butte County Association of Governments, Regional Growth Projections 2006–2030

*Data is derived from Bay Area Economic “Market Opportunities and Land Absorption Projections,” Table 6. Projections do not include growth due to annexations.

Age Characteristics

According to the 2008 Claritas projections, the median age (29.1) of Chico residents is much lower than the median age in Butte County (34.7) and California (34.4) as a whole. Almost one-quarter of the City’s population is college-aged, as compared to one-tenth of the California population, which makes it necessary to consider the effects of the high student population on the community’s housing needs. Though the student population is the largest age group, **Table**

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A-3 shows that the age distribution in the community is still diverse, as one in five Urban Area residents was under age 18 in 2008, and nearly one in ten had reached age 65.

As seen in **Table A-3**, between the 2000 Census and the 2008 Claritas projections, Chico’s population in the 18-24 age group will experience a slight decline as a portion of the whole population and the population in the 55-64 age group will experience a slight increase. This shift in the age of the population attributes to the 18 percent increase in the City’s median age, which is still well below the median age in Butte County and the state.

**TABLE A-3
AGE DISTRIBUTION, 2000–2008**

Age Range	2000		2008	
	Number	Percentage of Total	Number	Percentage of Total
Under 18	12,241	21%	13,571	20%
18–24	16,131	27%	15,348	23%
25–34	9,078	15%	11,500	17%
35–44	6,951	12%	8,575	13%
45–54	6,125	10%	6,957	10%
55–64	2,915	5%	5,057	8%
65 and Over	6,003	10%	6,290	9%
Total	59,444	100%	67,298	100%
Median Age	24.6		29.1	

Source: 2000 U.S. Census and 2008 Claritas, Pop-Facts: Demographic Snapshot Report

Race and Ethnicity

As reported in **Table A-4**, Butte County is predominantly a white community. According to the 2008 Claritas projections, 27 percent of the population in Chico is non-white. Of the non-white population in Chico, the number of residents reporting to be of Hispanic origin (14 percent of the population) has increased by 2 percent since the 2000 Census, which is a common trend in Butte County.



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TABLE A-4
ETHNIC CHARACTERISTICS, 2000–2008

	2000 City of Chico		2008 City of Chico	
	Number	% of total	Number	% of Total
White	46,258	77%	49,349	73%
Black or African American	1,174	2%	1,455	2%
American Indian and Alaska Native	625	>1%	769	1%
Asian & Pacific Islander	2,579	4%	3,611	5%
Hispanic Origin	7,351	12%	9,673	14%
Other Race	166	>1%	176	>1%
Two or More Races*	1,783	3%	2,265	3%
Total	59,954	100%	67,298	100%

Source: 2000 Decennial U.S. Census. 2008 Claritas, Pop-Facts: Demographic Snapshot Report

Employment

Evaluation of the types of jobs held by community residents provides insight into the potential earning power and the segment of the housing market into which they fall. Information on how a community’s employment base is growing and changing can help identify potential housing demand changes in the future.

The State Employment Development Department (EDD) estimates that 91,430 people will be employed in 2014 within the Chico Metropolitan area, which is 12 percent more than the 81,630 employed in 2004.

Table A-5 presents the occupational projections within the Chico Metropolitan area from 2004 to 2014. The projected employment change between each occupation from 2004 to 2014 is the percentage of growth in the labor force within each occupational category.

As reported in **Table A-6**, Farming, Fishing, and Forestry is the only occupational category in which the EDD has projected a decline (6 percent) in total jobs, while all other occupations are expected to grow, from 9 percent to as high as 17 percent.

Sales and Office occupations make up the largest segment of those employed at one-quarter of the total positions held by Chico residents, followed by the Production, Transportation, and Material Moving sector.

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**TABLE A-5
OCCUPATIONS OF CHICO METROPOLITAN RESIDENTS**

Occupation	Annual Average Employment				Projected Employment Change from 2004-2014
	2004		2014		
	Persons	Percentage	Persons	Percentage	Percentage
Management, Professional, Technical, and Related	13,730	17%	15,560	17%	13%
Healthcare, Personal Care, and Protective Service	12,590	15%	14,740	16%	17%
Sales and Office	21,220	26%	23,050	25%	9%
Farming, Fishing, and Forestry	2,270	3%	2,130	2%	-6%
Construction, Extraction, and Maintenance	10,130	12%	11,740	13%	16%
Production, Transportation, and Material Moving	14,680	18%	16,550	18%	13%
Education, Training, and Library	7,010	9%	7,660	8%	9%
Total	81,630	100%	91,430	100%	12%

Source: Employment Development Department, Occupational Employment Projections 2004–2014

Table A-6 highlights the largest private employers in the City of Chico. In addition to the largest private employers in the City, the Chico Unified School District employs 1,443 people, of which 792 are certificated and 512 are classified, California State University, Chico employs over 1,000 people, and the City of Chico employs 518 people.

**TABLE A-6
GREATER CHICO LARGEST PRIVATE EMPLOYERS, 2008**

Employer	Number of Employees
Enloe Medical Center	2,400
Associated Students California	920
WalMart	350
Sierra Nevada Brewery	325
Raley's	245
Aero Union	240
Costco Wholesale Corp.	220
Sungard Public Sector	208
Association for Retarded Citizens	200
Addus Healthcare Inc.	200



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Source: Company Data 2008

College Student Population

The City defines the student population as persons between 18 and 24 years of age who have located in the City to attend school at California State University, Chico and Butte College. 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 percentage of income) for housing.

The CSU, Chico Master Plan was approved by the California State University Board of Trustees in July 2005 to support a required growth allowance that would take the campus to a student enrollment of 15,800 Full-Time Equivalent Students (FTES), an 1,800-FTES increase over current capacity. FTE is the total number of course hours enrolled in during a particular semester, divided by 15 for undergraduates and divided by 12 for graduate students. The Master Plan accommodates a campus building plan that includes construction of five new major academic buildings, two recreational facilities, a natural history museum, a childcare center, approximately 1,300 bed-spaces of student housing and two parking structures. Fulfillment of the various Master Plan projects will require acquisition of additional properties adjacent to the campus. **Table A-7** shows the projected student enrollment through 2014 for California State University, Chico. The University Master Plan assumes an overall growth rate of 1.5 percent per year in student enrollment. Construction on the new student housing (1,200 units) and food service facility, Sutter Hall, began in July of 2008 and is expected to be complete in May 2010. In addition to the California State University, Chico student population, Butte College had a total of 14,115 students as of 2008. This number is up 1,500 students from the year before. Of the 14,115 students, 6,493 live in the City of Chico.

TABLE A-7
CALIFORNIA STATE UNIVERSITY,
CHICO ENROLLMENT PROJECTIONS

College Year	Estimated Enrollment (FTES)	Enrollment Increase
2006–07	14,800	--
2007–08	15,100	2.0%
2008–09	15,400	2.0%
2009–10	15,700	1.9%
2010–11	16,050	2.2%
2011–12	16,290	1.5%
2012–13	16,543	1.5%

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College Year	Estimated Enrollment (FTES)	Enrollment Increase
2013–14	16,782	1.4%
Projected Average Annual Increase		1.8%

Source: BCAG Draft Butte County Regional Housing Needs Plan January 1, 2007 – June 30, 2014

HOUSEHOLD PROFILE

Household type and size, income levels, and the presence of special needs populations all affect the type of housing needed by residents. This section identifies and discusses the various household characteristics affecting housing needs in the City of Chico.

Household Characteristics

A household is defined as all persons living in a housing unit. Families are the subset of households and include persons living together related by blood, marriage or adoption. A single person living alone is also considered a household. “Other” households are unrelated people residing in the same dwelling unit, including students sharing homes off-campus. Group quarters, such as dormitories or convalescent homes, are not considered households.

According to the 2008 Claritas projections, 26,520 households reside in the City of Chico. As reported on the 2008 Claritas projections and displayed in **Table A-8**, Chico’s average household size has declined by less than 1 percent since the 2000 U.S. Census, which is a minor change and reflective of the increasing single population (15 percent) and non-family population (5 percent), which was slightly higher than the growth of family households (16 percent).

Slightly more than half (51 percent) of the households in Chico comprise families, which is 10 percent less than Butte County as a whole, mainly due to the high student population of the City. The rising number of single households as part of the City’s increasing population supports the need for smaller, higher density units to be planned when considering the City’s regional housing needs.

TABLE A-8
HOUSEHOLD CHARACTERISTICS, 2000–2008

Household Type	2000		2008		Percentage Change
	Household	Percentage	Households	Percentage	
Families	11,646	50%	13,478	51%	+16%
<i>With Children</i>	6,524	56%	7,389	55%	+13%
<i>Without Children</i>	5,122	44%	6,089	45%	+19%
Singles	6,881	29%	7,899	30%	+15%



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Household Type	2000		2008		Percentage Change
	Household	Percentage	Households	Percentage	
Other Non-families*	4,897	21%	5,143	19%	+5%
Total Households	23,424	100%	26,520	100%	+13%
Average Household Size	2.42		2.41		- <1%
Average Family Size	3.03		3.05		+ <1%

Source: 2000 Decennial U.S. Census. 2008 Claritas, Pop-Facts: Demographic Snapshot Report

**Includes students sharing dwelling units outside of campus housing.*

Household Income

Income is a significant factor affecting housing choice and opportunity, and it determines one's ability to either purchase or rent housing. Household size and type also play a large factor in the amount of income that can be spent on housing.

Income Definitions

The state and federal governments classify household income into several groupings based upon the relationship to the County area median income (AMI), adjusted for household size. The State of California utilizes the income groups presented in **Table A-9**. However, federal housing programs utilize different income groupings and definitions, with the highest income category generally ending at 95 percent AMI. The state income limits will be used throughout the Housing Element, except where it is noted that the data presented was compiled from the federal Department of Housing and Urban Development (HUD).

**TABLE A-9
STATE INCOME CATEGORIES**

Income Category	% County Area Median Income (AMI)
Extremely Low	0–30%
Very Low	31–50%
Low	51–80%
Moderate Income & Above	81% +

Source: Section 50093 of the California Health and Safety Code

Income Characteristics

The Department of Housing and Community Development has determined the 2008 AMI for Butte County to be \$54,500. The AMI that has been determined is based on a four-person household and adjusted accordingly for an increase or decrease in the number of people per household. The average household size for Chico in 2008 was projected to be 2.41 persons,

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which would calculate to a lower AMI of approximately \$46,350, due to a smaller projected household size than the assumed a four-person household used to calculate AMI. According to the 2008 Claritas projections, Chico’s number of households has grown by 13 percent since the 2000 Census (including annexations). As displayed in **Table A-10**, the City’s total number of households considered extremely low-income (less than 30 percent AMI) has increased by 19 percent overall and 1 percent as a percentage of total households. In comparison, the total number of households at or above the moderate-income level has grown by 12 percent overall and declined by 1 percent as a percentage of the whole. While the total household population has increased by an average yearly rate of 1.6 percent, the distribution of income among the growing number of households has remained the same.

**TABLE A-10
HOUSEHOLD INCOME LEVELS 2000–2008
CITY OF CHICO**

Income Level	2000		2008		Growth Percentage
	Households	Percentage	Households	Percentage	
Extremely Low <30% AMI	3,533	15%	4,213	16%	19%
Very Low 31–50% AMI	2,498	11%	2,709	10%	8%
Low 51–80% AMI	3,533	15%	4,078	15%	15%
Moderate & Above >80% AMI	13,840	59%	15,520	58%	12%
Total	23,424	100%	26,520	100%	13%
Area Median Income (AMI)*	2000 AMI = \$29,359		2008 AMI = \$54,500		

Source: 2000 Decennial U.S. Census. HUD 2000 and 2008 State Income Limits. 2008 Claritas, Pop-Facts: Demographic Snapshot Report

**Area Median Income (AMI) is calculated for a four-person household. AMI increases as family size increases and decreases as family size decreases.*

Households in Poverty

In 2000 the federal government published the updated national poverty threshold as part of updating the census data collection. The national poverty threshold is the minimum amount of income that is necessary to obtain the necessities of life. For example, the 2000 U.S. poverty threshold for a family of four was \$17,463. As reported on the 2000 Census and shown in **Table A-11**, 26 percent (5,989) of households in Chico were below the poverty threshold as compared to 18 percent (14,047) of the households in the County.

The total population of those in poverty in the City in 2000 was 15,121, which was 27 percent of the total population. The total population in Butte County reporting to be at or below poverty status in 2000 was 39,148, which was 20 percent of the total County population. Of those in the



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City reporting to be in poverty in 2000, 63 percent (9,506) reported to be from households with unrelated individuals as compared to 36 percent (13,909) in the County. The higher number of households with unrelated individuals in poverty is likely due to the large student population sharing off-campus dwelling units.

Between 2000 and 2008, the percentage of family households in poverty measured against the entire household population did not change. Though the total number of unrelated households in poverty is unavailable for 2008, the percentage of those households as a portion of all households is likely to remain the same. Students sharing off-campus dwelling units are considered unrelated households and typically work part time and earn lower wages, lowering the total household income below poverty status. Students living in dormitories and sorority/fraternity houses are not included in the City's total household count, as those types of dwellings are considered to be non-institutional group quarters and not households.

**TABLE A-11
HOUSEHOLD POVERTY RATE**

Households in Poverty	2000		2008	
	Persons/ Families	% of Total Households	Persons/ Families	% of Total Households
Married-Couple Family	530	5%	601	4%
<i>Married-Couple Family w/Children</i>	<i>410</i>		<i>456</i>	
Female-Headed Households	763	7%	928	7%
<i>Female-Headed w/Children</i>	<i>667</i>		<i>820</i>	
Male-Headed Households	184	2%	226	2%
<i>Male-Headed w/Children</i>	<i>109</i>		<i>152</i>	
Non-family Households*	4,512	75%		
Total Groups in Poverty	5,989	26%	1,755	13%

Source: 2000 Decennial U.S. Census. 2008 Claritas, Pop-Facts: Demographic Snapshot Report

* Non-family poverty status unavailable for 2008.

SPECIAL NEEDS POPULATIONS

This section identifies the special needs households in the City. This review is essential because a major part of the City's role in providing opportunities for affordable housing is to preclude barriers to residents whose needs are not normally met by the private sector. This segment of the City's population is constrained by the housing market not only because of lower incomes, but also because of the lack of housing that is suitable to their special needs. When the housing market does not meet their needs, families or individuals must settle for less or must pay more than they can afford. The special needs households that will be addressed are large households,

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seniors, persons with disabilities, college students, single parents, agricultural workers and the homeless.

Large Households

Large households consist of five or more persons and are considered a special needs population due to the limited availability of affordable and adequately sized housing. The lack of large units is especially evident among rental units. Large households often live in overcrowded conditions, due to both the lack of large enough units and insufficient income to afford available units of adequate size.

Claritas projects that in 2008, Chico has a total of 2,006 large households, representing 8 percent of total households in the City. As presented in **Table A-12**, there were 1,791 large households in the City, which was also 8 percent of the total households in the City. Currently there is no recent data available to report the tenure of large households in the City, but it has most likely remained constant from the 2000 Census, which reported that 47 percent of large households rent their homes and 53 percent of large households own their homes.

**TABLE A-12
LARGE HOUSEHOLDS**

Year	Total Large Households	% of Total Households
2000	1,791	8%
2008	2,006	8%

Source: 2000 Decennial U.S. Census. 2008 Claritas, Pop-Facts: Demographic Snapshot Report

Overcrowding

Table A-13 represents the total number of overcrowded and severely overcrowded households in the City of Chico and Butte County. Overcrowding occurs when there is more than one occupant per room in a household and severe overcrowding occurs when there are more than one and a half persons per room in a household. According to the 2006 American Community Survey, of the 28,930 households in Chico, 4 percent are overcrowded, and 10 percent of those overcrowded households are severely overcrowded. In comparison, Butte County also has 4 percent of their total households in situations of overcrowding and of the overcrowded households, 13 percent are severely overcrowded.



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TABLE A-13
OVERCROWDED HOUSEHOLDS

Tenure	City of Chico		Butte County	
	Overcrowded (1.0–1.5 persons per room)	Severely Overcrowded (1.5+ persons per room)	Overcrowded (1.0–1.5 persons per room)	Severely Overcrowded (1.5+ persons per room)
Renter	776	104	1,412	174
Owner	129	0	1,406	233
Total	905	104	2,818	407

Source: 2006 American Community Survey

Senior Households

The population over 65 years of age has four primary concerns:

1. Income: People over 65 are usually retired and living on a fixed income.
2. Health Care: Because the elderly have a higher rate of illness and dependency, health care and supportive housing is important.
3. Transportation: Many seniors use public transit. However, a significant number of seniors have disabilities and require alternatives to transit.
4. Housing: Many live alone and rent.

As shown in **Table A-14**, approximately 10 percent (6,003) of Chico residents were age 65 and over in 2000. Claritas projects that in 2008, 9 percent (6,290) of the population will be age 65 and over. In 2000, 22 percent of all households were headed by a senior, of which 49 percent are homeowners. Close to 35 percent of seniors live alone. 2008 data for the total number of seniors that are homeowners, head a household, live alone or are living in group quarters is not available. Though the 2008 numbers are unavailable, the total distribution of seniors in the total population has shifted little, meaning the categorization of senior type has not changed significantly. According to the 2000 Census, the total number of tallied disabilities reported by seniors exceeds the total senior population. Because a large number of seniors report having more than one disability, a large portion of the senior population is in need of special assistance, limiting their ability to live independently.

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TABLE A-14
SENIOR POPULATION, 2000

Senior Type (65+)	Persons	Percentage
In Households	5,148	86%
<i>Family</i>	3,152	(61%)
<i>Non-family</i>	1,996	(39%)
In Group Quarters	855	14%
With Disability*	6,209	>100%
Total Seniors	6,003	100%

Source: 2000 Decennial U.S. Census. CHAS Data, Housing Problems, 2000

** The total tallied disabilities of seniors exceed the total senior population, due to instances in which one person reported multiple disabilities.*

Rising rents are of concern due to the fact that most seniors are on fixed incomes. Thirty-one percent of senior households in the City are renters. In order to understand the effects of rising rents on the elderly population, **Table A-15** displays the income level of elderly households by tenure. The data provided in **Table A-14** displays the total senior population on an individual basis, while **Table A-15** provides data for the total senior households. Examining the households by tenure exemplifies the elderly household population that has income-restricted housing needs. As illustrated in **Table A-15** and reported by HUD on the CHAS report, of the senior households that are renters, 234 are considered extremely low-income, 329 very low-income and 248 low-income.

TABLE A-15
ELDERLY HOUSEHOLDS BY INCOME AND TENURE, 2000

Income Level	Elderly Renter Households		Elderly Owner Households	
	Number	Percentage	Number	Percentage
Extremely Low 0 to 30%	234	19%	180	7%
Very Low 31% to 50%	329	26%	319	12%
Low 51% to 80%	248	20%	574	21%
Moderate/Above Moderate 81% and Above	434	35%	1,670	61%
Total Elderly Households*	1,245	100%	2,743	100%

Source: CHAS Data, Housing Problems, 2000

**CHAS reports elderly households as persons aged 62 years and older.*



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Persons with Disabilities

A disability is defined as a mental, physical or health condition that lasts over 6 months. According to the 2000 U.S. Census, the City of Chico had 8,844 persons with disabilities. As reported in Table 18, the disabilities reported in the City totaled 17,933. The total disabilities exceeded the total number of persons with disabilities due to persons reporting more than one disability. Of those with disabilities, 65 percent are ages 5 through 64 and 35 percent were over the age of 65.

The largest disability type reported by those 5 through 64 years of age are those that have employment disabilities, followed by both physical and mental disabilities. An employment disability is a physical, mental or emotional condition lasting 6 months or more that makes it difficult to perform at a job or business. Of the 5,854 persons aged 16 to 64 with a disability, 46 percent (2,719) are employed, which means that over half (54 percent) of the workforce age of those disabled are not employed.

**TABLE A-16
DISABILITY TYPE BY AGE**

Total Disability	Number	Percentage
Total Disabilities for Ages 5-64	11,724	65%
Sensory Disability	834	7%
Physical Disability	2,473	21%
Mental Disability	2,507	21%
Self-care Disability*	865	7%
Go-outside-home disability**	1,653	14%
Employment Disability	3,392	29%
Total Disabilities for Ages 65+	6,209	35%
Sensory Disability	1,083	17%
Physical Disability	1,920	31%
Mental Disability	905	15%
Self-care Disability	898	14%
Go-outside-home disability	1,403	23%
Total	17,933	100%

Source: 2000 Decennial U.S. Census

** A self-care disability is a physical, mental or emotional condition lasting longer than 6 months that prohibits a person from dressing, bathing or getting around one's home.*

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*** A Go-outside-home disability is a physical, mental or emotional condition lasting longer than 6 months that prohibits a person from going outside the home alone to shop or visit a doctor's office.*

College Students

Approximately 1,731 students are accommodated in university-sponsored residence halls and apartments. There is additional demand for on-campus housing that cannot be met in existing facilities. Similarly, an increase in student enrollments is expected to increase the demand for housing and therefore the on-campus housing shortfall. The CSU, Chico Master Plan identifies up to 1,298 new bed-spaces at the two sites, which would bring the campus total to 3,029 rentable bed-spaces. This increase would be developed in four phases, and each phase incorporates both housing and adjacent open space for informal recreation activities.

