
IV. ENVIRONMENTAL IMPACT ANALYSIS

L. POPULATION AND HOUSING

INTRODUCTION

This section addresses the potential impacts to population and housing with respect to the proposed project and includes an evaluation of the existing population, employment and housing in the project area and analyzes the potential for adverse impacts on population and housing resulting from implementation of the proposed project. This analysis is limited to those socioeconomic issues that could result in a direct change on the physical environment (CEQA Guidelines Section 15131).

ENVIRONMENTAL SETTING

Population

Population, housing, and employment data are available on city, county, regional, and state levels. According to the California Department of Finance (“DOF”) Unit Survey data, on January 1, 2017, the estimated population for the City of Chico was 93,383. This number represents a 1.37% (or 1266 person) increase from 2016. The approximately 1.37% growth rate is higher than the 0.89% growth rate seen from 2015 to 2016. However, this growth rate is generally consistent with the 1.18% average City growth experienced over the last five years. Table IV.L-1 below shows population growth from the years 2012 through 2017.

**Table IV.L-1
City of Chico Population 2012 to 2017**

Year	Population¹	Percent Growth
2012	88,608	
2013	89,283	1.38%
2014	90,217	1.05%
2015	91,306	1.21%
2016	92,117	0.89%
2017	93,383	1.37%

Notes: ¹Estimates as of January 1st for each year.
Source: California Department Finance. 2017.

METHODOLOGY

Population Projections

The 2030 General Plan projected a population of 139,713 by the year 2030. This projection assumed a continuation of the City's historic 2% growth rate. Since General Plan adoption in 2011, Chico's population increased by 6,564 people. For comparison sake, for the 5 year period between 2012 and 2017, the City's average growth rate was approximately 1.18 percent. If the recent 1.18% growth rate is projected forward from the 2017 population of 93,383, the estimated 2030 General Plan build-out population of 139,713 would occur in the 2050s. Given that Chico is experiencing a lower growth rate than assumed for the General Plan, the City's population in 2030 could be significantly less than the 139,713 projected.

BCAG's Regional Growth Forecasts (2014-2040)

Every four years, the Butte County Association of Governments ("BCAG") prepares long-term regional growth forecasts. Low, medium, and high growth forecasts are developed to provide flexibility and acknowledge the uncertainty inherent in long-range projections. BCAG's population forecasts for Chico include a "low" compound annual growth rate of 1.2% and a "high" compound annual growth rate of 1.6%. These growth rates forecast a population of between 106,827 and 114,460 for the year 2030.¹ As discussed above, the City of Chico's average growth rate is 1.18%, therefore the "low" scenario from the BCAG regional growth forecast provides a more accurate growth projection than what is provided in the General Plan. For the purpose of this analysis, BCAG's "low" scenario for regional growth for the City of Chico will be used, as it provides a more-conservative threshold for anticipated growth than the higher projections afforded in the General Plan.

Potential Future Housing Development

The regional growth projections from BCAG also include an analysis of residential development potential. BCAG's housing forecasts for Chico include a "low" compound annual growth rate of 1.17% and a "high" compound annual growth rate of 1.57%. These growth rates project housing between 46,103 (low) and 49,398 (high) for the year 2030.² According, the current housing estimates from 2017 (39,064)³, and continuing to use the "low" scenario, this would result in a required 7,039 additional dwelling units. This is significantly less than the 16,376 additional dwelling units projected to be needed by the General Plan.

¹ *Butte County Association of Governments (BCAG). 2014. Draft Butte County Long-Term Regional Growth Forecasts 2014-2040. Available at: http://www.bcag.org/documents/demographics/pop_emp_projections/Growth_Forecasts_2014-2040_draft.pdf. Accessed August 2016.*

² *Ibid.*

³ *City of Chico Housing Snapshot 2017. Available at http://www.chico.ca.us/housing_neighborhood_services/housing/documents/2017ChicoHousingSnapshot.pdf. Accessed November 2017*

REGULATORY SETTING

Federal

There are no federal regulations related to population and housing that apply to the proposed project.

State

The California Housing Element law (Government Code Section 65588-65589.8) requires that local jurisdictions update their housing elements every five years. It requires the revised Housing Element to be adopted by the local jurisdiction and submitted to the California Department of Housing and Community Development (HCD) to assist the City in ensuring that it meets minimum requirements. State law defining the requirements of the Housing Element is as follows:

The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, financial resources, quantified objectives, financial resources, and scheduled programs for the preservation, improvement and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobile homes, and shall make adequate provision for the existing and projected needs of all economic segments of the community.⁴

Local

Butte County Association of Governments (BCAG)

Regional Housing Needs Plan (RHNP)

Communities within Butte County utilize the RHNP in land use planning, prioritizing local resource allocation, and in deciding how to address future housing needs resulting from population, employment, and household growth. The RHNP process is a state mandate, devised to address the need for and planning of housing across a range of affordability and in all communities throughout the state. Each jurisdiction within the County is given a share of the anticipated regional housing need. According the RHNP, the City of Chico requires a total of 3,963 housing units from the years 2014-2022. How this total number of housing units is divided among various income groups is shown in Table IV.L-2 below.

