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HOUSING POLICY
DEVELOPMENT, HCD

MAR 27 2009

March 25, 2009

Attn: Cathy Creswell
California Department of Housing and Community Development
Division of Housing Policy Development
P.O. Box 952053
Sacramento, CA 94252-2053

RE: Housing Element- 2007/2008 Annual Progress Report

Dear Ms. Creswell:

Enclosed please find our Housing Element 2007/2008 Annual Progress Report. This is our final annual report for the 2005 Housing Element Update. Please contact me if you have any questions, at (530) 879-6301.

Sincerely,

Sherry Morgado

Sherry Morgado
Director of Housing and Neighborhood Services

EPA GREEN POWER PARTNER

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CITY OF CHICO

HOUSING ELEMENT
ANNUAL PROGRESS REPORT
FISCAL YEAR 2007/2008

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INTRODUCTION

The City of Chico Housing Element was adopted in March, 2005. This report evaluates each program and describes attempts made to pursue program and goal fulfillment. This is the City's fourth progress report on Housing Element implementation activity. The report covers progress made from July 1, 2007 through June 30, 2008.

California Government Code Section 65400 specifically mandates that the report provide the following information: (A) Regional Housing Needs Progress; (B) status report on the implementation of each of the housing programs of the City's Housing Element Plan; and (C) a review of actions and programs adopted to remove or mitigate governmental constraints on the development of housing for all income levels.

REGIONAL HOUSING NEED PROGRESS

Table I - City of Chico Housing Allocation

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

The Regional Housing Plan was produced by the Butte County Association of Governments (BCAG) and was prepared for the period between January 2001 and June 2008 (7 ½ years). The Plan projects housing unit production needs and distributes the need by four income levels. Table I describes the total allocation goal for the City of Chico by income levels. In addition, the Table lists the City's annual goals by income level.

PROGRESS

Table II below summarizes the cumulative progress made from July 1, 2001 to June 30, 2008 towards the goals and objectives identified by the Housing Element. The City of Chico issued permits to build 4,286 new residential units during the 2001-2008 Regional Housing Plan period. This total is 45% of the objective as projected by BCAG. Table II also summarizes the annual distribution of housing units divided by income level.

2007-2008 PROGRESS

During the 2007-2008 reporting period the City issued permits for 287 new additional housing units. This represents 23% of the annual goal in the Regional Housing Needs Plan. Of the new housing units, 5% (14 units) during this reporting year were dedicated to very-low and low income levels.

Table II - City of Chico Regional Housing Need Progress Units Added by Income Category Per Year

Year	Very Low			Low			Moderate			Above Moderate			Total				% of Objective
	Planned	Actual		Planned	Actual		Planned	Actual		Planned	Actual		Planned	Actual			
		SF	MF		SF	MF		SF	MF		SF	MF		SF	MF	Total Units	
2001-02	387	0	0	265	0	0	140	0	0	472	509	10	1264	509	10	519	41%
2002-03	387	0	60	265	0	0	140	0	0	472	642	8	1264	642	68	710	56%
2003-04	387	0	0	265	0	0	140	0	0	472	517	551	1264	517	551	1068	84%
2004-05	387	0	82	265	0	24	140	2	0	472	479	37	1264	481	143	624	49%
2005-06	387	0	136	265	0	0	140	0	0	472	383	60	1264	383	196	579	46%
2006-07	387	0	58	265	0	17	140	0	0	472	313	111	1264	313	186	499	39%
2007-08	387	0	14	265	0	0	140	0	0	472	204	69	1264	204	83	287	23%
Total	2905	0	350	1987	0	41	1050	2	0	3538	3047	846	9480	3049	1237	4286	45%

SF: Single Family Units; MF: Multiple-Family Units

IMPLEMENTATION OF HOUSING ELEMENT

The City of Chico's adopted Housing Element identifies current and projected housing needs as well as specified strategies, funding sources, and housing programs designed to meet those needs. A total of eight major Guiding Policies and forty implementing policies are included in the Housing Element. The Guiding Policies include: 1) Equal Housing Opportunity, 2) Affordability, 3) Balanced Growth, 4) Diversity, 5) Conservation, 6) Ownership, 7) Energy Conservation, and 8) Quality of Life.

Assessment of Actions and Outcomes

The City's objectives have been pursued within the constraints of current housing market forces. Factors such as building cost, mortgage interest rates, preservation and conservation of natural resources, infrastructure provision, design considerations, and energy conservation goals, all combine to make planning for future housing a complex and uncertain task.