Since CSU, Chico hasn't been able to house all students on campus, this housing burden has fallen to the City. The residential areas immediately to the north and south of the California State University campus (known as the "South Campus" and "North Campus" neighborhoods) are dominated by single-family homes (often subdivided into multiple units) occupied by students of the campus. These areas have historically been marked by poorly maintained homes and overcrowded conditions. Students are largely concentrated in these areas.

Single-Parent-Headed Households

Single-parent households typically have a special need for such services as childcare and health care, among others. Female-headed households with children in particular tend to have lower incomes, which limits their housing options and access to supportive services. The 2008 Claritas report states that 2,732 households (10 percent) with children are headed by one parent; of those, 2,128 are headed by females and 604 are headed by males. Of the 2,128 households that are headed by women, 820 are in poverty, and 152 of the 604 male-headed households earn income below the poverty level.

Agricultural Workers

Agricultural workers earn their primary income through permanent or seasonal agricultural labor. Housing for agricultural workers is not a high priority for the City, due to the small percentage of the population that earns income as an agricultural worker. According to the 2008 Claritas report, 387 persons were employed in the Farming, Fishing, and Forestry occupation in the City, which accounts for less than 1 percent of the City's population. According to the Employment Development Department, the number of agricultural workers in Butte County is expected to decline from 2,700 workers in 2004 to less than 2,500 in 2014. The City provides roughly 15 percent of agricultural workers to meet the needs of the County's agricultural production. In 2005 the Department of Finance reported that almonds were the leading agricultural commodity in the County with a value production of \$187.4 million and rice was the second largest at \$86.1



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million. Fifty-five units of affordable farm labor housing are provided at La Vista Verde and Turning Point Commons.

Homeless

Homeless individuals and families have perhaps the most immediate housing need of any group. They also have one of the most difficult sets of housing needs to meet, due to both the diversity and complexity of the factors that lead to homelessness and to community opposition to the location of facilities that serve homeless clients. California state law requires that Housing Elements estimate the need for emergency shelter for homeless people.

The Greater Chico Homeless Task Force (GCHTF) meets monthly to coordinate services for the homeless. Its membership consists of housing and social service providers, shelters and volunteer organizations, as well as representatives from Chico State University, Enloe Hospital, the City of Chico and Butte County. This task force has also carried out the role of the Continuum of Care in the past. The Continuum of Care has been restructured to form its own separate countywide entity, with continued participation from GCHTF members.

The GCHTF conducts a point in time homeless count once every 2 years. The most recent count, conducted in January 2009, estimated 858 homeless persons in Chico. Of the 1,380 homeless persons throughout Butte County, approximately 150 are children under 12 years of age, and about 58 percent have been Butte County residents for over 5 years. This total comprised persons living in temporary shelters and persons living unsheltered. The temporary shelter categories included emergency shelters, health facilities, recovery centers, transitional housing and temporarily living with family or friends. The unsheltered homeless were located and surveyed on the streets and areas where they tend to live or congregate. Basic demographic information was recorded for each person surveyed. Based on the point-in-time survey information, it is estimated that the number of persons on the street at any one time ranges from 60 to 300 persons.

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 has been established in Butte County. The Continuum of Care 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.

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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 Chico Community Shelter Partnership operates a 120-bed facility for individuals and families with children. This facility, the Torres Community Shelter, began operation in 2003. In its second year of providing emergency shelter service, the Torres Community Shelter sheltered 811 guests. Since opening, the shelter has expanded its bed capacity to over 140 available beds, which include a percentage of beds dedicated to serve families with children. Currently, 70 percent of homeless guests utilizing the shelter’s services are male. In addition, the Jesus Center operates Sabbath House, which offers shelter and supportive services for 15 females.

Transitional housing is a program that links supportive services to homeless persons, such as case management, mental health counseling and job training tailored to peoples’ needs and based on individual case management plans. The Community Action Agency operates the Esplanade House transitional program for 60 families. The families are referred to the Esplanade House by local social service providers.

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. Caminar, Inc. owns and operates a 15-unit permanent housing project called Avenida Apartments for homeless persons with disabilities. Caminar offers intensive case management and supportive services to residents in order to support independence and self-sufficiency. ARC of Butte County owns and operates 12 units within a 24-unit apartment building, offering housing and supportive services to persons with mental disabilities. Northern Valley Catholic Social Services operates Hartford Place, which is a 22-unit apartment complex for persons with developmental disabilities. Another nonprofit organization, VECTORS, owns and operates a 15-unit permanent housing project for homeless veterans. The Housing Authority of the County of Butte administers permanent supportive housing at both Walker Commons and Locust Street. Walker Commons is a low-income, 56-unit complex comprising one-bedroom units located near Bidwell Park. The majority of tenants at Walker Commons are disabled and elderly. The Locust Street complex is a 10-unit income-based complex comprising one- and two-bedroom units that is administered by the Housing Authority of the County of Butte and located in Chico.



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HOUSING STOCK CHARACTERISTICS

This section identifies the characteristics of Chico’s physical housing stock. This includes an analysis of housing growth trends, housing type and tenure, housing age and condition, and the affordability of housing cost.

Housing Growth

Table A-17 illustrates housing production in Chico, compared to neighboring cities in the Butte County region. Between 1990 and 2000, Chico’s housing stock grew at a substantial rate compared to any of the surrounding jurisdictions. In 1990, there were a total of 16,248 housing units in the City, and by 2000 the total number of units grew by 50 percent to 24,386 units, which was much higher than the County’s growth of 12 percent.

According to the State Department of Finance (2008), Chico’s housing stock grew to 36,484 in 2008, which was an increase from 2000 of 49 percent. While there has been a significant amount of housing development, similar to that of Oroville and Gridley, in the City of Chico a large portion of the growth is due to the annexation of units from surrounding unincorporated areas. Between 2002 and 2007, the City completed the annexation of multiple unincorporated “islands,” adding 2,835 single-family and multi-family units to the City’s housing stock.

**TABLE A-17
REGIONAL HOUSING UNIT GROWTH TRENDS**

Jurisdiction	1990 Total Units	2000 Total Units	2008 Total Units	Percentage Change	
				1990–2000	2000–2008
Biggs	548	613	627	12%	2%
Chico	16,248	24,386	36,484	50%	49%
Gridley	1,810	1,973	2,420	9%	23%
Oroville	4,809	5,419	6,278	13%	16%
Paradise	11,631	12,374	12,768	6%	3%
Butte County	76,115	85,523	95,692	12%	12%

Source: 1990 and 2000 Decennial U.S. Census. Dept. of Finance 2008 Population and Housing Estimates.

Housing Type and Tenure

Table A-18 presents the mix of housing types in the City of Chico. As seen in **Table A-18**, the City’s housing stock has more single-family homes (55 percent) than multi-family units (40 percent). Of the single-family homes, 95 percent are detached, which is significantly higher than the portion of detached single-family homes in the County (61 percent). Large multi-family

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structures consisting of five or more units make up 61 percent of the total multi-family units in Chico, while smaller multi-family units comprising two to four units represent 39 percent of the multi-family housing stock.

**TABLE A-18
HOUSING TYPE 2000–2008, CITY OF CHICO**

Unit Type	2000		2008	
	Units	Percentage	Units	Percentage
<i>Single-Family Detached*</i>	11,875	93%	19,162	95%
<i>Single-Family Attached*</i>	944	7%	993	5%
Total Single-Family	12,819	52%	20,155	55%
<i>2 to 4 Units*</i>	4,043	37%	5,624	39%
<i>5 or more units*</i>	6,891	63%	8,846	61%
Total Multi-Family	10,934	45%	14,470	40%
Mobile Homes	633	2.60%	1,854	5%
Total Housing Units	24,386	100%	36,484	100%
Vacancy Rate	3.73%		3.34%	

Source: 2000 Decennial U.S. Census. 2008 Dept of Finance 2008 Population and Housing Estimates

Tenure

Housing tenure refers to whether a housing unit is owned, rented or vacant. Tenure is an important indicator of the housing climate of a community, reflecting the relative cost of housing opportunities and the ability of residents to afford housing. According to the 2008 Claritas projections and as seen in **Table A-19**, 42 percent of Chico households are homeowners, which is a much lower percentage of homeowners than in the County, and only a slight increase (2 percent) from the total homeowners in the City during 2000. The large student population housed off-campus in the City is estimated to be 14,000 students, of which the majority share rental units, which is a factor driving the high rental tenure of households in the City. This includes Butte College students in addition to Chico State students.



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TABLE A-19
HOUSING TENURE 2000–2008, CITY OF CHICO

Occupied Housing Units	2000		2008	
	Households	Percentage	Households	Percentage
Renter	14,105	60%	15,389	58%
Owner	9,269	40%	11,131	42%
Total	23,374	100%	26,520	100%

Source: 2000 Decennial U.S. Census. 2008 Claritas, Pop-Facts: Demographic Snapshot Report

Vacancy Rate

According to the Department of Finance and as seen in **Table A-18**, the vacancy rate for the City of Chico in 2008 is 3.34 percent, which is half of the vacancy rate for the County (6.46 percent). A vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. A vacancy rate of 5 percent for rental housing and 2 percent for ownership housing is generally considered healthy and suggests that there is a balance between the demand and supply of housing. A lower vacancy rate may indicate that households are having difficulty in finding housing that is affordable, leading to overcrowding or households having to pay more than they can afford.

Housing Age

The age of the community’s housing stock can provide an indicator of overall housing conditions in the City. Typically housing over 30 years old is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work and other various repairs. **Table A-20** displays the age of Chico’s occupied housing stock by year as of 2008. Between 1970 and 2008, close to 60 percent of Chico’s housing stock was built, 35 percent of which will be 30 years old in 2010. This fact will be an important redevelopment topic for the City as new home sales have declined, while the housing need will continue to increase and diversify.

TABLE A-20
AGE OF HOUSING STOCK 2008, CITY OF CHICO

Year Structure Built	Total Housing Built	Percentage of Total
Built 1999 to 2008	5,059	18%
Built 1995 to 1998	1,747	6%
Built 1990 to 1994	3,241	12%

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Year Structure Built	Total Housing Built	Percentage of Total
Built 1980 to 1989	4,917	18%
Built 1970 to 1979	4,752	17%
Built 1960 to 1969	2,510	9%
Built 1950 to 1959	2,164	8%
Built 1940 to 1949	1,148	4%
Built 1939 or earlier	2,245	8%
Total	27,783	100%

Source: 2008 Claritas, Pop-Facts: Demographic Snapshot Report

Housing Condition

The City’s Code Enforcement Unit of the Housing and Neighborhood Services Department is responsible for the preservation of neighborhoods by gaining compliance with applicable ordinances within the Chico Municipal Code. In addition to gaining compliance with the Chico Municipal Code, the Code Enforcement Unit responds to complaints regarding substandard housing issues.

Code Enforcement is concerned with ensuring that Chico residents live in a healthy and properly maintained environment. Following the investigation of homes in substandard condition, Code Enforcement works with the property management company or owner to ensure that the condition of the home is improved to provide a healthy and safe living environment. In 2007, Code Enforcement issued 715 code violations, of which 14 were issued for substandard housing conditions. Code Enforcement estimates that there about 20 single-family homes in Chico that are vacant and uninhabitable, and a great deal more that are inhabited but in need of significant rehabilitation. The City has not conducted a comprehensive housing stock survey for many years, so an accurate estimate of rehabilitation need is not available. As an indication of need, the demand for the City’s Housing Rehabilitation Program far exceeds City and Chico Redevelopment Agency resources.

Action H.5.4.1 states that the city will implement a Rental Rehabilitation Inspection Program to develop an inventory of eligible rental complexes. A program for rehabilitating rental units will be developed after the inventory is completed.

Foreclosures

The City of Chico has experienced an increase in foreclosures over the past year, though not as dramatic as California communities that have been worst hit by the crisis. According to Realty Trac, as of February 2009, there were 148 repossessed bank-owned properties in the City of Chico. This represents one foreclosed property for every 247 housing units in the City. By



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comparison, the County with the highest foreclosure rate in the state, Merced County, has one foreclosure for every 59 housing units. The Local Initiatives Support Corporation (LISC) has developed a Composite Needs Score to determine which zip codes have the greatest foreclosure risk. The score is based on multiple factors— subprime lending, mortgage delinquencies, foreclosures and vacancies. It is expressed as a percentage relative to the community in the state with the greatest foreclosure risk. Chico zip codes received a score of 1.2% to 1.6%.

The Community Housing & Credit Counseling Center (CHCCC) currently provides foreclosure counseling to Chico residents. In cooperation with Legal Services of Northern California and CHCCC, the City sponsored a seminar last year for citizens dealing with foreclosure issues, offering information, strategies and resources. Another seminar is planned for 2009. The City will also be preparing to apply for and use federal Neighborhood Stabilization Program funds, should they become available, to purchase, rehabilitate and sell abandoned foreclosed homes to low and moderate income first time home buyers by utilizing the City's existing Housing Rehabilitation and Mortgage Subsidy Programs. This will help mitigate the impact of foreclosures on home values and neighborhood quality of life.

HOUSING COST AND AFFORDABILITY

Rental Housing Market

According to a PMC rental survey of monthly rental rates in Chico, the median rental price for multi-family units in the City of Chico is \$825 per month for apartments and/or condos and \$1,300 per month for detached single-family homes. A total of six duplexes were also found, which were all two bedrooms and had a median rent of \$850 per month. The majority of three-bedroom units (both single-family and multi-family) were advertised as ideal for the student population based on the unit's proximity to the CSUC campus, which is an example of the strain that the need to house students places on the City's available housing stock. **Table A-21** illustrates the results of the rental survey conducted. Comparing the rental affordability based on the affordability of rental units and household income found in **Table A-23** with the results of the rental survey found in **Table A-21** conclusions regarding the amount of rental units available at affordable prices can be calculated.

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TABLE A-21
MEDIAN RENT, CITY OF CHICO

Number of Bedrooms	Single-Family (detached)		Multi-Family	
	Median Rent	Number of Units Surveyed	Median Rent	Number of Units Surveyed
Studio			\$525	9
1 bedroom	\$700	3	\$615	13
2 bedroom	\$900	9	\$825	17
3 bedroom	\$1,300	20	\$975	17
4 bedroom	\$1,625	7	\$1,100	11
5+ bedroom	\$2,195	3		
Total	\$1,300	42	\$825	67

Source: PMC Rental Survey, August 2008

Overpayment

Generally, overpayment compares the total shelter cost for a household to the ability of that household to pay. Specifically, overpayment is defined as monthly shelter costs in excess of 30 percent of a household's gross income. Shelter cost is defined as the monthly owner costs (mortgages, deed of trust, contracts to purchase or similar debts on the property and taxes, insurance on the property and utilities) or the gross rent (contract rent plus the estimated average monthly cost of utilities).

According to the 2000 Census, 7 percent of the owner-occupied households and 29 percent of renter-occupied households in the City were overpaying for housing. **Table A-22** shows to what extent occupied housing units (households) are overpaying for housing cost by their income category and whether or not they were overpaying (30–34 percent of household income) or severely cost burdened (35+ percent of household income). Forty-four percent of all households (occupied) were overpaying for housing cost in 2000, and of those overpaying, 36 percent are severely cost burdened.

Overpayment – Lower-Income Households

Of the 6,501 renter-occupied units severely cost burdened, 5,410 units were occupied by those earning less than \$20,000 annually, of which the majority of the households comprise students who most likely share housing units and work minimally. Most of the homes in the neighborhoods surrounding the campus, in which many students reside and overpay for housing expenses, are in poor condition.



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Table A-22 also illustrates the number of households in each income category that own versus rent their homes. Extremely low-income households were those that earn up to \$16,350 and approximately 5,793 renter-occupied households fall into that category (all of the households in the \$0 to \$10,000 range and about 63 percent of those in the \$10,001 to \$19,999 range). Applying the same methodology to the owner-occupied households, approximately 619 households fall in to the extremely low-income.

**TABLE A-22
TOTAL HOUSEHOLDS OVERPAYING BY INCOME**

Income Range	Total Households	% of Total Households	30–34% of Household Income	35+% of Household Income
Owner-Occupied Units				
\$0–10,000	241	1%	13	206
\$10,001–19,999	600	3%	11	338
\$20,000–34,999	1,430	6%	188	522
\$35,000–49,999	1,506	7%	214	315
\$50,000+	4,523	20%	223	196
Subtotal	8,300	37%	649	1,577
Renter-Occupied Units				
\$0–10,000	3,618	16%	75	2,882
\$10,001–19,999	3,452	15%	349	2,528
\$20,000–34,999	3,321	15%	584	898
\$35,000–49,999	1,816	8%	116	157
\$50,000+	1,882	13%	33	36
Subtotal	14,089	63%	1,157	6,501
Total Households (occupied units)	22,389	100%	1,806	8,078

Source: 2000 Decennial U.S. Census

Housing Affordability by Household Income

Tables A-23 and **A-24** show the maximum rents and sales prices, respectively, that are affordable to extremely low-, very low-, low-, moderate-, and above moderate-income households. Affordability is based on the following assumptions: a household spending 30 percent or less of their total household income for shelter; the maximum household income levels established by HUD and HCD; and maximum affordable sales prices based on 10 percent down, 30-year fixed rate mortgage at 7 percent annual interest rate.

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In **Table A-22**, the two largest groups of renters in the City overpaying for housing are those in the extremely low- and very low-income category. According to **Table A-23**, the maximum rent that an extremely low-income, one-person household can afford is \$286 per month, and the median rent for a studio apartment (suitable for one person) in Chico is \$525. The maximum rent that a three-person household in the very low-income category can afford is \$614 per month, and the median rental price for a three-bedroom multi-family unit in the City is \$975.

TABLE A-23
AFFORDABLE RENTER-OCCUPIED HOUSING COSTS

Income Group	Monthly Income and Affordable Rent by Household Size			
	1-Person	2-Person	3-Person	4-Person
Extremely Low				
Monthly Rent	\$286	\$327	\$368	\$409
Monthly Income	\$954	\$1,091	\$1,225	\$1,363
Very Low				
Monthly Rent	\$477	\$545	\$614	\$681
Monthly Income	\$1,591	\$1,817	\$2,046	\$2,271
Low				
Monthly Rent	\$762	\$872	\$981	\$1,090
Monthly Income	\$2,541	\$2,908	\$3,271	\$3,633
Moderate				
Monthly Rent	\$1,145	\$1,307	\$1,472	\$1,635
Monthly Income	\$3,816	\$4,358	\$4,908	\$5,450
Above Moderate				
Monthly Rent	>\$1,145	>\$1,307	>\$1,472	>\$1,635
Monthly Income	>\$3,816	>\$4,358	>\$4,908	>\$5,450

Source: 2008 Income Limits, Department of Housing and Community Development, April 2008

Note: Affordable housing cost for renter-occupied households assumed at 30% of gross household income, not including utility cost.

According to Chicohomesearch.net, the median price for a home in the City of Chico in June 2008 was \$272,000, which was a 50 percent increase from the median sales price in 2002. From 2007 to 2008, the median price of homes declined by 12 percent, increasing a small portion of the available housing market to potential buyers. According to the 2008 Income Limits published by the Department of Housing and Community Development and the assumptions of affordable mortgages, the only income group in **Table A-23** that can afford to purchase a home at the median sales price are those households significantly exceeding the above moderate-income level.



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In **Table A-22**, the largest owner-occupied group overpaying for housing are the low- and moderate-income groups. A household of four in the low-income group can afford a sales price of \$135,990, which is 49 percent less than the median sales price of \$272,000 in the area, thus creating a large percentage of owner-occupied households that are overpaying for housing.

TABLE A-24
AFFORDABLE OWNER-OCCUPIED HOUSING COSTS

Income Group	Affordable Sales Price by Household Size			
	1-Person	2-Person	3-Person	4-Person
Extremely Low				
Maximum Sales Price	\$35,730	\$40,860	\$45,810	\$50,940
Income Limit	\$11,450	\$13,100	\$14,700	\$16,350
Very Low				
Maximum Sales Price	\$59,580	\$68,040	\$76,590	\$85,050
Income Limit	\$19,100	\$21,800	\$24,550	\$27,250
Low				
Maximum Sales Price	\$95,130	\$108,900	\$122,580	\$135,990
Income Limit	\$30,500	\$34,900	\$39,250	\$43,600
Moderate				
Maximum Sales Price	\$142,920	\$163,260	\$183,870	\$204,300
Income Limit	\$45,800	\$52,300	\$58,900	\$65,400
Above Moderate				
Maximum Sales Price	>\$142,920	>\$163,260	>\$183,870	>\$204,300
Income Limit	>\$45,800	>\$52,300	>\$58,900	>\$65,400

Source: 2008 Income Limits, Department of Housing and Community Development, April 2008

Mortgage calculation: <http://www.mortgage101.com/Calculators/Afford.asp?p=amo>

Note: Affordable housing sales prices are based on the following assumed variables: 10% down payment, 30-year fixed rate mortgage at 7% annual interest rate. 30% of household gross income used to calculate affordable monthly mortgage payment.