⁴ California State Housing Element Law, Accessed at <http://www.hcd.ca.gov/hpd/hrc/plan/he> on March 3, 2005.

**Table IV.L-2
2014-2022 RHNP
Housing Unit Need by Income Group**

Income	Number of Units	Percent of Total
Very Low	974	25%
Low	643	16%
Moderate	708	18%
Above Moderate	1,638	41%
Total	3,963	100%
Source: BCAG, 2014-2022 BCAG Regional Housing Needs Plan, December 2012		

City of Chico

City of Chico 2030 General Plan

The General Plan Land Use Element and Housing Element govern regulations applicable to population and housing for the proposed project. The City’s General Plan Land Use Element describes project housing and job needs for Chico in 2030, and summarizes how the Land Use Designations from the General Plan will accommodate those needs. The Housing Element sets goals for funding, program coordination, and zoning. State law requires that the Housing Element is consistent with the City’s General Plan. The Housing Element is updated every five to eight years, and the most recent Housing Element was adopted in June 2014. The current Housing Element directs activities for the planning period of January 2014 through June 2022.

Policy LU-2.1 (Planning for Future Housing and Jobs) - Maintain an adequate land supply to support projected housing and job needs for the community.

Policy LU-2.3 (Sustainable Land Use Pattern) - Ensure sustainable land use patterns in both developed areas of the City and new growth areas.

Policy LU-2.4 (Land Use Compatibility) – Promote land use compatibility through use restrictions, development standards, environmental review and special design considerations.

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

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.

ENVIRONMENTAL IMPACTS

Thresholds of Significance

Based on Appendix G, Environmental Checklist Form, of the State *CEQA Guidelines*, the project would have a significant impact on the environment related to population and housing if it would:

- (a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure);
- (b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere; or
- (c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

Population and Housing Issues not Further Analyzed

The following issues were addressed in the Initial Study (see Appendix A) and Section IV.A of this Draft EIR and were determined to result in no impact or a less-than-significant impact and not warrant further analysis:

- Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere; and
- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

Project Impacts and Mitigation Measures

Impact IV.L-1: The proposed project would not directly or indirectly induce substantial population growth in the area by proposing housing or increased employment.

Direct Impacts

New Housing

It is estimated that the proposed project would increase population by approximately 1,734 people through the addition of the single-family and multi-family units proposed. The project would create 702 units to provide housing for the growing population of the City of Chico. BCAG forecasts that an additional 7,039 dwelling units, low scenario, would be required to sustain growth by 2030. The General Plan also predicted that 16,376 additional dwelling units would be required by 2030. The project would contribute only a portion, approximately 10% of the BCAG prediction and 4.28% of the General Plan projection, of the predicted housing needs. Therefore, growth impacts related to new housing would be less than significant and no mitigation measures are required.

New Businesses

Using a standard commercial employment rate of 1 employee/500 square feet, the proposed project is estimated to create as many as 890 new jobs. New employment opportunities would include fulltime and part-time positions. The California Employment Development Department estimated that there were 6,600 unemployed persons in Butte County as of May 2016. Of this figure, an estimated 2,600 unemployed persons are in Chico. Thus, there is adequate capacity in the local labor market to fill the proposed project's new employment opportunities such that it would be unlikely that substantial growth inducement would occur.

Indirect Impacts

As provided in greater detail in Section 3. (Project Description) of this Draft EIR, the proposed project would include, expand and utilize existing infrastructure to serve the project. While the proposed project would include, expand and utilize existing infrastructure, infrastructure would not be provided beyond what is called out by the General Plan to accommodate planned growth, or necessary to serve the proposed project. As such, indirect impacts, including the extension of roads or other infrastructure, would not be anticipated to induce substantial population growth in the area that would otherwise not have occurred as rapidly or in as great a magnitude. Therefore, impacts would be less than significant and no mitigation measures are required.

Overall Population Growth

BCAG forecasts a population increase for the City of Chico of 13,444 people between 2017 and 2030. Implementation of the proposed project would result in the development of 702 single-family and multi-family units with an anticipated permanent population of 1,734 persons. The increase of 1,734 permanent residents anticipated with project development would be well within BCAGs growth projections for the City of Chico. The estimated net population increase associated with the proposed project would represent approximately 12.89% of the forecasted population increase for the City of Chico. Therefore, the proposed project would not induce substantial population growth in the area, either directly or indirectly, that would otherwise not have occurred as rapidly or in as great a magnitude. As such, impacts would be less than significant and no mitigation measures are required.

LEVEL OF SIGNIFICANCE AFTER MITIGATION

Project-specific impacts related to population and housing would be ***less than significant*** and no mitigation measures are required.