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.

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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 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). The various funding sources available through these governmental entities require affordability restrictions to be applied to projects using the funds to ensure the affordability of units to lower-income households, usually below 80 percent of the median income but often to very low-income households (those earning less than 50 percent of median income).

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 adopted in 2005:

1200 Park Avenue: A 107-unit senior project (66 very low-, 40 low-income and 1 manager unit) built in 2006. The project is located on Park Avenue, a corridor that is a focus for revitalization and infill development. A bus line with regular service runs along this corridor. The design is urban and pedestrian-oriented, with a 20-car garage underneath the building and diagonal parking along the surrounding streets. The ground floor has a commercial design, with high ceilings and windows along Park Avenue. The ground floor houses a library, community rooms, a lobby and management offices. The affordability term expires in 2058.

VECTORS: The VECTORS organization provides a facility with 15 units for homeless or near homeless veterans. Supportive services are aimed at helping veterans access community resources and regain greater self-sufficiency. The affordability term expires in 2060.

Avenida Apartments: A 15-unit multi-family apartment project built in 2007 that was financed by the City of Chico Redevelopment Agency, the HUD Supportive Housing Program, Butte County Behavioral Health and the Federal Home Loan Bank. Fourteen of the units are targeted to homeless persons with disabilities and are restricted to be affordable to very low-income households with an affordability term that expires in June 2062.

Chico Courtyards: A project for low-income families, with 76 two-, three- and four-bedroom apartments built in 2007 financed with City of Chico Redevelopment funds, 9 percent tax credit equity, and a conventional loan. Fifty-eight units are restricted to very low-income households, 17 units are restricted to low-income households and one manager unit. The affordability term



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expires in June 2062 also. The apartments are located in two-story buildings, surrounded by parking and a swimming pool.

Murphy Commons: A multi-family complex of 86 two-, three- and four-bedroom units for very low-income households completed in August 2007. Managed by Community Housing Improvement Program (CHIP), Murphy Commons utilized 4 percent tax credit equity, tax-exempt bonds, Multifamily Housing Program (MHP) funds, RDA set-aside funds and the City is leasing the site to the project. Tenants are households with incomes at 40 or 50 percent of the Butte County area median income. It is sited adjacent to an open space preserve, creek and bike path and across the street from a middle school. The project also includes a playground, large community room, computer lab and management offices.

Jarvis Gardens: Jarvis Gardens is a project for low-income seniors built with a HUD 202 grant. The 50-unit affordable apartment complex offers supportive services for very low-income seniors and was completed in November 2007. The project was built with HUD Section 202 funds and the City’s RDA set-aside funds. The apartments are located in one two-story building, surrounded by ample covered parking and landscaping. The project is located on a bus line that runs along East 20th Street.

Table A-25 lists the assisted units by project in the City of Chico.

**TABLE A-25
ASSISTED HOUSING UNITS**

Project Type/Provider	Total Units
Public Housing/Housing Authority of the County of Butte	
Laurel/Locust Streets, 1519 Locust St.	3
Humboldt Avenue (between Linden and Willow Streets)	14
Natoma/LaLeita Courts, 800 E. 12th St.	54
Hazel/Ivy St. Complex, W. 10th St	32
E. 20th St. (Rhodes Terrace)	36
Ivy St. (Shelton Arms)	9
VECTORS	15
Elderly Project HUD 231/Section 8 & HUD Section 202	
Villa Rita, 650 Manzanita Avenue	59
Chico Christian Retirement Center, 120 Parmac Rd. (Lucian Manor)	32
1200 Park Avenue	107
Jarvis Gardens (senior)	49

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Project Type/Provider	Total Units
California Housing Finance Agency (CHFA)	
Cinnamon Village, 1650 Forest Ave. (family)	80
Cedar Village, 820 W. 4th Ave. (family)	116
Turning Point Commons, 25 Via La Paz (ltd. equity co-op)	65
Avenida Apartments (disabled homeless)	14
HUD Assisted Multifamily Projects Section 236 and 221	
Trans Pacific Gardens II, 725 Nord Avenue (family)	104
Mortgage Revenue Bonds	
Sycamore Glen, 1199 Diablo Ave. (elderly)	40
Pinetree Apartments, 47 Cobblestone Dr. (family)	80
The Lodge at Sierra Sunrise, Sierra Sunrise Terrace (elderly)	25
Farmers Home Administration	
La Vista Verde, 23 Via La Paz (farmworkers)	32
Low Income Housing Tax Credits	
East of Eaton, Lassen Ave./Eaton Rd. (family)	75
Chico Commons, 2071 Amanda Way (family)	72
Campbell Commons, 600 Flume Ave. (single-room occupancy)	55
Walker Commons, Buttonwillow (elderly)	56
Chico Courtyards (family)	76
Murphy Commons (family)	85
HUD Section 811 (Developmental Disabilities)	
Hartford Place, 2058 Hartford Dr.	22
Autumn Creek*, 120 Menlo Way	105
Lincoln Apartments*, 474 E. 12th St.	18
Alamont Apartments*, 811 W. East Ave.	30
Longfellow Apartments, 2100 Mariposa Ave.	23
Cordillera Apartments, 41 Cameo Dr.	20
Total Assisted Rental Housing Units	1,695
Total Section 8 Rental Vouchers	1,908

* These three apartment complexes were purchased by the Housing Authority and only 20 percent of the units are required to be restricted.

**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, July 2008, 2005 City of Chico Housing Element, California Housing Partnership Corporation, July 2008



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UNITS AT RISK FOR CONVERSION TO MARKET RATES

The Department of Housing and Community Development (HCD) defines “at-risk units” as multi-family rental housing projects that receive public financial assistance and are subject to governmental regulatory agreements where the project owners can cancel the regulatory agreement and convert the affordable rents to market-rate rents within the current or subsequent 5-year planning period.

Assessment of the Conversion Risk

The City reviewed affordable housing projects where funding was provided by the City, contacted the U.S. Department of Housing and Urban Development and the California Department of Housing and Community Development, 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.

Since the City’s last Housing Element, adopted in 2005, two projects were lost to conversion: Ceres Plaza (36 units) and Bidwell Oaks (59 elderly units). The previous Housing Element anticipated the conversion of Ceres Plaza as their regulatory agreement expired in 2004. Lower-income households were referred to the assisted housing projects that had subsidized units available. As of the last Housing Element, the Bidwell Oaks project had paid off its HUD-assisted mortgage but still received Section 8 contracts for 80 percent of the units as project-based certificates. The owners of Bidwell Oaks opted out of their Section 8 contract on December 31, 2006, and the units are considered lost to conversion. Tenants of Bidwell Oaks received Housing Choice Vouchers. Villa Rita has a total of 59 units; 52 are subsidized. The Section 8 contract was renewed in March 2008 and will expire in March 2013, so is currently considered at risk. Trans Pacific Gardens II has 163 subsidized units and its contract will expire in November 2011.

Table A-26 lists the assisted housing projects presented in **Table A-25** that are considered at risk of converting to market rates.

**TABLE A-26
AT-RISK ASSISTED HOUSING PROJECTS**

Project Name	Address	Number of At-Risk Units	Subsidy Source	Expiration Date
Villa Rita	650 Manzanita	52 (59 units total)	Section 8	2013
Trans Pacific Gardens II	729 Nord Ave.	163	Section 8	2011
Cinnamon Village	1650 Forest Ave.	80	CALHFA	2014

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Project Name	Address	Number of At-Risk Units	Subsidy Source	Expiration Date
Total Units		295		

Cost of Replacing At-Risk Units

Preservation

One option is for a nonprofit to take over ownership, likely with some type of assistance from the City. The feasibility of this option depends on the willingness of the owner to sell the property, the existence of qualified nonprofit purchasers and the availability of funding. The cost of acquiring a multi-family project is estimated by using the recently conducted comparable sales analyses of recently sold multi-family buildings in the City by a local Real Estate Appraiser. The analysis concludes that the average sale price of the five multi-family complexes sold in 2007 was \$6,052,004. The average cost to purchase each unit was roughly \$70,000, not including the cost to rehabilitate each of the units. According to the City, the average rehabilitation cost for each unit is roughly \$30,000, which assumes a total cost of \$100,000 per unit. The assumed cost to preserve all units in the three at-risk projects listed above (295 units) is estimated at \$29,500,000. For example, the Cinnamon Village apartment complex will be at risk of conversion to become a market-rate complex in 2014. The total number of units in Cinnamon Village is 80. The approximate cost to preserve the Cinnamon Village complex is determined by multiplying the average cost to purchase and rehabilitate each unit (\$100,000) by the total units (80), which is \$8,000,000.

Generally, the cost of preserving assisted housing units is determined by identifying the gap between the assisted rent and the market rent as this is the amount that would have to be subsidized in the event that a conversion occurred. The exact amount is difficult to estimate because the rents are based on a tenant's income and therefore would depend on the size and income level of the household. **Tables A-21 and A-23** summarized the affordability situation in the City. Following are some general examples of expected subsidies:

- An extremely low-income person can only afford up to \$286 per month and market-rate studio apartments are currently renting for around \$525 per month. The subsidy needed would be approximately \$240 per month or \$2,868 per year.
- A very low-income family of three can afford \$614 a month, which means they could afford a one-bedroom market rate unit. To avoid over crowding a very low income family would need to find a larger unit. The subsidy would be approximately \$211 per month or \$2,532 per year.
- A low-income family of four or larger would most likely find it difficult to find suitable housing. To avoid overcrowding, a large low-income family would need to find a single-family unit, and these rents are general higher than those for multi-family units. A family of four could afford up to \$1,090 per month, and the median



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rent for a three-bedroom single-family home is \$1,300. The subsidy would be approximately \$210 per month or \$2,520 per year.

However, many of the current at-risk units (in Villa Rita and Trans Pacific Gardens II) in the City are Section 8 funded and receive Section 8 Rental Payments. The long-term availability of funding at the federal level for Section 8 contract renewal is uncertain. If these contracts are terminated in upcoming years, the City may choose to offer tenant-based rental subsidies with redevelopment set-aside funds. In this case, the City would pay the property owners. The difference between market rents and the Section 8 HUD Fair Market Rents is so minimal that conversion is unlikely. The rental income gain is determined by estimating market rates for the units and subtracting the current fair market rents. **Table A-27** makes this comparison.

**TABLE A-27
RENTAL GAP BY BEDROOM SIZE**

Unit Type	Market Rent ¹	Current Rent ²	Rent Difference
Studio	525		
1 Bedroom	\$615	\$655	(\$40)
2 Bedroom	\$825	\$790	\$35
3 Bedroom	\$975	\$1,114	\$139

¹ Market rent was based on an online survey in July 2008.

² The projects currently receive the HUD Fair Market Rents (FMRs) through the Section 8 program.

Replacement

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 or its partners to replace the converted units with newly constructed assisted units. As explained above, the recently built Murphy Commons is the most recent example of a multi-family project in the City. Murphy Commons has a per unit cost of \$159,785.31 including city fees, and estimated land costs for multi-family zoned land are approximately \$31,379 per unit. To replace the 295 units potentially at risk for conversion within the planning period would cost approximately \$56,393,471.

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 nonprofit housing development corporation, Community Housing Improvement Program, have 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 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.

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RESOURCES AVAILABLE FOR THE PROVISION OF AFFORDABLE HOUSING

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 the regional housing need by income group for the 2007–2014 planning period.

The Butte County Association of Governments (BCAG) prepared a Regional Housing Needs Plan (RHNP) for the 2007–2014 planning period. The plan represents allocations that all jurisdictions in the region are reasonably comfortable with based on numerous meetings held with the City/Town/County Planning Directors group. While accepted by the region’s jurisdictions, the allocations are viewed as unrealistic in terms of production. Nonetheless, the City continues to implement its affordable housing programs in an effort to achieve its regional housing goals. According to the BCAG Regional Housing Needs Plan, the City produced 438 very low-income units (out of 2,905) and 141 (out of 1,987) low-income units from its 2001–2008 Regional Housing Needs Allocation (RHNA). **Table A-29** shows the number of residential construction permits issued compared to the allocated need during the last RHNA period. The City only tracks affordability for rent-restricted project for low- and very low-income households but not for market-rate units. The tables show estimates for moderate-income production by subtracting the total number of low- and very low-income units from the total and assigning half of these to moderate and half to the above moderate category.

TABLE A-28
AFFORDABLE HOUSING NEED AND PRODUCTION
JANUARY 2001–JUNE 2008

Income Level	Need	Production (as of October 2007)
Very Low (< 50% AMI)	2,905	438
Low (51–80% AMI)	1,987	141
Moderate (81–120% AMI)	1,050	1,317
Above Moderate (< 120% AMI)	3,538	1,318
Total	9,480	3,214

Source: Butte County Association of Governments

Table A-29 illustrates the City’s 2007–2014 regional housing allocations by income level.



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TABLE A-29
AFFORDABLE HOUSING NEED AND PRODUCTION
JANUARY 2007–JUNE 2014

Income Levels	Chico	Chico Progress (through July 2008)	Chico Remaining	Butte County
Extremely Low	780	63 ¹	717	1,684
Very Low	780	143 ¹	637	1,685
Low	1,007	17 ²	990	2,272
Moderate	960	0	960	2,371
Above Moderate	2,189	310 ³	1,879	5,933
Total	5,716	533	5,183	13,944

Source: Butte County Association of Governments, May 2008; City of Chico, July 2008

¹ 58 units in Chico Courtyards, 14 in Avenida, 85 in Murphy Commons, 49 in Jarvis Gardens (not incl. manager's unit)

² 17 units in Chico Courtyards

³ A total of 368 building permits were issued in 2007 and it is assumed that the difference between the total building permits and the total units affordable to low- or very low-income households equals the total number of market-rate units built. A total of 165 permits were issued through July 2008.

The final 2007–2014 RHNA allocations are noticeably less than the allocations in the previous period but as stated in the RHNP are still quite optimistic in terms of what can actually be built during the planning period. Nonetheless, the City will set forth all the necessary policies and programs to plan for its allocated housing need. The City's burden is to provide a regulatory framework that facilitates the development of housing that is affordable to each income group by reducing constraints to the development of affordable housing through flexible land use controls, the provision of adequate sites for residential construction and the application for and dissemination of state and federal financial resources. 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.

LAND RESOURCE (ADEQUATE SITE INVENTORY)

To demonstrate the City's capacity to meet its RHNA allocations, an adequate sites inventory was conducted. The sites listed in **Table A-30** are currently vacant and will allow for the development of a variety of housing types to meet the needs of all income groups as allocated by BCAG for the 2007-2014 RHNA planning period.

The City of Chico has the ability to host many high density residential (R3 and R4) sites. The Medium High Density Residential (R-3) zone allows up to 22 units per acre and the High

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Density Residential (R-4) zone allows up to 35 units per acre. **Table A-30** lists vacant sites suitable to meet the City’s RHNA. The majority of the sites are vacant parcels and a few sites are planned developments, which are described in more detail later on. The planned development sites are currently vacant but have plans or requirements in place for a specific numbers of units.

The zoning and General Plan designations are shown for each site and are used to determine the realistic unit capacity of each site. Realistic capacity was determined by multiplying the number of acres by the maximum density for the site, and then 75 percent of that result was used as the final realistic unit number. The 75 percent assumption was derived from recent developments in the City listed below:

- Walker Commons was built on 3.1 acres in the Office Residential (OR) zone at a density of 22 dwelling units per acre. This project contained 56 units showing a capacity of 80 percent.
- Chico Courtyards was built on 4.4 acres in the Community Commercial (CC) zone and contained 76 units, showing a development capacity of 79 percent.
- Jarvis Gardens was built on 3.1 acres in the Medium High Density Residential (R-3) zone at a density of 22 dwelling units per acre. This project contained 50 units which showed a capacity of 73 percent.

The market usually provides enough housing for above moderate-income households but in this case, Chico has provided enough sites to meet the needs of all income levels. Refer to **Table A-30** for specific sites available and **Table A-31** for a summary RHNA and potential units available to fulfill the regional housing need allocations for very low-, low-, moderate-, and above moderate-income households in the City of Chico. Additionally, **Appendix C** provides location maps for the sites listed below.



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TABLE A-30
ADEQUATE SITES INVENTORY

APN	Zoning	Zoning Overlay	GP Designation	Allowable Density	Parcel Acreage	R3/R4 Acreage	Vacant R3/R4 Acreage	75 Percent Capacity	Infrastructure	On-Site Constraints
002-110-093	R3		MDHR	14.01-22	1.40	1.39	1.39	23.02	Yes	None
002-160-076	R3, CC, OR	-RM	MDHR, HDR, CC, OFF	14.01-22	20.00	8.72	4.36	71.92	Yes	Yes. Dead Horse Slough and possible vernal pools.
002-180-084	R3 OR	-RM	MDHR OFF	14.01-22	10.80	5.15	2.58	28.34*	Yes	Yes. Site contains Butte County Meadowfoam and Vernal Pools. Portion of property to the east of Bruce Rd. is straddled with Dead Horse Slough. Proximity to Humboldt Burn Dump.
002-190-025	R3		MDHR	14.01-22	3.30	3.27	3.27	53.91	Yes	None
006-170-033	R3, R2, CN	NWCSP	MDHR, MDR, MUNC	14.01-22	7.90	4.89	4.98	80.64	Yes	None
006-680-009	R3, R1, CN	NWCSP	MDHR, LDR, MUNC	14.01-22	56.30	19.69	19.69	324.87	Yes	None
006-690-034	R3	NWCSP	MDHR	14.01-22	1.70	1.68	1.68	27.66	Yes	None
006-690-039	R3	NWCSP	MDHR	14.01-22	7.30	7.24	7.24	119.45	Yes	None
006-690-048	R3	NWCSP	MDHR	14.01-22	3.30	0.28	0.28	4.66	Yes	None
006-690-049	R3	NWCSP	MDHR	14.01-22	0.50	0.51	0.51	8.45	Yes	None

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APN	Zoning	Zoning Overlay	GP Designation	Allowable Density	Parcel Acreage	R3/R4 Acreage	Vacant R3/R4 Acreage	75 Percent Capacity	Infra-structure	On-Site Constraints
006-690-050	R3	NWCSP	MDHR	14.01-22	0.50	0.00328	0.00328	0.05	Yes	None
006-690-053	R3	NWCSP	MDHR	14.01-22	2.30	0.00036	0.00036	0.01	Yes	None
006-690-054	R3	NWCSP	MDHR	14.01-22	7.10	0.00048	0.00048	0.01	Yes	None
007-020-123	R3, R1, ML, OS1	-RM	MDHR, LDR, M&W	14.01-22	82.90	47.90	47.90	790.38	Yes	None
016-200-071	R3		MHDR	14.01-22	3.75	3.75	3.75	61.88	Yes	None
016-200-067	R3		MHDR	14.01-22	2.25	2.25	2.25	37.18	Yes	None
018-360-002	R3		MDHR	14.01-22	5.70	5.74	5.75	94.74	Yes	None
018-360-003	R3		MDHR	14.01-22	1.90	1.90	1.90	31.38	Yes	Yes. GGS associated with Dead Horse Slough.
018-390-020	R3		MDHR		7.10	7.11	7.11	117.24	Yes	None
018-510-008	R3, R1	-RM	MDHR, LDR	14.01-22	112.30	19.38	9.69	106.61*	Yes	Yes. Vernal pools and BCM. Schmidbauer property.
043-180-039	R3		MDHR	14.01-22	0.20	0.20	0.20	3.26	Yes	None
043-220-009	R3		MDHR	14.01-22	0.60	0.60	0.60	9.91	Yes	None
043-280-003	R3		MDHR	14.01-22	0.90	0.90	0.90	14.79	Yes	Yes
045-160-048	R3		MDHR	14.01-22	0.40	0.37	.37	6.18	Yes	No street frontage.
R3 Subtotal							126.40	1,994		
002-160-076	R4	-RM	HDR	14.01-35	20.00	7.42	3.71	97.44	Yes	None
R4 Subtotal							3.71	97		
Merriam Park										
002-180-133,	R3				13.25	n/a	n/a	225.25	Yes	None



APPENDIX A – HOUSING NEEDS ASSESSMENT

APN	Zoning	Zoning Overlay	GP Designation	Allowable Density	Parcel Acreage	R3/R4 Acreage	Vacant R3/R4 Acreage	75 Percent Capacity	Infra-structure	On-Site Constraints
134, 135, 136, 137, 138, 139, 140, 002-180-102, 002-180-083, 002-180-102	(equivalent)									

Diamond Match

039-400-031	R3 (equivalent)		MHDR		12			204	Yes	None
	R4 (equivalent)		HDR		19.8			495	Yes	None

Planned Development Subtotal

45.05

924

002-050-206-000	R2			5.5-14	0.90			9.41	Yes	None
002-190-042-000	R2			5.5-14	50.73			532.67	Yes	None
002-600-048-000	R2			5.5-14	1.97			20.73	Yes	None
005-422-023-000	R2	-SD/-PD		5.5-14	1.27			13.31	Yes	None
006-350-028-000	R2			5.5-14	0.38			4.01	Yes	None
006-690-011-000	R2	NWCSP		5.5-14	9.46			99.33	Yes	None
006-690-012-000	R2	NWCSP		5.5-14	5.00			52.53	Yes	None
007-120-053-000	R2			5.5-14	1.60			16.78	Yes	None

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APN	Zoning	Zoning Overlay	GP Designation	Allowable Density	Parcel Acreage	R3/R4 Acreage	Vacant R3/R4 Acreage	75 Percent Capacity	Infra-structure	On-Site Constraints
007-190-022-000	R2			5.5-14	16.57			174.00	Yes	None
007-200-103-000	R2			5.5-14	0.36			3.83	Yes	None
007-320-037-000	R2			5.5-14	2.89			30.38	Yes	None
007-410-009-000	R2			5.5-14	0.92			9.61	Yes	None
007-560-013-000	R2			5.5-14	1.59			16.67	Yes	None
015-520-037-000	R2			5.5-14	3.83			40.23	Yes	None
016-200-101-000	R2	-SD		5.5-14	7.99			83.90	Yes	None
016-200-102-000	R2	-SD		5.5-14	16.72			175.51	Yes	None
018-100-999-000	R2	PD		5.5-14	1.51			15.89	Yes	None
018-310-999-000	R2			5.5-14	5.08			53.36	Yes	None
018-320-048-000	R2			5.5-14	1.77			18.62	Yes	None
018-390-011-000	R2	-RM		5.5-14	4.65			48.79	Yes	None
018-390-017-000	R2	-RM/-PD		5.5-14	41.70			437.88	Yes	None
018-390-018-000	R2	-RM		5.5-14	4.29			45.02	Yes	None
018-390-019-000	R2	-RM		5.5-14	45.77			480.60	Yes	None



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APN	Zoning	Zoning Overlay	GP Designation	Allowable Density	Parcel Acreage	R3/R4 Acreage	Vacant R3/R4 Acreage	75 Percent Capacity	Infra-structure	On-Site Constraints
018-400-100-000	R2	-RM		5.5-14	1.05			11.04	Yes	None
018-570-012-000	R2			5.5-14	0.15			1.58	Yes	None
042-140-077-000	R2	-SD		5.5-14	11.96			125.54	Yes	None
042-140-166-000	R2	-SD		5.5-14	7.55			79.25	Yes	None
042-450-022-000	R2			5.5-14	3.24			33.97	Yes	None
042-800-046-000	R2	-SD		5.5-14	0.41			4.27	Yes	None
R2 Subtotal					251.31			2,638		
R1 Subtotal					805.27			3,623		
Total all Sites					1,231.74			9,276		

* Assumes a 50 percent capacity due to site constraints

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**TABLE A-31
SUMMARY OF RHNA AND POTENTIAL UNITS AVAILABLE**

Zone/Planned Development Name	RHNA Allocation	Built since Jan. 07	Remaining Need	Potential Units (based on a 75 percent capacity on vacant sites)
R1	2,189	310 ²	1,879	3,623
R2	960	0	960	2,638
R3				
R4	2,567 ¹	223 ³	2,334	3,015
Merriam Park/Diamond Match (R3/R4 equivalent)				
Total	5,716	533	5,173	9,276

Source: Butte County Association of Governments, May 2008; City of Chico, July 2008

1 assumes 50 percent of very low allocation to be for extremely low-income households

2 A total of 368 building permits were issued in 2007 and it is assumed that the difference between the total building permits and the total units affordable to low- or very low-income households equals the total number of market-rate units built. A total of 165 permits were issued through July 2008.

3 58 units in Chico Courtyards, 14 in Avenida, 85 in Murphy Commons, 49 in Jarvis Gardens (not incl. manager's unit); 17 units in Chico Courtyards

Ability of Larger Sites to Accommodate Regional Housing Need

Several of the larger sites in **Table A-30** can accommodate the City's regional housing need for lower-income households via specific plan development (Diamond Match), re-zonings to maintain consistency with the General Plan to maximize housing opportunities, further lot subdivisions (Merriam Park, Northwest Chico Specific Plan) or other methods to facilitate development of housing for lower-income households. To facilitate the development of affordable housing on smaller parcels the City has included new Action H.3.2.2 which states the City will provide incentives and technical assistance through the processing of subdivision or larger sites located in Specific Plans and Special Planning Areas to facilitate development of a variety of housing types and affordability consistent with typical developments affordable to lower income households. The City will offer the following incentives for the development of affordable housing including but not limited to: priority processing for subdivision maps that include affordable housing units, expedited review for the subdivision of larger sites into buildable lots where the development application can be found consistent with the General Plan, applicable Specific Plan and master environmental impact report, financial assistance (based on availability of federal, state, local foundations, and private housing funds, and modification of development requirements, such as reduced parking standards for seniors, assisted care, and special needs housing on a case-by-case basis.



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Additional Land Available to Meet Regional Housing Need

Oak Valley

In September 2005, the Council approved a vesting tentative subdivision map, a planned development permit and a Conceptual Master Plan for the 340-acre Oak Valley site generally bounded by Bruce Road on the west, State Route 32 on the north, a PG&E 500-kV transmission line on the east and Humboldt Road on the south. The project allows for a mix of both single-family and multi-family housing totaling 1,324 residential units, as well as 109,000 square feet of commercial retail space. The City does not anticipate the development of these units will occur within the RHNA period; therefore they are not included in **Table A-31**.

Meriam Park

In July 2007, the City Council adopted new Traditional Neighborhood Development (TND) regulations. Simultaneous with adoption of the TND regulations, the Council also approved the 271-acre Meriam Park project to be developed under the new development standards. The project comprises a mix of residential, commercial, office, recreational and civic uses. The total residential yield for Meriam Park is anticipated to be between 2,300 and 3,200 dwelling units housed in a variety of single-family and multi-family building types, including flats and lofts above first floor retail/commercial uses.

Approval of the 229-acre New Urbanist Meriam Park Project resulted in the rezone of approximately 13.25 acres of land from R3 to Traditional Neighborhood Development (TND). In order to ensure that the portion of the property previously zoned R3, which is counted in the City's inventory of land (see **Table A-30**) considered available to meet its allocated fair share of low- and very low-income housing, was not lost, the Development Agreement stipulates that the developer develop 13.25 acres within the project site at a density equivalent to the density required in the R3 zoning district and that this development take place during the early phases of the project.

Further, the Meriam Park Development Agreement requires a component of affordable housing be developed over the 20-year build-out of the project. This affordable housing requirement includes: 97 moderate income affordable single family homes; and 182 units of low and very low income affordable housing. The developer is required to commence development of this housing within four years of the first building permit issuance for development in the subdivision. In addition, the developer is required to provide an additional 66 units of low and very low income affordable housing beginning in the seventh year of the agreement term.

Finally, as the project anticipates building approximately 1,180 multi-family units and 290 multi-family mixed-use units over the life of the project, the City is confident that additional high density residential development will occur at or above R3 densities during the next 5 years. The

APPENDIX A – HOUSING NEEDS ASSESSMENT



TND zoning district, with its maximum density of 35 units per acre (not including a density bonus for affordable housing of up to 35 percent), provides an excellent opportunity for high quality, high density living. The form-based code permits greater flexibility in density, setbacks, floor area ratio, open space and parking requirements that reduces the cost of developing housing. The TND code promotes shared use of open space and parking facilities. The project envisions bungalow courts, flats and apartments above retail, and plenty of high density apartments, to accompany the aforementioned affordable housing requirements. Although the City does anticipate the development of these units they do not expect the development of these units will occur within the RHNA period and so they are not included in **Table A-30**.

Diamond Match

The Diamond Match property has a special Planned Mixed Use (PMU) zoning designation because of its proximity to Downtown Chico, its unique redevelopment potential, its historic resources, and a General Plan requirement that a specific plan be prepared for the site. What the City looks to for determining density on properties are the associated General Plan designations. Important General Plan designations on the Diamond Match site are the 19.8 acres of High Density Residential land (which is consistent with the R4 zoning district) and the 12 acres of Medium High Density Residential land (which is consistent with the R3 zoning district). The City is confident that, at minimum, 31.8 acres would be developed at or above R3 density as part of project build-out. (See **Table A-30** for unit capacity).

CITY RESOURCES

Article XXXIV Authority

Article XXXIV (34) of the California Constitution 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 1 percent of the existing housing stock to be available each year, which provides authority for approximately 250 units per year. On an annual basis, the City has assisted in the construction of about 57 low-income affordable units over the past 5 years. With a capacity for about 250 low-income units per year, the current Article 34 authority is more than adequate to accommodate current production. Therefore, Article 34 is now a resource for the community.



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Community Development Block Grant and HOME Program

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's 2008 allocation was \$871,365 and \$637,725 carried over from previous years for a total of approximately \$1.5 million. The CDBG Program requires that its funds be targeted to low- and very low- income households.

In 1992, HUD implemented the Home Investment Partnership Program (HOME). The City received \$680,552 of HOME Funds in 2008 and carry-over funds of approximately \$1.7 million, totaling more than \$2.4 million. Unlike CDBG, the HOME funds must be spent on housing activities.

The City has used CDBG for its Citywide Housing Rehabilitation 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. HOME Funds have been used for the City's 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.

Current priorities are cooperation with the Housing Authority of the County of Butte on construction/rehabilitation efforts, funding tenant-based rental assistance and home purchase counseling to public housing residents, and contributing to the activity of the Continuum of Care to address homelessness by funding services or improvements for the Esplanade House, Catalyst Shelter, The Well and Salvation Army transitional and rehabilitation facilities, and the Chico Community Shelter Partnership. Other funding priorities include off-site improvements for affordable housing projects, accessibility improvement to rental housing, small business counseling, code enforcement, fair housing and public services for low-income persons.

Revenue Bond Financing

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. One of these agencies is a Joint Powers Authority in which the City of Chico participates. 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.

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Mortgage Subsidy Program

This program serves first-time homebuyers and requires a minimum contribution of \$5,000 toward the home as down payment of closing costs. The program has assisted 73 moderate- and low-income households in purchasing their first home between 2002 and 2007.

In September 2007, Council approved an increase in the Mortgage Subsidy Program (MSP) loan limit range from \$15,000–\$45,000 to \$30,000–\$70,000. Due to the loan limit increase and a softening real estate market that has broadened access to first-time homebuyers, the number of MSP loans issued increased from 10 loans in fiscal year 2006–07 to 44 loans in fiscal year 2007–08.

Housing Rehabilitation Program

Between 2002 and 2007, the Housing Rehabilitation Program assisted 21 low-income households to rehabilitate their homes, resulting in an \$879,558 investment in the City’s housing stock. The assistance is in the form of a loan with interest rates that vary from 1 to 6 percent for a term of up to 20 years. The loan features a “declining interest rate” that is reduced by one half in year 5 of the loan and to 0 percent at year 10. Deferred loans are available under special circumstances but do not require monthly payments and bear a 3 percent simple interest. The City also has a grant program available for households needing minor repairs to their property.

Chico Redevelopment Agency

Chico Redevelopment Agency has one merged RDA project area, which should be described as the “amended and merged redevelopment project area.” 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 last 20 years, the Chico Redevelopment Agency has expended over \$47 million and has funded an average of about 63 units of low- and moderate-income affordable housing per year (including households assisted by the Mortgage Subsidy Program). For fiscal year 2008-2009, the Agency has an estimated \$13.2 million available in its Low and Moderate Income Housing Fund. Of this available balance, project commitments have already been made in the amount of \$9.8 million, and the Agency will entertain additional proposals during the year. The Redevelopment Agency provides funds for a variety of housing programs for both owner- and renter-occupied units including a self-help program, single-family new construction, acquisition and rehabilitation of rental housing projects (at-risk stock, if needed) and rental housing new construction. The Agency is the primary funding source for the City’s first-time homebuyer program and the mortgage subsidy program. The Agency has recently allocated funds to two projects that are applying for Low Income Housing Tax Credits – Bidwell Park Apartments and Parkside Terrace. Both are family projects of 38 and 90 units, respectively. Parkside Terrace will include nine fully-accessible units with supportive services



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targeted to the disabled. The Agency plans to replicate this integrated housing model in the future as it seeks to strengthen partnerships with for-profit and nonprofit housing developers. Table A-32, A-33, and A-34 include the amount of money anticipated to accrue in the Low Moderate Income Housing Fund (LMIHF) through 2014, the end of the planning period and include the planned uses by dollar amount, income level, age group and project type.

**TABLE A-32
PROJECTED LMIHF AMOUNT AND USES BY INCOME LEVEL ASSISTANCE**

Fiscal Year	Very Low Income Units	Low Income Units	Moderate Income Units	Total
2009-10	\$3,427,647	\$1,691,973	\$1,175,178	\$6,294,798
2010-11	\$3,591,860	\$1,773,033	\$1,231,479	\$6,596,372
2011-12	\$3,765,040	\$1,858,519	\$1,290,854	\$6,914,412
2012-13	\$3,980,915	\$1,965,080	\$1,364,967	\$7,310,862
2013-14	\$4,199,897	\$2,073,175	\$1,439,945	\$7,713,018
5-Year Total	\$18,964,642	\$9,362,501	\$6,502,319	\$34,829,462
Percent of Total Expenditures on Units	54%	27%	19%	--

City of Chico Redevelopment Agency 2009.

**TABLE A-33
PROJECTED LMIHF AMOUNT AND USES BY AGE ASSISTANCE**

Age Category	Age Targeting Goal	Age Expenditures Target 2002-2014	Expenditures 2002-2009	Age Expenditures Target 2009-2014
Under 65	91%	\$62,384,513	\$26,949,948	\$34,829,462
65 and Over	9%	\$6,169,897	\$6,775,000	\$0
Total	100%	\$68,554,410	\$33,724,948	\$34,829,462

City of Chico Redevelopment Agency 2009.

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TABLE A-34
PROJECTED LMIHF AMOUNT AND USES BY PROGRAM,
2009-10 THROUGH 2013-14

Program	Expenditure	% of Total
Low, Very Low and Extremely Low Income Rental	\$20,190,521	58%
Special Needs Housing (Disabilities, Homeless, etc.)	\$3,457,487	10%
Low Income Self-help Home Ownership Projects	\$1,797,893	5%
Moderate Income Home Ownership Projects	\$3,621,083	10%
Mortgage Subsidy Program	\$5,762,479	17%
Total	\$34,829,462	100%

City of Chico Redevelopment Agency 2009.

Housing Element Action H.2.5.2

The City is proposing Housing Element Action H.2.5.2 which requires the development of an mixed-use/inclusionary housing program. The intent of this action will be to ensure a certain percentage of housing in new neighborhoods be affordable to moderate- and lower-income households.

Means of Compliance

The specific requirements for the mixed-income/inclusionary housing program and the incentives to be offered will be developed through public workshops and public hearings over the next two years. The City will solicit input through the development of this program by nonprofit and for-profit homebuilders, housing and special needs advocates, residents and landlords, decision markers, and other interested parties.

Flexible and financially feasible options for a mixed-income/inclusionary program will be pursued. . Implementation of this program will provide additional opportunities for developing affordable housing in the community and will not act as a constraint to the development of housing. Options for meeting the mixed-income/inclusionary requirement may include all of the following:

- On-site Construction;
- Off-Site Construction;
- In-lieu Fee;



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- Dedication of Land;
- Construct duplexes on corner lots;
- Rehabilitation of existing housing; and
- Other programs to be developed that meet the intent of the City’s mixed-income housing provisions.

Possible incentives that may be included are the following:

- Financial assistance (based on availability of federal, state, local funding, and private housing funds);
- Expedited development review;
- Streamlined development application processing;
- Modification of development requirements, such as reduced parking standards for seniors, assisted care, and special needs housing on a case-by-case basis; and

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.

Housing Authority of the County of Butte (HACB)

HACB operates a Public Housing Program that consists of 345 units and a Housing Choice Voucher program assisting 1,908 households. The demand for both programs is high and as a result, the HACB has closed both waiting lists. The City has worked closely with HACB over the years to develop low-income housing. The Housing Choice Voucher 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. Historically, approximately 50 percent of these households reside within the City of Chico Sphere of Influence. 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.

HACB expanded its affordable housing activity from public housing and now develops projects using a variety of financing resources. HACB developed Walker Commons, a 56-unit senior housing apartment complex, and 1200 Park, a 107-unit senior housing apartment complex, utilizing the Low Income Housing Tax Credit Program (LIHTC). The City of Chico and the

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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.

Community Housing Improvement Program (CHIP)

CHIP is a regional nonprofit serving several counties in the Northern Sacramento Valley, and it has over 28 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. CHIP developed and manages Murphy Commons, a recent addition to the City's affordable housing stock with 86 (including landlord apartment) units for very low-income families.

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

CAA owns and manages the County's only transitional housing facility for homeless families, the Esplanade House, which houses up to 60 families at one time. With assistance from the City of Chico, the Esplanade Housing Children's Fund, the State of California, the Federal Home Loan bank and private donations, the Esplanade House relocated to a new and larger site in 2004 to enable a more comprehensive transitional program. Families receive case management service in addition to shelter to provide the necessary tools to become self-sufficient, thus reducing the risk of future homelessness. CAA operates the weatherization program for the County, which provides low-income families with energy audits and energy-efficient home repairs that translate to utility cost savings. In addition, CAA administers a utility payment assistance program and an affordable housing program that develops and rehabilitates housing for low- and moderate-income families.

Northern Valley Catholic Social Services (NVCSS)

NVCSS is a nonprofit social service and housing development organization. NVCSS provides housing opportunities for special needs groups in Chico at Hartford Place Apartments, which provide 21 units for the developmentally disabled, and the recently built Jarvis Gardens, a 50-unit complex for low-income seniors (age 62 and older).



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Caminar

Caminar, Inc. is a non-profit organization that provides services and housing to persons with mental disabilities. In December of 2007, Caminar completed rehabilitation and occupancy of Avenida Apartments in partnership with the City and Butte County Behavioral Health. The Agency allocated \$425,000 for the development. The project offers 14 affordable apartments with supportive services for persons with mental disabilities. The project rehabilitated a dilapidated motel, contributing to neighborhood revitalization.

ARC of Butte County, Inc.

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 11 units for low and very low income non-disabled households.

OTHER 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:

Low Income Housing Tax Credit Program (LIHTC)

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.

California Housing Finance Agency

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.

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State Department of Housing and Community Development (HCD)

- The Multi-Family Housing Program assists developers of rental housing by providing low interest long-term loans for the rehabilitation of existing units and the construction of new units.
- 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.
- 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.
- The Federal Emergency Shelter Grant Program provides grants for the rehabilitation and operation of emergency shelters and transitional facilities.
- 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.

U.S. Department of Housing and Urban Development (HUD)

- 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 Road and the 50-unit Jarvis Gardens Apartments were financed with Section 202 grants.
- Section 811 provides grants to eligible nonprofit 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.
- The Continuum of Care Program is a multipurpose program designed to fund transitional and permanent housing with supportive services. The targeted residents are the very poor who are currently homeless or at 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.

Affordable Housing Program (AHP)

The 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.



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CONSTRAINTS TO DEVELOPMENT OF AFFORDABLE HOUSING

The provision of adequate and affordable housing can be constrained by a number of factors. This section assesses the various governmental and market factors that may serve as potential constraints to housing development and improvement in Chico.

GOVERNMENTAL CONSTRAINTS

The City's role in the housing market is to facilitate and promote the provision of housing affordable for all economic segments of the community. The facilitation of affordable housing can be constrained by a number of factors inherent in the municipal structure. Some governmental regulations can increase the cost of development, thus constraining the availability of affordable housing.

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:

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. As shown in **Table A-35**, the City of Chico's zoning districts allow for a range of housing types. The range of density permitted is sufficient and matches well with local housing need.

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TABLE A-35
RESIDENTIAL ZONING DISTRICTS

Zone	Permitted Dwelling Units per Gross Acres	Description
Rural Residential District (RR)	1 per 5 acres	The RR zoning district identified areas intended for rural living, accommodating rural subdivisions and scattered homes on parcels of 5 acres or larger or clustered housing with an average density of one unit per 5 or more acres where Butte County standards for septic systems are met. The RR zoning is consistent with the Rural Residential land use classification of the General Plan.
Suburban Residential District (RS)	.2 – 2 units	The RS zoning district is applied to urban fringe areas that remain predominantly rural in character, but where parcel sizes smaller than those in the RR zoning district are appropriate. Typical parcel sizes range from 20,000 square feet to 4 acres; clustered development with smaller parcel sizes may be allowed where average density does not exceed 2 units per acre. The RS zoning district is consistent with the Very Low Density residential land use classification of the General Plan.
Low Density Residential District (R1)	2.01 – 6 units	The R1 zoning district is applied to parcels appropriate for traditional neighborhoods consisting of attached or detached single-family housing units. Permitted densities range from a minimum of 2.01 to a maximum of 6 units per acre (up to 7 units per acre may be approved through the planned development permit process (Chapter 19.28) or in compliance with the small lot subdivision standards (Section 19.76.150). The R1 zoning district is consistent with the Low Density residential land use classification of the General Plan. The designation of an area in the R1 zoning district may include establishing specific minimum parcel area requirements for new subdivisions, expressed as a suffix to the R1 zoning map symbol (for example, R1-10 and R1-15 mean 10,000-square-foot and 15,000-square-foot minimum lot areas, respectively).
Medium Density Residential District (R2)	7.01 – 14 units	The R2 zoning district is applied to parcels appropriate for medium density residential development with a mixture of housing types including single-family housing, duplexes, and small-scale multi-family residential projects. The development standards and permit requirements of the R2 district are intended to preserve existing neighborhoods while providing for additional compatible development. Permitted densities range from a minimum of 7.01 to a maximum of 14 units per acre. The R2 zoning district is consistent with the Medium Density Residential land use classification of the General Plan.
Medium-High Density Residential District (R3)	14.01 – 22 units	The R3 zoning district is applied to parcels appropriate for medium-high density residential neighborhoods. Permitted densities range from a minimum of 14.01 to a maximum of 22 units per acre. The R3 zoning district is consistent with the Medium-High Density Residential land use classification of the General Plan.



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Zone	Permitted Dwelling Units per Gross Acres	Description
High Density Residential District (R4)	14.01 – 35 units	The R4 zoning district is applied to parcels appropriate for high density residential living. Permitted densities range from a minimum of 14.01 to a maximum of 35 units per acre. The R4 zoning district is consistent with the High Density Residential land use classification of the General Plan.
Downtown Residential District (RD)	35 units maximum	The RD zoning district is applied to parcels appropriate for a range of density from low to high density residential living intermixed with some ground floor office and retail uses, in the Salem/Wall/Flume Corridors adjacent to the downtown core. Permitted densities are allowed up to a maximum of 35 units per acre. The RD zoning district is consistent with the Downtown land use classification of the General Plan and allow residential use by General Plan policy.
Planned Development Overlay (PD)	Total gross density of the entire project cannot exceed limitations established by General Plan.	The PD overlay zone is intended to provide for flexibility in site planning and design for residential, commercial, manufacturing/industrial, and mixed-use projects, where site characteristics and environmental resources, adjacent land uses, or other community conditions may be benefited by site-specific planning or the design of structures that would not otherwise be allowed in the primary zoning district. Planned developments are encouraged to produce projects of equal or greater quality than would normally result from more conventional development. Allowed uses include those normally allowed in the primary zoning district unless ordinance rezoning a site specifically limit certain uses.
Planned Mixed Use (PMU)	n/a	The PMU zoning district is applied to large areas, either vacant or suitable for redevelopment, as an interim or holding zoning district until a specific plan establishes a variety of uses with precise zoning classifications. The PMU zoning district is consistent with all land use classifications of the General Plan, subject to the approval of a planned development permit or a specific plan. Allowed uses and development standards are based on the approval of a specific plan. Parcels covered by the approved specific plan shall be rezoned to zoning districts and developed consistent with the approved specific plan.
TC	n/a	The TC overlay zone is intended to encourage medium and high density residential and commercial land use within designated corridors with the potential for high frequency bus transit service, to promote development and transportation patterns that do not rely solely on the automobile, consistent with the General Plan. Multi-family housing is permitted above the ground floor in any non-residential zoning district within a TC overlay zone. Ground level multi-family residential may be authorized through use permit approval by the Commission.
Light Manufacturing/Industrial District (ML)	n/a	The ML zoning district is applied to areas appropriate for light assembly and manufacturing, wholesaling, warehousing and distribution, agricultural and industrial processing within structures, and support commercial services. The ML zoning district is consistent with the Manufacturing and Warehousing

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Zone	Permitted Dwelling Units per Gross Acres	Description
land use classification of the General Plan.		
General Manufacturing/Industrial District (MG)	n/a	<p>The MG zoning district is applied to areas appropriate for a full range of manufacturing, agricultural, and industrial processing, general services and distribution uses, including uses with outdoor equipment and outdoor storage.</p> <p>The MG zoning district is consistent with the Manufacturing and Warehousing land use classification of the General Plan.</p>
Manufacturing/Industrial Park District (MP)	n/a	<p>The MP zoning district is applied to areas appropriate for moderate to low intensity industrial uses in landscaped settings, suitable next to commercial and residential areas with minimum buffering. The MP zoning district may also accommodate support commercial uses. The MP zoning district is consistent with the Industrial Park land use classification of the General Plan.</p>
Office Residential District (OR)	22 units	<p>The OR zoning district is applied to areas of existing and future office and residential development. The district permits office/residential mixed-use development in areas where retail and other community commercial uses are not appropriate.</p> <p>The maximum density for residential development within the OR district is 22 units per acre. The OR zoning district is consistent with the Office land use classification of the General Plan.</p>
Office Commercial District (OC)	n/a	<p>The OC zoning district is applied to areas appropriate for administrative, financial, business, professional, medical, and public offices, together with support commercial uses. The OC zoning district is consistent with the Office land use classification of the General Plan.</p>
Neighborhood Commercial District (CN)	22 units	<p>The CN zoning district is applied to areas appropriate for retail sales, businesses, institutions, and services serving the daily needs of nearby residents. This district may also permit mixed-use developments with residential uses only above the ground floor. The maximum density for residential development within the CN district is 22 units per acre. The CN zoning district is consistent with the Mixed-Use Neighborhood Core and Community Commercial land use classifications of the General Plan.</p>
Community Commercial District (CC)	22 units	<p>The CC zoning district is applied to areas appropriate for retail shopping, primarily in shopping centers, including a wide range of retail businesses. This district may also accommodate mixed-use developments with residential uses only above the ground floor. The maximum density for residential development within the CC district is 22 units per acre. The CC zoning district is consistent with the Community Commercial land use classification of the General Plan.</p>
Downtown Commercial District (CD)	50 units	<p>The CD zoning district is applied to the downtown area of the City, where appropriate uses may include a wide range of retail, personal service, educational, cultural, and recreational uses, with office and residential uses above the ground floor. The maximum density for residential development within the CD district is 50 units per acre vertical density. The CD zoning district is consistent with the Downtown land use classification of the General Plan.</p>



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Zone	Permitted Dwelling Units per Gross Acres	Description
Service Commercial District (CS)	n/a	The CS zoning district is applied to areas appropriate for commercial businesses not allowed in other commercial areas because they attract high Chico Municipal Code Commercial and Office Zones 19.44-2 (7/7/06) volumes of vehicle traffic and may have adverse impacts on other uses. The CS zoning district is consistent with the Commercial Service land use classification of the General Plan.
Public/Quasi Public Facilities (PQ)	n/a	The PQ zoning district is applied to areas appropriate for the wide range of public, institutional, and auxiliary uses that are established in response to the health, safety, cultural, and welfare needs of the City. The PQ zoning district is consistent with the Public Facilities and Services land use classification of the General Plan.

Residential Development Standards

Table A-36 summarizes the City’s residential development standards. Development standards are intended to protect the safety and general welfare of the community while promoting the goals and policies of the General Plan. The City’s standards are comparable to other communities and are not considered excessive or overly restrictive.

Maximum permitted residential density: The maximum permitted density for the low density residential zone (R1) is 6 units per acre and for the medium density residential zone (R2) is 14 units per acre. For the higher density zones, both the medium-high density (R3) and high density (R4) residential zones development codes allow for a minimum of 14.01 units per acre. The R3 zone allows for a maximum of 22 units per acre and the R4 zone allows a maximum of 35 units per acre. The Downtown Residential (RD) zone allows for 30 units per acre and the Downtown Commercial (CD) zone allows up to 50 dwelling units per acre.

Minimum lot size: Minimum lot sizes range from 5 acres for rural residential district (RR) to 4,000 square feet for the medium density (R2) and medium-high density (R3) zones. Minimum lot size requirements do not impose an unreasonable constraint to the production of affordable housing in relation to the size of vacant land remaining for residential development. 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 development process.

Minimum dwelling unit size: The City does not impose minimum dwelling unit sizes in its residential zones.

Maximum height: In all but the R4 and RD zones, which allow the greatest density, the City allows for a maximum height of 35 feet for the primary housing units. The maximum height for

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the R4 and RD zones is 45 feet for primary housing units, which is considered a reasonable height to ensure the maximum density and reduce the cost of land per dwelling unit.

Maximum lot coverage: In the R4 and RD zones, the maximum lot coverage is 75 percent of the total lot. The R3 zone allows for 65 percent and the medium density (R2) zone allows for up to 60 percent of lot coverage. Lot coverage of 75 percent in the two highest density zones (R4 and RD) allows for sufficient use of vacant land to ensure density requirements are met. For example, a multi-family structure built in an R4 zone with a minimum lot size of 7,500 feet and 4 stories (maximum is 45 feet) tall allows for a maximum 22,500 square foot complex that would allow for an average unit size of 642 square feet.

An important note regarding the RD district: Mixed use on the ground floor is encouraged. This may include retail, restaurant or office space, although offices are only allowed on the ground floor in South Downtown. The development of the ground floor will eliminate the total number of units to be developed in the structure, which means that in order to meet the maximum density requirements the acreage developed must be increased.



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**TABLE A-36
DEVELOPMENT STANDARDS**

Development Standard	Requirement by Zoning District						
	RR	RS	R1	R2	R3	R4	RD
Minimum Lot Size¹							
Minimum area	5 acres, smaller with PD permit	20,000 sq. ft. – 4 acres	Interior lots: 4,500 sq. ft. Corner lots: Small lot subdivisions: 3,500 to 4,499 sq. ft. Parcels smaller than 3,500 sq. ft. require PD permit approval	Interior lots: 4,000 sq. ft.; 3,960 sq. ft. with parkways Corner lots: 4,400 sq. ft.; 4,250 sq. ft. with parkways	Interior lots: 4,000 sq. ft.; 3,960 sq. ft. w/parkway Corner lots: 4,400 sq. ft., 4,250 sq. ft. w/parkways	7,500 sq. ft.	7,500 sq. ft.
Minimum width at front setback line	Determine through tentative map approval	80 ft. in RS-20; 100 ft. elsewhere	70 ft. interior lots; 75 ft. corner lots for R1-10 & R1-15; otherwise 45 ft., interior lots; 50 ft., corner lots	40 ft. interior lots, 48 ft. corner lots	Interior lots: 45 ft. Corner lots: 50 ft.	75 ft.	75 ft.
Residential Density ²	1 single-family unit/5 acres	2 units/acre	6 units/acre ⁷	14 units/acre	22 units/acre	35 units/acre	30 units/acre
Setbacks ³							
Front	25 ft.	20 ft.	Lots of 6,000 sq. ft. or more: 15 ft. for main buildings and 20 ft. for	10 ft. for main buildings; 20 ft. for garages/carports unless the garage is accessed from a side	15 ft. for main buildings; 20 ft. for garages/carports; 14 ft. for main	15 ft. for main buildings; 20 ft. for garages/carports	15 ft. for main buildings; 20 ft. for garages/carport

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Development Standard	Requirement by Zoning District						
	RR	RS	R1	R2	R3	R4	RD
			garages/carports; 15 ft. for main buildings on lots with parkways Lots of 4,500–5,999 sq. ft.: 15 ft. for main buildings, 20 ft. for garages Lots of 3,500–4,499 sq. ft.: See Section 19.76.150 (Small-lot subdivisions)	entrance which does not result in vehicles blocking the public right-of-way and is approved by the Director. None required for condominiums, townhouses, and similar housing types.	buildings on lots with parkways		s
Side (each)	20 ft.	10ft. in RS-20; 30 ft. elsewhere	4 ft.; 10 ft. for R1-10 and R1-15	4 ft.; plus 5 ft. additional for each story over the first where the setback abuts an RS or R1 district	5 ft.; plus 5 ft. additional for each story over the first where setback abuts an RS or R1 district		
Street side	20 ft.		10 ft. for main buildings; 20 ft. for garages/carports; 9 ft. for main buildings on lots with parkways	10 ft. for main buildings; 20 ft. for garages/carports	10 ft. for main buildings; 20 ft. for garages/carports		
Rear	25 ft.	20 ft. in Rs-20; 30 ft. elsewhere	15 ft. for main buildings ⁶ Lots of 3,500 - 4,499 sq. ft.	15 ft. for main buildings; plus 5 ft. additional for each story over first where setback abuts RS or R1 zone	15 ft. for main buildings; plus 5 ft. additional for each story over the first where setback abuts an	10 ft. for main buildings where rear yard abuts alley; 15 ft. elsewhere; plus 5 ft. additional for each story over the first where setback abuts an RS or R1 district	



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Development Standard	Requirement by Zoning District						
	RR	RS	R1	R2	R3	R4	RD
Site Coverage ⁴	n/a	40%	40%; 50% R1-10 and R1-15	60%	65%	75%	75%
Height Limits ⁵	35 ft. for primary housing units; 25 ft. for accessory structures	35 ft. for housing units; 15 ft. for accessory structure; 25 ft for accessory structures, with use permit approval; 15 ft. for detached garages; 25 ft. for garages with second floor du with use permit approval	35 ft. for primary housing units; 25 ft. for second dwelling units ⁸ ; 15 ft. for accessory structures; 25 ft. for accessory structures, with use permit approval; 15 ft. for detached garages; 25 ft. for garages with a second floor dwelling unit ⁸ ; 25 ft. for detached garages without a second floor dwelling unit, with use permit approval	35 ft. for primary housing units; 25 ft. for second dwelling units ⁸ ; 15 ft. for accessory structures; 25 ft. for accessory structures, with use permit approval; 15 ft. for detached garages; 25 ft. for garages with a second floor dwelling unit ⁸ ; 25 ft. for detached garages without a second floor dwelling unit, with use permit approval	45 ft. for primary housing units; 15 ft. for accessory structures and detached garages; 25 ft. for accessory structures and detached garages, with use permit approval	45 ft. for primary housing units; 15 ft. for accessory structures; 25 ft. for accessory structures with use permit approval; 25 ft. for detached garages with a second floor dwelling unit; 25 ft. for detached garages without a second floor dwelling unit with use permit approval	

1. Minimum areas and width for lots proposed in new subdivisions.
2. Maximum number of housing units allowed for each specified unit of land.
3. Minimum setbacks required.
4. Maximum percentage of site areas that may be covered with structures. The remaining portions of the site that may not be covered with structures shall be permanently maintained as open space.
5. Maximum height of structures.
6. Exception: Where rear property line abuts an alley, a detached housing unit or garage shall comply with the setback requirements for accessory structures (Section 19.76.020).
7. May be increased to 7 units per acre with a planned development permit or in compliance with the small lot subdivision standards (Section 19.76.150).
8. A second dwelling unit permit or use permit is required for the second dwelling unit.

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PROVISION FOR A VARIETY OF HOUSING TYPES

The City is tasked with allowing for the development of an array of housing types that are suitable for all economic segments of the community. The Housing Element must describe how the City’s Municipal Code allows for different types of housing to meeting the needs of its residents. Housing types include single-family dwellings, duplexes, guest dwellings, mobile homes, group residential homes, multiple unit dwellings, convalescent homes, accessory structures, supportive housing and single-room occupancy units. **Tables A-37** and **A-38** below summarize the housing types permitted by right and those that require a use permit under the City Municipal Code.

**TABLE A-37
HOUSING TYPES PERMITTED BY ZONING DISTRICT –
RESIDENTIAL/SPECIAL PURPOSE/OVERLAY ZONES**

Land Use	RR	RS	R1	R2	R3	R4	RD	TC
Assisted living facilities for elderly		UP	UP	UP	UP	UP		
Dormitory					UP	UP		
Fraternity/sorority					UP	UP		
Mobile homes/manufactured homes	P	P	P	P	P	P	P	
Multi-family housing				P	P	P	P	P ⁴
Residential care homes, <6 persons	P	P	P	P	P	P	P	
Residential care homes, 7 or more persons		UP	UP	UP	UP	UP	UP	
Rooming/boarded houses			UP	UP	UP	UP	UP	
Second dwelling unit	P/UP ¹	P/UP ¹	P/UP ¹	P/UP ¹			P/UP ¹	
Senior citizen congregate care housing			UP	UP	P	P	P	
Single-family housing	P	P	P	P ²	P ²		P	
Single-room occupancy (SRO) housing							UP	
Temporary emergency shelters	P	P	P	P	P	P	P	
Two-family housing/duplexes			³	P	P	P	P	



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1. Use permit required for all second dwelling units in the SD-4 overlay zoning district (West Avenue Neighborhood Area). Second dwelling units outside of the SD-4 overlay zone are allowed with a second dwelling unit permit if all development standards are met or with a use permit if one or more of those standards are not met.
2. Allowed only at or above minimum density requirements of zoning district.
3. Consistent with the overall maximum density allowed and on corner parcels either as part of the subdivision approval process or by use permit.
4. Above-ground floor of any non-residential use. Ground-level use may be authorized with a use permit.

**TABLE A-38
HOUSING TYPES PERMITTED BY ZONING DISTRICT –
COMMERCIAL/MANUFACTURING**

Land Use	OR	OC	CN	CC	CD	CS	ML	MG	MP	PQ
Assisted living facilities for elderly	UP									
Caretaker housing						UP	P	P	UP	
Emergency shelters	UP	UP		UP		UP	UP			P
Multi-family housing	UP		P	P ¹	P ¹					
Residential care homes, <6 persons	P		P							
Residential care homes, 7 or more persons	UP		UP	UP		UP	UP ²			
Rooming/boarded houses	UP		UP		UP					
Single-family housing	UP		P ¹	P ¹	P ¹					
Single-room occupancy (SRO) housing					UP					
Temporary emergency shelters	P	P	P	P	P	P	P	P	P	P
Two-family housing/duplexes	UP		P ¹	P ¹	P					

1. Use allowed only on second floor or above. A use permit is required for ground-level occupancy.
2. A use permit may be issued for a residential care home with 7 or more clients in the ML district only when the facility also includes on-site vocational training or employment for the clients residing at the facility.

Emergency Shelters

California Health and Safety Code (Section 50801) defines an emergency shelter as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person.”

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In effect since January 1, 2008, Senate Bill (SB) 2 (Cedillo, 2007) requires the City to allow emergency shelters without any discretionary action in at least one zone that is appropriate for permanent emergency shelters (i.e., with commercial uses compatible with residential or light industrial zones in transition), regardless of its demonstrated need. The goal of SB 2 was to ensure that local governments are sharing the responsibility of providing opportunities for the development of emergency shelters. To that end, the legislation also requires that the City demonstrate site capacity in the zone identified to be appropriate for the development of emergency shelters. Within the identified zone, only objective development and management standards may be applied, given they are designed to encourage and facilitate the development of or conversion to an emergency shelter. Those standards may include:

- The maximum number of beds or persons permitted to be served nightly by the facility;
- Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone;
- The size and location of exterior and interior on-site waiting and client intake areas;
- The provision of on-site management;
- The proximity to other emergency shelters provided that emergency shelters are not required to be more than 30 feet apart;
- The length of stay;
- Lighting; and
- Security during hours that the emergency shelter is in operation.

The current Municipal Code permits temporary emergency shelters in all residential, commercial and manufacturing zones. However, permanent emergency shelter facilities require a use permit in the Office Residential (OR), Office Commercial (OC), Community Commercial (CC), Service Commercial (CS) and Light Manufacturing/Industrial (ML) zones. The PQ zone does allow emergency shelters without a use permit and there are currently 13 acres vacant in this zone.

While the City's code currently allows "outright" permanent emergency shelters in the Public/Quasi-Public (PQ) zone, the only vacant areas within the City with that designation are generally future park sites. Action H.46.1 states that the City will amend its Municipal Code to allow permanent shelter facilities in the Light Manufacturing/Industrial (ML) zone which currently has 459 acres of vacant land available. The ML zone was selected because it allows a range of uses appropriate for light manufacturing, support commercial services and live/work housing. Several large vacant parcels zoned ML are located on major transportation corridors



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and close to services. Approximately 109 acres in the ML zone have been determined to be ready for development (e.g. have consistent zoning and general plan designations, no major environmental constraints and with existing infrastructure) based on a 2008 vacant land inventory. Further, the City already has a successful permanent emergency shelter located in the ML zone, which is located close to daily services and transit.

Transitional and Supportive Housing

Transitional housing is defined in Section 50675.2 of the Health and Safety Code as rental housing for stays of at least 6 months but where the units are re-circulated to another program recipient after a set period. It may be designated for a homeless individual or family transitioning to permanent housing. This housing can take many structural forms such as group housing and multi-family units and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Supportive housing is defined by Section 50675.14 of the Health and Safety Code housing with linked on-site or off-site services with no limit on the length of stay and is occupied by a target population as defined in Health and Safety Code Section 53260 (i.e., low-income person with mental disabilities, AIDS, substance abuse or chronic health conditions, or persons whose disabilities originated before the age of 18). Services linked to supportive housing are usually focused on retaining housing, living and working in the community, and/or health improvement.

SB 2 requires that transitional and supportive housing types be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. Both transitional and supportive housing types must be explicitly permitted in the municipal code. Transitional housing is already listed as a use under “Residential Care Homes” but supportive housing is not explicitly defined or listed under any land use category. Compliant with SB 2, residential care homes for six or fewer persons are allowed by right in all residential zones. However, to further comply with SB 2, the City will add supportive housing as defined in the Health and Safety Code as a permitted housing type under at least one zoning district (see Action H.4.9.2).

Extremely Low-Income Households

Assembly Bill 2634 (Lieber, 2006) requires the quantification and analysis of existing and projected housing needs of extremely low-income households. This need is demonstrated in **Table A-10**. Elements must also identify zoning to encourage and facilitate supportive housing and single-room occupancy units (SROs).

Extremely low-income households typically comprise persons with special housing needs including but not limited to persons experiencing homelessness or near-homelessness, persons

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with substance abuse problems, and persons with mental illness or developmental disabilities. The City’s Municipal Code explicitly defines Single-Room Occupancy (SRO) Housing as “a compact dwelling unit with limited cooking and living facilities designed primarily for one individual and within a multiple-unit structure.” SROs are allowed with a use permit in the Downtown Residential (RD) District and the Downtown Commercial (CD) District. A use permit is required for activities and uses that are unique and whose effect on the surrounding environment cannot be determined prior to being proposed for a particular location. Conditions of approval may be placed on a use permit to ensure that the use is compatible with existing and designated uses in the general vicinity. A use permit for the Campbell Commons project which included SRO units was approved with conditions to preserve mature trees, suppress dust during construction, install street trees on the project frontages and reconstruct adjacent street improvements which had deteriorated. These conditions did not act as an extreme burden to the developer of this project.

Second Dwelling Units

The City adopted revised standards for second dwelling units in 2003 in response to state approval of AB 1866, which mandated ministerial approvals for the vast majority of second dwelling units. After an initial flurry of applications, the pace of second dwelling unit construction has slowed significantly, due largely to the City Council’s modification of the second dwelling unit standards in 2005 to: 1) mandate owner occupancy without exception for all properties to be developed with a second dwelling unit; and 2) require compliance with all other regulations without modification. In late 2005, Staff began the process of developing second dwelling unit design guidance to increase neighborhood compatibility of new second dwelling units, but was then directed to suspend the effort to direct time to the City’s neighborhood planning efforts.

Housing for Persons with Disabilities

As part of a governmental constraints analysis, housing elements must analyze constraints upon the development, maintenance and improvement of housing for persons with disabilities. Housing element law requires each jurisdiction to analyze potential governmental constraints to the development, improvement and maintenance of housing for persons with disabilities, demonstrate local efforts to remove any such constraints and provide for reasonable accommodations for persons with disabilities through programs that remove constraints.

The City provides for a variety of housing intended to care for the special needs of the disabled. Residential Care Homes are defined in the City Municipal Code “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



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children’s homes, transitional housing, orphanages, rehabilitation centers and self-help group homes.

Permits and Processing for Housing for Persons with Disabilities

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 most residential districts, office residential and commercial districts with a use permit. Family is defined as one or more persons occupying a housing unit and living as a single housekeeping unit, and residential care homes are facilities providing residential social and personal care for people with limited ability for self-care. Residential care homes are required to provide one off-street parking space for every three beds the facility is licensed to accommodate. There are no development standards that regulate the concentration or spacing for residential care homes. Constructing a new facility or structurally modifying an existing facility would require a building permit. In addition, Chico recently amended its code to allow ground-floor accessible residential units by right in commercial zoning districts (Title 19.44, Table 4-6, Footnote 2).

Standard requirements regarding accessibility for persons with disabilities are found in California’s Title 24, which is enforced locally by the City’s Building and Development Services Department. Special accessibility requirements are required for multi-family residential projects with 3 or more units.

Housing for seven or more persons is permitted in most residential districts, office residential and commercial districts with a use permit. In addition, Housing Element Action H.4.1.1 requires the City to develop a more formalized reasonable accommodation procedure that will provide an administrative exception process in zoning and land use matters for housing for persons with disabilities, as required by State law (SB 520). For a further analysis on the City’s standards and requirements for the siting of housing for persons with disabilities see Appendix D. 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, and the use permit condition may require additional parking. Another example is a condition that requires the structure used for residential purposes must meet required ADA provisions or reasonable accommodations. 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 districts either by right or with a use permit. This type of a use permit would usually be considered a minor, non-controversial project and could typically be processed within 30 to 45 days.

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Environmental review under provisions of the California Environmental Quality Act may also be required. While this process does involve 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 ensure 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 permit 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. Use permit conditions required in this instance included revising the site plan to correctly indicate a total of 15 apartment units, to indicate location of security and gate, and landscape and monument sign architectural review by the Planning Director.

After surveying several other comparable communities, the above-described regulations and processes have been found to be typical with communities throughout the state.

Traditional Neighborhood Development Code

In July 2007, the City Council, consistent with policies in the General Plan, adopted new Traditional Neighborhood Development (TND) regulations for incorporation into Title 19 of the Municipal Code and approved a new General Plan designation, Special Mixed-Use. The TND regulations and Special Mixed-Use designation are intended to create compact and complete neighborhoods with defined neighborhood centers, encourage a mixture of residential and non-residential land uses, promote a mixture of housing types that can accommodate a variety of household sizes, incomes and stages in life, establish an interconnected street network supporting a variety of transportation modes, create a pedestrian-friendly environment, and provide public spaces.

DEVELOPMENT STANDARDS AND FEES

On- and Off-site Improvements

The City requires the provision of certain on- and off-site improvements in conjunction with discretionary permits for residential development. These improvements include compliance with street improvement standards, including the provision of fire hydrants, street lighting, storm drainage and sanitary sewer facilities.



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As noted above, the City General Plan 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 a 4-foot sidewalk.
- Streets with parking on 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 on 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.

Open Space and Off-street Parking Requirements

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 25 percent of the number of units for guest parking and two spaces for apartments with two or more bedrooms, 1.5 spaces for apartments with 1 bedroom, and 1 space for studio apartments. This standard provides for adequate off-street parking for tenants and visitors and permits emergency vehicle access and circulation. The parking requirement for a single-family dwelling is two spaces. Required off-street parking does not have to be covered or within a garage. The off-street parking requirements for residential uses is intended to accommodate normal residential parking needs and is typical for a community the size of Chico. The parking standards do not have an impact on the cost or supply of housing.

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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. The standard for conventional single-family residential lot-by-lot development is 60 percent open space (or 40 percent coverage). This requirement is reduced to 40 percent in the R2 zone, 35 percent in the R3 zone and 25 percent in the R4 zone. 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.

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 four 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.

Housing Rehabilitation

As referenced in the Housing Stock Conditions section on page 7a-21, the City tracks housing conditions as part of its code enforcement efforts. The City funds a Housing Inspector who works with homeowners and contractors to ensure cost-effective rehabilitation. Housing Rehabilitation Program 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.

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 a discretionary project 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 **Tables A-39**, associated with the cost of processing permit



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applications, and **Table A-40**, associated with the cost of infrastructure improvements due to growth in the community.

Based on the fee schedules presented in the following tables, the typical fees for a single-family development are estimated at \$24,077. This includes the development impact fees and assumes the building permit fee for a single-family structure of 1,500 square feet (\$2,203). The estimated typical fee for a multi-family unit is \$25,468, which assumes the unit price for an 800 square foot unit in a total 20,000 square foot building (\$975/unit). (How was this estimated?) Due to varying construction types, the average of the three types was used in this estimation.

All fees are based on a nexus study conducted by the City to determine the actual cost of providing improvements or facilities that included an analyses and comparison of fees charged in 17 North Valley jurisdictions. The nexus study concludes that the City of Chico fees are appropriate and justified and also that the impact fee program complies with state law regarding development impact fees. The study also found that the development impact fees imposed by the City for all uses other than Commercial were in the lower two-thirds of fees charged to the comparable jurisdiction included in the study. Fee deferrals are available for units constructed for low- or moderate-income households. The owner may opt to pay the associated fees on the date of the issuance of a certificate of occupancy instead of the date a building permit is issued.

**TABLE A-39
PLANNING AND BUILDING FEES**

Planning Fees - Deposits	
Rezoning/Prezoning 1 acre or less	\$4,283
Rezoning/Prezoning > 1 acre	\$4,989
Planned Development	\$5,313.50
EIR	
Initial Deposit	\$12,287
EIR Document	Full cost of consultant contract
Deposit for City staff service related to EIR	15% of consultant contract
General Plan Amendment	\$5,892
Specific Plan Initiation or Amendment	\$63,871.50
Development Agreement	\$5,734
Subdivisions	
Tentative Subdivision Map	\$14,950.50
Tentative Parcel Map	\$7,404.50
Condominium Conversion – Tentative Map	\$4,594

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Planning Fees - Deposits	
Planning Fees – Filing Fee	
Use Permits	
Single-family owner-occupied (including second unit)	\$1,363
Uses requiring action by Zoning Administrator	\$2,695.50
Uses requiring action by Planning Commission	\$5,476.50
Variance Permit	
Single-family owner-occupied residence	\$2,712.50
All others	\$3,249
Environmental	
Notice of Exemption	\$130
Negative Declaration	\$3,569
Boundary Line Modification	\$1,443.50
Second Dwelling Units (where use permit is not required)	\$502.50
Architectural Review Board	\$982
Building Fees	
Preliminary Plan Check Fee	\$192
Plan Check/New Construction Fee	Varies depending on construction type and size
Apartment Building (20,000 sq. ft. threshold)	\$19,511–\$29,266 plus \$10.50–\$15.50 per additional 100 sq. ft.
Single-Family Dwelling (1,500 sq. ft. threshold)	\$2,203 plus \$56.50 per additional 100 sq. ft.
Condominium Conversion Inspection	\$192 minimum; \$130 per unit
Energy Plan Check	\$85 minimum (up to 2 units); \$43 (3 or more units)
Mechanical, Plumbing, Electrical Plan Check (hourly rate)	\$117
Northwest Chico Specific Plan Residential Fee	\$426



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TABLE A-40 DEVELOPMENT IMPACT FEES

Fee Type		Single-family	Multi-family
Transportation Facility Fees			
<i>Street Facility Improvement Fee</i>		\$3,687.15/ unit	\$2,549.99/ unit
<i>Street Maintenance Equip. Fee</i>		\$108.70/ unit	\$75.18/ unit
<i>Bikeway Improvement Fee</i>		\$432.05/ unit	\$373.19/ unit
Storm Drainage Facility Fees*			
<i>Watercourse (Drainage Area Number)</i>	<i>Total Cost Per Acre</i>	<i>Per Acre Cost (0.5 coefficient)</i>	<i>Per Acre Cost (0.75 coefficient)</i>
<i>Butte Creek (770)</i>	\$17,785	\$8,893	\$13,339
<i>Comanche Creek (771)</i>	\$18,552	\$9,276	\$13,914
<i>Little Chico Creek (772)</i>	\$20,213	\$10,107	\$15,160
<i>Big Chico Creek (773)</i>	\$15,070	\$7,535	\$11,303
<i>Lindo Channel (774)</i>	\$18,388	\$9,194	\$13,791
<i>S.U.D.A.D. Ditch (775)</i>	\$16,038	\$8,019	\$12,029
<i>Mud-Sycamore Creek (776)</i>	\$13,957	\$6,978	\$10,468
<i>P.V. Ditch</i>	\$19,779	\$9,890	\$14,834
Park Facility Fees			
<i>Basic Park Facility Fees</i>		\$2,789/ unit	\$2,360/ unit
<i>Bidwell Park Land Acquisition Fee</i>		\$199/ unit	\$177/ unit
Building and Equipment Fees			
<i>Administrative</i>		\$182/ unit	\$158/ unit
<i>Fire Protection</i>		\$699/ unit	\$554/ unit
<i>Police Protection</i>		\$789/ unit	\$889/ unit
Sewer Fees			
<i>Application Fee</i>		\$100	\$100
<i>Monthly Service Rate</i>		\$16.75/ unit	\$16.75/ unit
<i>Water Pollution Control Plant (WPCP) Capacity Rates</i>		\$2,251/ unit	\$2,251/ unit
<i>Trunkline Capacity</i>		\$1,693/ unit	\$1,693/ unit
Total**		\$12,946.52./ unit	\$11,197.11/ unit

* Each of the 8 drainage basins has differing per acre facility fees. Fees are calculated by applying the acreage and the runoff coefficient for each location of development..

** Total is lower than expected due to the exclusion of applicable storm drainage fees.

Public Services and Facilities

- **Wastewater Treatment.** Wastewater collected in the City Sewer Service Area is transported to the Chico Water Pollution Control Plant (WPCP). Flows reaching the plant are presently less than its reliable treatment capacity and therefore the City currently has capacity to meet its 2007-2014 regional housing need. The City recently expanded the capacity of the plant to 9 million gallons per day (mgd). The design capacity of the WPCP is 16 mgd, and the City is now expanding the capacity

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to 12 mgd. 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 39).

- **Stormwater.** 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 stormwater facilities.
- **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 5 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 10 mgd. Peak demand has reached only 40 million gallons per day. Currently the City has more than enough capacity to accommodate its 2007-2014 RHNA.
- **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.
- **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 5-year planning period.

To comply with Senate Bill 1087, the City will immediately forward its adopted Housing Element to its water and wastewater providers so they can grant priority for service allocations to proposed developments that include units affordable to lower-income households.

Project Review Process

Compared with other cities in Northern California, Chico's project review process ranks similarly in processing time. While project 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 has recently reorganized Planning Services, Building, Capital Projects, and Development Engineering into separate departments to improve customer service. See Appendix E for a visual representation of how development review occurs within the City.

The City's various review procedures are summarized below. Development in the unincorporated area is summarized in the Housing Element of the Butte County General Plan.



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Development Review Committee

The City has established a Development Review Committee (DRC) to review preliminary project proposals and provide timely comments prior to submittal of a formal application. The biweekly DRC meetings are optional and available at no cost. The DRC has been helpful to design professionals and developers for providing an informal meeting environment at which City Planning Services, Development Engineering, Building Division and Fire staff as well as Cal Water staff review and respond with written comments to preliminary project plans. Projects that have been through DRC have a reduced number of plan revisions needed in the planning process. Materials must be submitted 10 days before a Development Review Committee meeting to be included. Written comments are sent to the project developers within 2 weeks of the meeting.

Residential Permit Process

The residential permit process for a subdivision includes submittal of an application, review for completeness by City staff, and review and approval by the Planning Commission. The timeframe for a subdivision is approximately three to six months. Multi-family projects are subject to architectural review but do not require use permits, if proposed in an appropriate zoning district (R2, R3, R4, RD). The permit process for a multi-family project includes submittal of an application, review of completeness by staff, and review and approval by the Architectural Review Board. Depending on the size and motivation of the builder, most multi-family projects can obtain building permits within six weeks following approval from ARB. For detached single-family in-fill housing, an application is submitted to the building department for staff review. If the application does not involve exception to any development standards and the project conforms with CEQA, the General Plan, and the City's zoning regulations for the site, then the project may be approved at staff level. The time frame for these projects is approximately three weeks.

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 that 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

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(EIR) or negative declaration is to be prepared. The Director may also require the submittal of additional information, such as 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.

Although state law allows up to 180 days, the typical time required to prepare a negative declaration and make it available for public review and comment is 60 days from determination of a complete application. 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) in addition to the time required for 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 6 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, 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 state law requires environmental review of all discretionary projects, including not only private projects but City projects and actions as well.

General Plan Amendment

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 1 year if an EIR is required to be prepared.

Once the application and environmental review are complete, the planning staff schedules a public hearing before the Planning Commission. The Commission will review the amendment and forward a recommendation to the City Council. 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 30 days of the Planning Commission hearing.



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Prezone/Rezone

A prezone or rezone is also subject to the Permit Streamlining Act time frames and environmental review as discussed above. Once the application is deemed complete, a public hearing is scheduled before the Planning Commission. Once the Planning Commission has made its recommendation, the item is scheduled for hearing before the City Council, with final action typically occurring 60 to 90 days after the application is deemed complete.

Use Permit/Variances

Use permits and variances determined to be minor and non-controversial in nature are heard by the Zoning Administrator. At the time of application, a review of the configuration, design, location and potential impact of the proposed use is conducted by comparing it to established development standards. Typical processing time is 30 to 45 days after the application is deemed complete. The Zoning Administrator must hold at least one public hearing or may refer the application to the Planning Commission to hold a hearing. These permits may be appealed to the City Council, in which case the appeal is scheduled for hearing within 45 days of the appeal.

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.

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 make an environmental determination within 30 days if exempt, or 50 days to take action after determination, and 180 days for a Negative Declaration, and 1 year for an EIR. 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.

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Subdivisions 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.

Boundary Line Modification/Minor Land Division

These minor applications are approved by the Map Advisory Committee within about 2 months of submittal of a complete application, unless an appeal is filed. An appeal of staff approval is considered by the Planning Commission in 15 to 30 days, and if further appealed, considered by the City Council in an additional 15 to 30 days. Most of these applications are exempt from environmental review.

Architectural Review Board (ARB)

Commercial and multi-family projects require review by the Architectural Review Board (ARB). 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 either conducted administratively by staff, or through the ARB for larger projects. The ARB meets twice each month. Site planning, landscaping, circulation, building materials, and building elevations are reviewed. The purpose of architectural review is to promote orderly and harmonious development of the City, enhance the desirability of residence or investment in the City, encourage the attainment of the most desirable use of land and improvements, enhance the desirability of living conditions upon the immediate site or in adjacent areas, and promote visual environments which are of high aesthetic quality and variety and which at the same time are considerate of each other. Projects are evaluated for basic good design principles and consistency with the General Plan, other appropriate policies and design guidelines. The following findings need to be met in order for the ARB to approve a project:

- The proposed development is consistent with the General Plan, any applicable specific plan, and any applicable neighborhood or area plans;
- The proposed development, including the character, scale, and quality of design, are consistent with the purpose/intent of this chapter and any adopted design guidelines;
- The architectural design of structures and their materials and colors are visually compatible with surrounding development. Design elements, including screening of equipment, exterior lighting, signs, and awnings, have been incorporated into the project to further ensure its compatibility with the character and uses of adjacent development;



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- The location and configuration of structures are compatible with their sites and with surrounding sites and structures and do not unnecessarily block views from other structures or dominate their surroundings.
- The general landscape design, including the color location, size, texture, type, and coverage of plant materials, and provisions for irrigation, maintenance, and protection of landscape elements, have been considered to ensure visual relief, to complement structures, and to provide an attractive environment.

Multi-family projects are subject to architectural review but do not require use permits, if proposed in an appropriate zoning district (R2, R3, R4, RD). Depending on the size of the project and motivation of the builder, most multi-family projects can obtain building permits within 6 weeks following approval from the Architectural Review Board. A building permit for a single-family residence, by comparison, can be processed in approximately 3 weeks.

NON-GOVERNMENTAL CONSTRAINTS

Non-governmental economic constraints are driven by the market and typically fall outside the direct control of the local government. Through responsive programs and policies aimed toward offsetting the impacts that the market has on housing affordability, the City can be influential in balancing housing affordability for residents of all income levels and market opportunity for home builders. Analyzing land cost, construction cost and the availability of financing, the City can develop programs, with key preconditions for land use and housing that are responsive to such conditions, in order to ensure the availability of housing that meets the needs of residents.

Land Costs

A major market constraint that impacts housing production and the price of available new housing is the price of land. LoopNet.com, an online listing of commercial real estate in the U.S., advertises several vacant land properties for sale in the City that are zoned medium-high density residential, ideal for multi-family structures. A July 2008 survey yielded a 1.4-acre vacant lot, approved for the construction of a multi-family complex totaling 29 units, that was selling for \$910,000. The average price per acre for the available multi-family lot was \$648,732. LoopNet.com also had several listings of available lots that are ideal for building single-family units. The average land price per acre for a single-family unit was \$45,360. **(Check- this seems low.)**

Construction Costs

Construction costs vary widely depending on the type of structure being built. For instance, the total construction cost of a multi-family structure will cost significantly more than a single-family

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home, though the cost of each unit in the multi-family structure will cost less due to the economies of scale.

According to the Producer Price Index, compiled by the U.S. Department of Labor, housing has declined from 55 percent in 2005 to 40 percent in 2008 of the total construction market. Public works projects, which are on the rise, continue to sustain the price of construction materials during the downturn of housing construction. Between 2004 and 2006, the price of residential construction cost rose by 22 percent; by 2008, the housing market slowed and halted the rising cost of residential construction materials.

Building-cost.net, a housing construction cost resource that calculates the total estimated cost of building a new home using the National Building Cost Manual, estimates that the total construction price of a 1,200 square foot home with four walls, an attached garage, central heating and air, and lower than average but higher than minimum building materials would cost \$136,518. The cost breakdown consists of \$69,588 for materials, \$63,557 for labor and \$3,373 for equipment needed to finish the construction.

Availability of Financing

In response to the non-governmental constraint of available financing, the City has several programs in place to facilitate the provision of financing for housing to the community. These programs are discussed in the City Resources sections of this document. Private financing is the primary source for most potential homeowners. In **Table A-41**, home purchase loan data for the City of Chico from the Home Mortgage Disclosure Act (HMDA) is presented to show the City's loan application history and status between the years 2004 and 2006. According to HMDA, the total number of loan applications processed in the Metropolitan Statistical Area (MSA) between 2004 and 2006 was 18,599. Of those, 13,730 (74 percent) were approved and 2,823 (15 percent) were denied. In Census Tract 6.04 (the West Avenues neighborhood north of campus), a low-income neighborhood with a low tenure of owners, 32 percent of loans in 2006 were denied. Though there are particular areas with a low loan approval rate, generally there is a healthy level of financing availability available to the community.

The availability of financing in Chico is generally available to the community. In the Chico MSA/MD, 18 percent of all loan applications were denied in 2006. In the MSA/MD of the neighboring jurisdiction of Yuba City, 34 percent of all loan applications in 2006 were denied and in the Redding MSA/MD, 23 percent of all loan applications were denied in 2006. As compared to other MSA/MD jurisdictions in Northern California, Chico has a relatively low percentage of denied loans



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TABLE A-41
HOME PURCHASE LOANS 2004–2006, CHICO MSA/MD

Year	Loans Approved		Loans Denied		Loans Withdrawn/ Incomplete		Total Loan Applications
	#Loan Applications	% of Total	#Loan Applications	% of Total	#Loan Applications	% of Total	
2004	4,854	78%	777	12%	616	10%	6,247
2005	5,057	73%	1,103	16%	809	12%	6,969
2006	3,819	71%	943	18%	621	12%	5,383

Source: Home Mortgage Disclosure Act, 2004, 2005, 2006.

Note: Loans Approved include loans originated and loans approved, not accepted.

Since 1989, the City has operated a down payment 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.

Federal and State Actions

While financing availability is a non-governmental constraint, various state and federal government policies can have significant impacts on the affordability of housing. Most important of these policies are those federal monetary policies that 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 as 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

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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.

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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.		CDBG	Housing Office	Ongoing	<p>Effectiveness: The City conducted two workshops each year for tenants and landlords concerning fair housing and other relevant issues. The City distributed flyers and published press releases to maintain community awareness for fair housing. Fair housing complaints (approximately 54 per year) continue to be directed to the appropriate department (Legal Services of Northern California).</p> <p>Progress: The City made great progress with this program, and the element achieved the goal of this program.</p>	Appropriateness: This program serves an ongoing need and since it was successful, it will be continued.
H-I-2	The City will complete the Analysis of Impediments by the end of 2003.		CDBG	Housing Office	Ongoing	<p>Effectiveness: The City completed the Analysis of Impediments to Fair Housing Document in 2003 and subsequently assisted the Housing Authority of the County of Butte in preparing this report as required by the Department of Housing and Urban Development.</p> <p>Progress: This program was completed.</p>	Appropriateness: This program will be deleted.
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.		City Funded Staff	Planning Division	2004–2005	<p>Effectiveness: The City amended the Municipal Code to provide specific development standards for second units including owner-occupied requirements. Second units are not allowed in the R3 or R4 zones.</p> <p>Progress: The City accomplished exactly what this program prescribed.</p>	Appropriateness: Since the program was accomplished, there is no need to continue this program. It will be deleted.
Affordability							
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.		City Funded Staff	Planning Division	2003–2004	<p>Effectiveness: In July 2007, the City Council adopted a parallel development code that supports the concepts associated with Traditional Neighborhood Development (TND). The new TND code promotes opportunities for higher density, vertical and horizontal mixed use, and greater flexibility in site and parking design. The goal of the code is to promote a significant variety of housing stock, commercial and community services within walking distance of residences, and a pedestrian scale environment. See Municipal Code 19.80-96.</p> <p>Progress: Even though it occurred later than had been expected, the adoption of the TND code accomplished all the aspects of this program, successfully fulfilling the program's intent.</p>	Appropriateness: Since the program was accomplished, there is no need to continue this program. It will be deleted.
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.		City Funded Staff	Planning Division	2004–2006	<p>Effectiveness: The City did explore the feasibility of allowing duplexes on corner lots, and now the R1 Zoning District allows duplexes on corner lots when approved as part of a subdivision or planned</p>	Appropriateness: Since the program was accomplished, there is no need to continue this program. It will be deleted.



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						development permit. Progress: The City was very proactive on this and not only explored the option as stated in the program, but pursued a policy change to allow corner lot duplexes.	
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.		City Funded Staff	Planning Division	Initially completed as part of the Housing Element 12/03 Updated 12/07 Ongoing	Effectiveness: The City does maintain a list of vacant land by zoning and general plan designation. Progress: The City makes it a priority to maintain its inventory of vacant land. However, the City has been unable to make this information accessible on the City's website thus far. The City is working on an annual opportunity site program for housing that will enhance the usefulness of this program.	Appropriateness: The City will continue to maintain a vacant land inventory but will also modify the program to include an aggressive annual City program that would physically survey both vacant and underutilized parcels that may be appropriate for housing.
H-I-6a	The City shall designate and rezone low or medium density residential or nonresidential 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.		City Funded Staff	Planning Division	Initiate and complete by 2006	Effectiveness: The City completed this program with the following actions: Two 14-acre parcels, which were previously designated Low Density Residential, were re-zoned to develop at MHDR (R3) densities in 2006. In addition, the Chico Redevelopment Agency has provided Pacific West Communities with a commitment of \$3.9 million for a 4.6-acre commercial zone parcel to provide 75 units of permanent affordable housing called Chico Courtyards. The project has secured a use permit to allow placement of residential units on the ground floor of the development at a density commensurate with the MHDR designation. This project is now under construction. The City has approved a large-scale up-zone with a General Plan Amendment for Meriam Park, a 272-acre site. The site's General Plan designation was amended from Office Residential, which allows for up to 22 units per acre, to the City's new Special Mixed Use designation and Traditional Neighborhood Design zoning, which allows for up to 35 units per acre, greater site design flexibility and reduced parking requirements. The Meriam Park project is a traditional neighborhood, mixed-use development that will be built out over approximately 15 years and includes a variety of housing types including multi-family development, flats above first floor retail/commercial uses, small lot subdivisions and affordable housing. The total residential yield of Meriam Park is anticipated to be between 2,300 and 3,200 dwelling units, resulting in an average density range of 11 to 15 dwelling units per acre. Progress: The City was very active in designating and rezoning land for higher density development. More than the 14-acre parcel at an assumed average density of 17 was designated. As described above, two 14-acre parcels were rezoned to R3 densities (which have the assumed average density of 17).	Appropriateness: The program was accomplished beyond expectation. The City currently has available appropriately-zoned land available. The program will be deleted.

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H-I-7	Adopt the City's revised subdivision ordinance (Title 18) consistent with the General Plan and 1999 Title 19 Land Use Regulations.		City Funded Staff	Planning Division/CCD	2009–2010	Effectiveness: The City revised its subdivision ordinance, and it has been reviewed by the City Attorney's Office. Progress: Complete.	Appropriateness: Remove.
H-I-8	Provide financial assistance to assist private developers and nonprofit agencies to acquire rental housing that will be affordable to very low- and low-income households and maintain affordability for at least 55 years.		LMIHF	Housing Office/HACB	In response to specific project proposals	Effectiveness: Financial assistance has not been provided to this type of project in the last 5 years. Progress: There has not been any notification to convert affordable units to market rate.	Appropriateness: The program will be deleted because at-risk projects are dealt with in H-I-25. Affordability covenants are recorded with a Deed of Trust on a city loan as a matter of practice in order to comply with federal and state regulations.
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.		City Funded Staff	Housing Office	In response to specific project proposals	Effectiveness: Currently the Low Income Housing Tax Credit Program is a more effective funding source than private activity bonds. If bonds were used, they could be issued by the Housing Authority or one of the statewide agencies. Progress: This program was not followed due to the effectiveness of another type of funding. There is no reason to focus on bonds if tax credits are helping affordable housing get built.	Appropriateness: The City has decided to delete this program because the use of bonds is less popular than other forms of financing. If bond financing is proposed, the City will help the developer make a decision as to whether to use the Housing Authority as issuer.
H-I-10	Allow buildings up to 65 feet tall in both R2 and R3 zoning districts.				2009–2010	Effectiveness: A zoning change is under review. Progress: The time frame set for this program has not yet passed and the City is in the process of making these changes.	Appropriateness: The program will be modified to ensure flexibility in the land use regulations by changing the height maximum in the R3, R4 and Transit Corridor overlay districts.
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.		City Funded Staff	Building Division/Planning Division/Engineering Division	2004–2006	Effectiveness: Staff is currently reviewing policy and intends to make recommendation during the upcoming fiscal year. Progress: The program was not completed during the last Housing Element cycle as it states the City would complete a comprehensive review of the City's Design Criteria by 2006. That review is still in process and will be completed in this Housing Element period.	Appropriateness: Delete. The program as written is unclear. Comprehensive revisions to Title 18 are an ongoing effort. As standard practice, requests for deviations from the City's Design Criteria and Improvement Standards are considered on a case-by-case basis in the interest of cost saving, environmental protection, and improved pedestrian experience.
H-I-12	Develop mechanisms that promote and facilitate mixed residential-commercial development along target strip commercial corridors served by transit. Such mechanisms		City Funded Staff	Planning Division	2004–2006	Effectiveness: Municipal Code changes were made to allow separate ownership of ground-level commercial and above-ground-level residential uses. In addition, a	Appropriateness: Since this program goals were accomplished entirely, the City will delete this



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Housing Program	Program Goal	5-year Objectives	Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Continue/Modify/Delete
	<p>should be directed to:</p> <ol style="list-style-type: none"> 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. 					<p>Transit Corridor overlay zone was added to parts of The Esplanade and Park Avenue to encourage higher densities and mixed uses on underutilized parcels. These commercial corridors are also served by regular public transit service. The overlay zone allows residential uses and reduced parking standards. This policy focus has continued in neighborhood and specific area plans. A City-led specific plan process resulted in designating significant areas along The Esplanade as Mixed Use Neighborhood Core. The Park Avenue Visioning Study provided similar recommendations. Currently, the Southwest Neighborhood Plan is being developed that encompasses Park Avenue and builds on the findings of the Park Avenue Visioning Study. The policy groundwork has been laid to develop these underutilized commercial corridors with mixed-use transit-oriented development.</p> <p>Progress: The City accomplished all facets of the program successfully.</p>	<p>program.</p>
<p>H-I-13</p>	<p>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.</p>	<p>City Funded Staff</p>	<p>Planning Division, Housing Division</p>	<p>Ongoing</p>	<p>Effectiveness: The Planning Commission and City Council review process for mixed-use and affordable housing projects allows for increased awareness of the benefits and costs of these types of projects. Many of these projects have been processed and commissioned. Moreover, staff is in the process of developing and implementing neighborhood planning programs to increase the collaboration and education between the City and the public. The Avenues Plan has been adopted and the Southwest Neighborhood Plan is under development. Key themes in the neighborhood planning process are smart growth, pedestrian scale development, utilizing design to overcome infill concerns and the importance of providing mixed housing types.</p> <p>Progress: While the City did not establish an education program for the public, development community and decision-making leaders, the intent of</p>	<p>Appropriateness: The City will modify the program to incorporate an educational component in all affordable housing strategies proposed for adoption and financial assistance for all projects.</p>	

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Housing Program	Program Goal	5-year Objectives	Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Continue/Modify/Delete
						this part of the program is fulfilled by the City's ongoing neighborhood planning efforts.	
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.		City Funded Staff	Housing Division	2009–2010	<p>Effectiveness: No mechanisms were identified in the last planning period.</p> <p>Progress: This program was not successful, but the City still supports the intent of the program.</p>	<p>Appropriateness: The City supports the integration of childcare services into family-oriented development so this program will be continued.</p>
H-I-15	Evaluate underutilized commercial and industrial areas for rezoning to residential or mixed uses, with planned development overlays.		City Funded Staff	Planning Division	Ongoing	<p>Effectiveness: The Northwest Chico Specific Plan (adopted in December 2005) re-zoned underutilized areas to higher density residential zones and provided specific design guidance requiring mixed housing, neighborhood-serving retail and maximization of transit opportunities. The Transit Overlay encourages mixed-use, transit-oriented housing to redevelop parcels within the Park Avenue and The Esplanade commercial corridors.</p> <p>Progress: Underutilized areas were evaluated and rezoned under the Northwest Chico Specific Plan so this program was successful, but there is an ongoing need.</p>	<p>Appropriateness: The program is appropriate to continue because the need to continually identify underutilized land remains, especially as the City grows.</p>
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.		City Funded Staff/ HUD Section 202/LMIHF/ other state	Housing Office/Planning Division	Ongoing	<p>Effectiveness: The City collaborated with North Valley Catholic Social Services to fund a 50-unit senior housing project at 20th Street and Notre Dame. Construction began in fall 2006. The 106-unit, low-to-moderate-income senior housing project on Park Avenue, which included funding and technical assistance from both the City and the City's Redevelopment Agency, opened in the summer of 2006.</p> <p>Progress: The City provided technical assistance and funding support to North Valley Catholic Social Services for the complex noted above. The City has been active in getting senior housing built so the other mechanisms listed have not been utilized.</p>	<p>Appropriateness: The City does not see this as a necessary program because all City-funded senior projects have a 55-year regulatory agreement restricting occupancy to seniors. The City has recently completed two large senior housing projects, and will continue to pursue opportunities to build senior housing in the future.</p>
H-I-17	Investigate the opportunity to develop a second Single Room Occupancy (SRO) or other type of housing		City Funded Staff/LIHTC/RDA-	Planning Division/Housing Office	2009–2010	<p>Effectiveness: The City did not development or assist in the development of another SRO project during the</p>	<p>Appropriateness: Continue.</p>



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Housing Program	Program Goal	5-year Objectives	Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Continue/Modify/Delete
	affordable to low-income persons convenient to transportation and other support services. SROs are currently a permitted use in all multi-family zones.		LMIHF /other State and Federal Programs as available			<p>planning period.</p> <p>Progress: The need for another SRO was not demonstrated during the planning period. Since SROs are permitted in all multi-family zones, the City already provides the regulatory structure needed for other organizations to build SROs if needed.</p>	
H-I-18	Continue to allow emergency shelters and transitional housing facilities within the following districts. Temporary Emergency Shelters: in all districts; Emergency Shelters: permitted with Use Permit in Office Residential, Office Commercial, Community Commercial, Commercial Service, and Light Manufacturing districts; Transitional Housing: Facilities housing 7 to 12 persons permitted with use permit in all residential districts. Facilities serving 7 and above allowed with use permit in Office Residential, Neighborhood Commercial, Community Commercial, and Commercial Services districts.		City Funded Staff	Housing Office	Ongoing	<p>Effectiveness: Several projects have been approved through the use permit process. Process has not unduly restricted establishment of such facilities. Staff is working with a local nonprofit to develop a shelter for victims of domestic violence. A property owned by the Redevelopment Agency will be conveyed to develop the project, which has received a funding commitment from the State Emergency Housing Assistance Program.</p> <p>Progress: The City accomplished this goal and has approved several projects.</p>	Appropriateness: While the objective of this program was achieved, it will have to be modified to ensure compliance with SB 2.
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.		City Funded Staff	Planning Division	2005	<p>Effectiveness: Necessary changes were made and the amendments were adopted in 2006.</p> <p>Progress: The program was completely accomplished.</p>	Appropriateness: The program will be deleted because the objective was achieved.
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.		City Funded Staff	Building Division, Planning Division	Ongoing beginning January 2004 Updated 2008	<p>Effectiveness: There is an inventory of accessible and adaptable units available to all agencies assisting the handicapped to obtain appropriate housing. It is updated and distributed annually.</p> <p>Progress: The program was successfully accomplished but as more housing is built, regular updates are needed.</p>	Appropriateness: It is necessary to continue the program to ensure current records of accessible and adaptable units.
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.		City Funded Staff/Private Activity Bond Fee	Housing Office	Ongoing	<p>Effectiveness: City funds and ILSNC administers a program that provides grants to owners of rental properties to make accessibility improvements for disabled residents. The City also provides information on available accessible units as described in program H-I-19.</p> <p>Progress: The City's cooperation with ILSNC</p>	Appropriateness: The program will be continued but it may make sense to combine this program with Program H-I-19 above.

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Housing Program	Program Goal	5-year Objectives	Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Continue/Modify/Delete
						constitutes the successful completion of this program.	
H-I-21	Encourage “visitability” in new residential construction to enable disabled persons to visit non-disabled persons.		City Funded Staff	Building Office, Planning Office	During 2008, in cooperation with ILSNC, information on development options will be prepared for distribution to the public and housing developers.	<p>Effectiveness: City and ILSNC are developing a brochure explaining how to achieve “visitability.” The brochure will be distributed to builders, property managers and tenant groups within the next three months.</p> <p>Progress: The City is working to encourage more “visitability” features by developing an educational brochure. Once this is completed, the program will be successfully completed.</p>	Appropriateness: Since the City is still working on this educational brochure with ILSNC, the program will be continued.
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.		Non-profit	LMIHF/CDBG	Ongoing	<p>Effectiveness: The TBRA program continues, and it was expanded to assist Katrina victims who relocated to Chico. The Katrina victims also received rent and security deposit assistance.</p> <p>Progress: This program was successfully implemented providing assistance to its target groups and was flexible enough to provide emergency relief for Katrina victims that relocated to Chico.</p>	Appropriateness: Delete
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.		City Funded Staff	Planning Division	2009–2010	<p>Effectiveness: The Northwest Chico Specific Plan, adopted in December 2005, directs development in a 700-acre plan area, including approximately 2,445 new housing units. As part of adoption of the Northwest Chico Specific Plan, the City submitted an application to LAFCo to expand its Sphere of Influence (SOI). The General Plan update process will consider several new growth areas and expanding the SOI to meet the housing needs of multiple income groups for the next 20 years.</p> <p>Progress: The City is currently pursuing the objective of this program through specific plans and annexations. The City is in the process of updating its General Plan so more areas for expansion will be identified.</p>	Appropriateness: The program will be continued.
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		City Funded Staff	Housing Office, Planning Division	Ongoing	<p>Effectiveness: The City continued to implement its established policies that require affordability restrictions on assisted housing units and to establish</p>	Appropriateness: The program will be modified to focus on the development of a land trust as a



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Housing Program	Program Goal	5-year Objectives	Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Continue/Modify/Delete
	not subject to restrictions.	<p>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.</p> <p>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.</p> <p>c. Restrictions on affordability of rental units assisted by the LMIHF for a minimum of 55 years.</p> <p>d. Develop a program to recapture a proportional share of home equity appreciation when homes purchased with the MSP are sold.</p>				<p>policies and procedures to preserve existing assisted units that are not subject to restrictions. In 2006 the City decided not to pursue program changes to allow the City to capture equity resulting from price appreciation beyond assessing interest on loan principal (program goal “d”). As part of its General Plan update process in 2008-2009, the City will investigate the feasibility of establishing a land trust as a Housing Element goal to preserve the affordability of for-sale homes.</p> <p>Progress: The program was successful because most of the language refers to requirements for federal and state funding sources that the City already does.</p>	way to preserve the affordability of for-sale homes.
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.		LMIHF/ HOME/CDBG	Housing Office	Ongoing	<p>Effectiveness: Coordination meetings occurred but no projects were identified for conversion during the planning period.</p> <p>Progress: The City maintained its monitoring system by holding meetings with other organizations to determine if any units were going to convert to market rate.</p>	Appropriateness: This program is important to maintain but it will be modified to maintain a list of existing affordable housing developments that are at risk of losing affordability covenants and provide financial assistance to maintain affordability for at least one of these developments.
H-I-26	Continue the City's program for rehabilitating substandard owner-occupied residential units occupied by low income households qualifying under Federal guidelines.		LMIHF/ HOME/CDBG	Housing Office	Ongoing	<p>Effectiveness: The City has provided financial assistance for rehabilitation to 21 households in the past 5 years.</p> <p>Progress: The City continues its program for rehabilitating substandard owner-occupied residential units occupied by low-income households.</p>	Appropriateness: The demand for rehabilitation funding demonstrates the need to continue this program.

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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.		LMIHF/ HOME/CDBG	Housing Office	2009–2010	<p>Effectiveness: The City considered the feasibility of a rental rehabilitation program but did not establish one during the planning period.</p> <p>Progress: The City plans to conduct a Rental Rehabilitation Inspection Program in 2011. This will assist in producing an inventory of eligible rental complexes. A program for rehabilitating rental units will be developed after this inventory is completed in 2012.</p>	Appropriateness: The program will be continued.
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 follow-up as warranted and a comprehensive community survey conducted in conjunction with the update of the Housing Element.		City Funded Staff	Building Division/Planning Division/Housing Office	2009–2010	<p>Effectiveness: The City was unable to establish a housing condition monitoring program due to budget constraints.</p> <p>Progress: The City plans to initiate a housing condition inventory program during the 2009–2010 fiscal year.</p>	Appropriateness: The program is appropriate to continue to so that rehabilitation needs in the City are recorded to better use rehabilitation funds.
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.		City Funded Staff	Planning Division	2004–2005	<p>Effectiveness: In September 2007, the City adopted infill residential flag lot standards. These regulations will allow infill development in the form of flag lots, while protecting the character of existing neighborhoods and the privacy of adjacent residents.</p> <p>Progress: The program was accomplished through the adoption of the infill residential flag lot standards.</p>	Appropriateness: The program was completed so it will be deleted.
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.		City Funded Staff	Planning Division	2008–2009	<p>Effectiveness: Two neighborhood planning processes have been initiated. The Chico Avenues Neighborhood Planning workshops have concluded, with identified infill strategies and infrastructure improvements consolidated into a plan that Council adopted earlier this year. The Southwest Chico Neighborhood Plan workshops took place in early 2007, with a draft plan presented to the community in December 2007. A final plan, including implementation strategies, was presented to Council in August 2008. A recent departmental reorganization</p>	Appropriateness: Infill incentives and the identification of needed improvements will be continued as part of neighborhood-specific planning efforts.



APPENDIX B – HOUSING PROGRAM REVIEW

Housing Program	Program Goal	5-year Objectives	Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Continue/Modify/Delete
						<p>within the City has resulted in a new department, Housing and Neighborhood Services, which will integrate the neighborhood planning process over the long term. In addition, planning was under way in order to apply for a state infill grant in October 2008.</p> <p>Progress: Instead of establishing one general neighborhood planning program with the General Plan, the City pursued this action through neighborhood-specific planning efforts. The two actions listed in the program were accomplished through the two neighborhood planning processes described above.</p>	
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.					<p>Effectiveness: Infill has been encouraged by staff on a project-by-project basis with consideration given to neighborhood compatibility.</p> <p>Progress: The City has not developed a specific set of infill strategies, but instead works with developers to encourage the appropriate infill for the project and the neighborhood context.</p>	Appropriateness: There is no need to continue this program because the intent to encourage infill development was addressed in the second home, duplex and flag lot objectives.
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.	LMIHF/HOME		Housing Office	Ongoing	<p>Effectiveness: Homeownership was promoted through the Mortgage Subsidy Program (MSP) for 73 low- and moderate-income first-time homebuyers. The City hasn't utilized its HOME funds and Low and Moderate Income Housing Fund (LMIHF) in the last few years, but has budgeted MSP HOME funds for the 2008-2009 fiscal year.</p> <p>Progress: The MSP program and program income provided funding for homeownership assistance. LMIHF and HOME funds were not used for this purpose (but for other programs).</p>	Appropriateness: This program will be continued so that funding for homeownership remains a priority.
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.		Housing Office/ Nonprofit	State HCD/CHFA/LMIHF	Ongoing	<p>Effectiveness: The City works actively with the local chapter of Habitat for Humanity and with Community Housing Improvement Program (a local nonprofit) to create self-help ownership housing.</p> <p>In 2006 the City adopted a budget policy which authorizes an expenditure of up to \$500,000 per year, to allow the Redevelopment Agency Executive</p>	Appropriateness: The need for resources for the urban self-help program will continue, so the program will be continued to ensure funding sources for this.

APPENDIX B – HOUSING PROGRAM REVIEW



Housing Program	Program Goal	5-year Objectives	Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Continue/Modify/Delete
						<p>Director to acquire small parcels available on an “opportunity” basis, without the prior approval of the Agency. Such small parcels are appropriate for self-help housing. Three parcels have been acquired in the past year, accommodating a projected 15 homes on 3 acres.</p> <p>Progress: The City has successfully accomplished this program as described in the program and by adopting the Redevelopment budget policy described above.</p>	
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.		CDBG/HOME	Local non-profits/Property management organizations	Ongoing	<p>Effectiveness: The Chico Redevelopment Agency continues to fund Chico Housing and Credit Counseling Center (CHCCC) (a HUD-approved agency). All participants in the City’s Mortgage Subsidy Program and Tenant-Based Rental Assistance Program are required to work with CHCCC. In addition to assisting program participants, CHCCC has assisted 50 homeowners facing potential foreclosure during the 2007-2008 fiscal year.</p> <p>Progress: The City has utilized this program to provide credit counselling services to residents.</p>	Appropriateness: The program will be continued as the need for credit counseling continues, especially in light of the recent increase in foreclosures.
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.		City Funded Staff	Housing Office/ Nonprofit	Ongoing	<p>Effectiveness: Not other than land acquisition for self-help housing, but this has not been analyzed for a classic land trust model with nonprofit ownership and homebuyer equity sharing for long-term affordability.</p> <p>Progress: The City has worked to make land available for affordable housing but through a land banking system as described in the program.</p>	Appropriateness: The City will continue to consider the feasibility of a land trust program.
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.		City Funded Staff	Housing Office	2004–2008	<p>Effectiveness: A potential site for the development of a demonstration project featuring attached ownership housing, such as townhouses, condominiums or row-houses has been acquired.</p> <p>Progress: The City acquired a site to potentially accomplish this program.</p>	Appropriateness: While one site has been acquired, more will be considered so this program will be continued.
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		City Funded Staff	Housing Office	2004–2008	<p>Effectiveness: The City did not specifically promote measures to reduce impediments to constructing attached housing or assist builders with effective reforms.</p>	Appropriateness: This program is not appropriate for the City to continue.



APPENDIX B – HOUSING PROGRAM REVIEW

Housing Program	Program Goal	5-year Objectives	Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Continue/Modify/Delete
	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.					Progress: The City acquired a site to potentially accomplish this program.	
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.	City Funded Staff	Planning Division	2009–2010	<p>Effectiveness: Staff has begun to partner with PG&E to disseminate energy efficiency information. PG&E offers financial incentives and rebates. As part of subdivision map review, staff considers opportunities for passive cooling and heating consistent with the direction provided in the Subdivision Map Act.</p> <p>Progress: Developer-specific informational materials have not been developed for dissemination during development review, but in 2006, Planning staff held a workshop with the Planning Commission which focused on expanding opportunities citywide for energy efficiency in project and building design. Staff is currently reviewing models and guidelines from other communities that address energy efficiency and sustainability. It is anticipated that the City will be adopting its own interim energy efficiency guidance in 2008 prior to the more comprehensive guidance and policies anticipated in the new General Plan's Sustainability Element.</p>	Appropriateness: As energy conservation becomes an increasingly significant issue, the City will continue this program to pursue methods by which the City can positively effect energy-efficient development.	
H-I-39	Require natural gas hookups on the patios of all new single-family residential construction.				<p>Effectiveness: Requiring natural gas hookups in the patios of new single-family residential construction has not yet been codified.</p> <p>Progress: While this program has not yet been implemented, staff anticipates that this requirement was be codified in 2008.</p>	Appropriateness: The program will be deleted as it is under the purview of the Building Department and its implementation is already in process.	
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.	City Funded Staff	Planning Division	2009–2010	<p>Effectiveness: The City did not amend the Design Review Manual during the past planning period, but is working on this during the current planning period. The City is creating a Design Guidelines Manual in order to consolidate existing design guidelines into a single, user-friendly document. Currently, design</p>	Appropriateness: The program will be continued as the process will incorporate information in the new General Plan once adopted.	

APPENDIX B – HOUSING PROGRAM REVIEW



Housing Program	Program Goal	5-year Objectives	Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Continue/Modify/Delete
						<p>guidelines, policy and code are spread out in at least four public documents including the General Plan, Title 19 of the Chico Municipal Code, the Master Plan for the Downtown Chico Streetscape, and the City of Chico Design Manual. For ease of use, predictability and transparency in the design review process, the foundation of the Design Guidelines Manual will be consolidated and adopted by the City Council.</p> <p>Progress: The City is in the process of implementing this program and will be able to incorporate new land use designations currently being developed for the General Plan update.</p>	

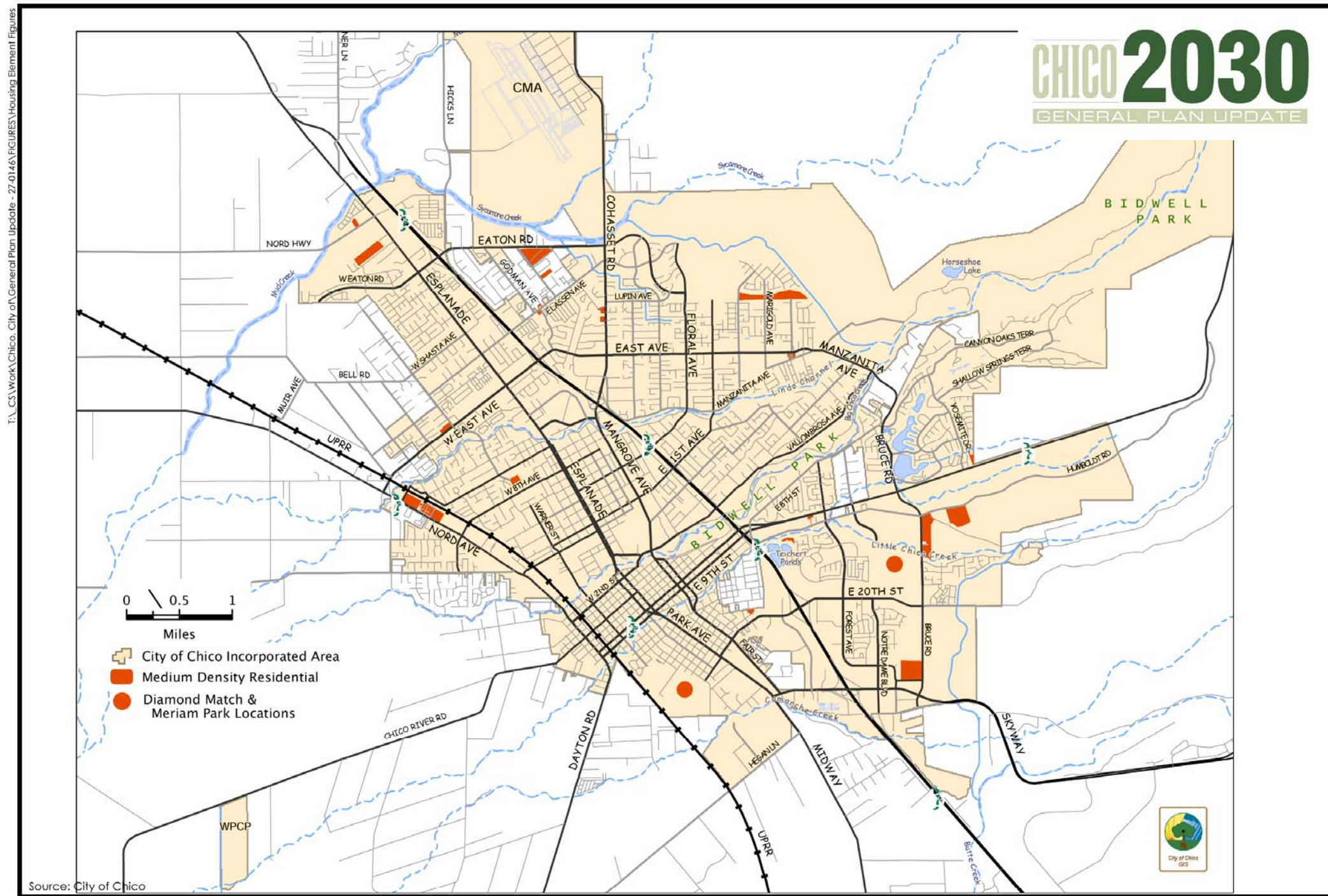


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APPENDIX C – LAND INVENTORY MAPS



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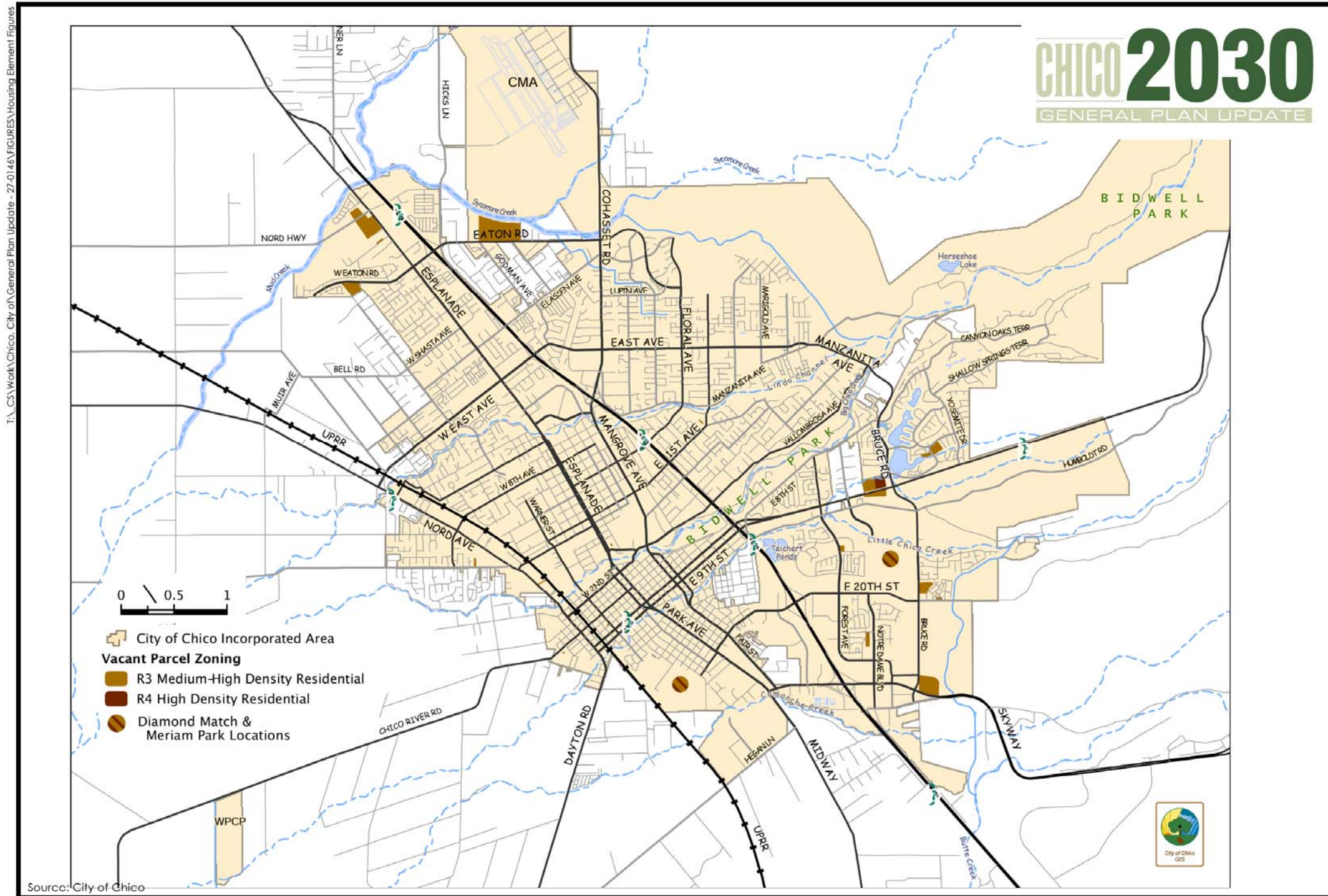
Figure 1

Vacant Medium Density Zoned Residential Parcels





APPENDIX C – LAND INVENTORY MAPS



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Figure 2
Vacant Medium-High Density and High Density Zoned Residential Parcels



APPENDIX D – SB 520 CONSTRAINTS ON PERSONS WITH DISABILITIES ANALYSIS



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APPENDIX D – SB 520 CONSTRAINTS ON PERSONS WITH DISABILITIES ANALYSIS



TABLE D-1 CONSTRAINTS ON HOUSING FOR PERSONS WITH DISABILITIES

Overarching and General	
Does the City have a process for persons with disabilities to make requests for reasonable accommodation?	Yes. While not a formalized process, the City's practice is to send a qualified building inspector to meet with an individual at a specified location to address the reasonable accommodation, and intercede with the property owner, if necessary. This service is provided without charging a fee. The City will have a certified Caps inspector by August 2009.
Has the City made efforts to remove constraints on housing for persons with disabilities?	Yes. Most changes were made with adoption of the 1999 Land Use and Development Regulations (Title 19). More recently, the code was amended in 10/08 to allow ground-floor accessible residential units by right in commercial zoning districts; formerly, a use permit was required for any ground-floor residential unit in a commercial zoning district.
Does the City make information available about requesting reasonable accommodations?	The City has a public counter open to the public during all regular business hours staffed with qualified building inspectors who are available to provide information regarding reasonable accommodations.
Zoning and Land Use	
Has the City reviewed all of its zoning laws, policies, and practices for compliance with fair housing law?	Yes. In reviewing zoning laws, policies and practices for compliance with fair housing law, the City removed restrictions during its comprehensive update of Title 19 (Land Use and Development Regulations) in 1999, including broadening the definition of family to comply with fair housing law. Additional amendments are ongoing, such as the current effort to modify second dwelling unit development standards to increase the number of units constructed.
Are residential parking standards for persons with disabilities different from other parking standards? Does the City have a policy or program for the reduction of parking requirements for special needs housing if a proponent can demonstrate a reduced parking need?	Parking standards for persons with disabilities are not different, but the city will allow for a residential parking reduction, subject to use permit approval, in the RD zoning district, in mixed-use areas, and in transit corridors. In general, the City is moving towards requiring fewer parking spaces for new development as part of the ongoing General Plan update
Does the locality restrict the siting of group homes?	Not significantly. Residential care homes (including group homes) are allowed by right for up to 6 clients in all residential zoning districts and 2 out of 6 office/commercial zoning districts, and



7 HOUSING ELEMENT APPENDICES

are allowed with a use permit for 7 or more clients in 6 out of 7 residential zoning districts (only rural residential is excepted) and 4 out of 6 office/commercial zoning districts. The conditions for these homes are developed on a site-specific basis, and are no different than the conditions for any other use requiring a use permit in a residential area, and therefore do not present an undue constraint of the development of larger group homes (seven or more clients).

What zones allow group homes other than those allowed by State law? Are group homes over six persons allowed?

See above. Group care homes with seven or more clients require a conditional use permit, which triggers standard public noticing requirements, including a published notice in the paper and a notice mailed to all residents and property owners within 300 feet of the project site. Projects to be approved by the Planning Commission in residential areas also require a pre-application neighborhood meeting. A public hearing would be held before the Zoning Administrator or Planning Commission. Use permit approval by the Zoning Administrator or the Planning Commission may be appealed to the City Council within 10 days of the decision, the same as any other use permit.

Does the City have occupancy standards in the zoning code that apply specifically to unrelated adults and not to families?

No. The City does not have occupancy standards based on family defined as relation by blood, marriage or adoption. Families are broadly defined as “[o]ne or more persons occupying a housing unit and living as a single housekeeping unit.”

Does the land use element regulate the siting of special housing in relationship to one another?

Only large family daycare homes are sited in this manner, with a 300-foot separation required between each facility. No separation is specified for other uses, although some residents have expressed concerns about “overconcentration” during public hearings.

Permit and Processing

How does the City process a request to retrofit homes for accessibility?

The City works closely with any applicant to help facilitate requests for accessibility retrofits. Permit reviews are expedited with minimal plan requirements and fees.

Does the City allow group homes with fewer than six persons by right in single-family zones?

Yes. They are allowed by right in all residential zoning districts.

Does the City have a set of particular conditions or use restrictions for group homes with greater than six persons?

No. A conditional use permit is required, so site-specific conditions of approval can be imposed; however, existing GP policy H-I-18 explicitly states “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

APPENDIX D – SB 520 CONSTRAINTS ON PERSONS WITH DISABILITIES ANALYSIS



	Chico.”
What kind of community input does the City allow for approval of group homes?	None for six or fewer clients. Seven or more clients requires a conditional use permit, which triggers standard public noticing requirements, including a published notice in the paper and a notice mailed to all residents and property owners within 300 feet of the project site. Projects to be approved by the Planning Commission in residential areas also require a pre-application neighborhood meeting.
Does the City have particular conditions for group homes that will be providing services on site?	No. Conditions may be imposed through the conditional use permit process for projects serving seven or more clients.
Building Code	
Has the City adopted the Uniform Building Code?	The City has adopted the International Building Code, 2006 edition, plus Part 2, Title 24 of the California Building Code, 2007 edition.
Has the City adopted any universal design element into the code?	The City actively enforces 2007 California Building Code provisions that include universal design elements.
Does the City provide reasonable accommodation for persons with disabilities in the enforcement of building codes and the issuance of building permits?	The City actively enforces 2007 California Building Code provisions that regulate the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Government Code Section 12955.1 requires that 10 percent of the total dwelling units in multi-family buildings without elevators consisting of three or more rental units or four or more condominiums units shall be available for persons with disabilities. The City’s Building Department provides ongoing assistance to complete rehabilitation work for single-family properties and public facilities to install necessary accommodations, including installation of accessibility ramps and railings to meet handicapped accessibility. Local governments are required to make reasonable accommodations in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled person an equal opportunity to use and enjoy a dwelling. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard to ensure that homes are accessible for the mobility impaired. Those reasonable accommodations are granted by the City on a case-by-case basis.

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General Application Processing Procedures for Applications Requiring a Public Hearing