Prior to, and subsequent to, adoption of the Housing Element, the City has been diligent in its efforts to implement all forty implementing policies. Of the 40 objectives, 24 have either been completed or are part of an ongoing effort, and 15 objectives are pending or in-progress. Below is a program by program status relative to the implementation schedule for each program in the Housing Element.

1) Implementing Policies: Equal Housing Opportunity

H-I-1
In conjunction with Legal Services of Northern California and the North Valley Property Owners' Association 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 Employment and Housing, or U.S. department of Housing and Urban Development depending on the specifics of the complaint.

Progress: The City continues to implement its annual program.

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

Progress: Completed.

2) Implementing Policies: Affordability

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

Progress: Planning Division has amended the Municipal Code to provide specific development standards for second units, and accomplished this goal.

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.

Progress: A complete city-wide parallel code, known as the Traditional Neighborhood Development Code, was adopted by City Council in July 2007. It will be applied to a major 271-acre mixed-used traditional neighborhood development project called Meriam Park, with a projected build-out of over 2,300 units.

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.

Progress: Completed. R1 Zoning District allows duplexes on corner lots when approved as part of a subdivision or planned development permit.

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.

Progress: Completed. Maintained by staff and made available to public along with an accompanying map.

H-1-6a
The City shall designate and re-zone low or medium density residential or non-residential designated and zoned land to medium-high density or high density residential sufficient to accommodate at least 250 multi-family housing units. Approximately 14 acres at an assumed average density of 17 housing units per acre would be needed to meet this objective.

Progress: Completed. 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 a average density range of 11 to 15 dwelling units/acre.

H-I-7
Adopt the City's revised subdivision ordinance (Title 18) consistent with the General Plan and 1999 Title 19 Land Use Regulations.

Progress: Completed.

H-I-8
Provide financial assistance to assist private developers and non-profit agencies to acquire rental housing that will be affordable to very-low and low income households and maintain affordability for at least 55 years.

Progress: Currently there are no at- risk properties in Chico.

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 developments 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.

Progress: Currently the Low Income Housing Tax Credit Program is a more effective funding source than private activity bonds. Should bonding be a financially viable alternative, the City is a member of a joint powers authority that issues bonds.

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

Progress: A zoning change is under consideration concurrent with the update of the General

Plan over the next year.

3) Implementing Policies: Balanced Growth

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

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

Progress: Comprehensive revisions to Title 18 are an ongoing effort.

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

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

Progress: Municipal Code changes were made to allow separate ownership of ground-level commercial and above-ground level residential uses. In addition, a 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.

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

Progress: 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 and the Southwest Neighborhood Plan have been adopted. 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.

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.

Progress: Staff is currently working with the Local Child Care Planning Council in search of a possible future locations for daycare facilities.

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

Progress: The Northwest Chico Specific Plan (adopted in December 2005) re-zoned under-utilized 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.

4) Implementing Policies: Diversity

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

Progress: The City collaborated with North Valley Catholic Social Services to fund a 50-unit

senior housing project at 20th Street and Notre Dame. Construction completed in fall 2007 . 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 Summer of 2006.

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

Progress: The City is currently looking for SRO development opportunities with local nonprofit developers.

H-I-18
Continue to allow emergency shelters and transitional housing facilities within the following districts. The Conditional Use Permit process shall not be used to unduly restrict the ability of emergency shelters and transitional housing to be located on suitable sites in Chico.

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

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

Progress: Objective has been implemented. Several projects have been approved through use permit process. Process has not unduly restricted establishment of such facilities. A shelter for victims of domestic violence located in a residentially-zoned district will begin construction in Spring of 2009.

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.

Progress: Completed in 2006.

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.

Progress: An inventory of accessible, rent-restricted apartment complexes has been completed and is updated annually. The City and ILSNC will continue to update this list and expand its distribution.

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.

Progress: City funds and ILSNC administers a program that provides grants to owners of rental properties to make accessibility improvements for disabled residents. The program is providing benefit to mobile home residents as well.

H-I-21
Encourage "visitability" in new residential construction to enable disabled persons to visit non-disabled persons.

Progress: In conjunction with the Independent Living Services of Northern California, staff is developing an informational brochure for the public and home developers. A draft has been completed, with final design and publication planned for the spring of 2009. In addition, the draft Traditional Neighborhood Development code (parallel code) developed for incorporation into the City's Municipal Code provides visitability requirements for all building types. Council adopted the code in July 2007.

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.

Progress: The TBRA program continues, and was expanded to assist Katrina victims who relocated to Chico. The Katrina victims received rent and security deposit assistance.

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.

Progress: 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.

5) Implementing Policies: Conservation

H-I-24
Continue established policies that require affordability restrictions on assisted housing units and establish policies and procedures to preserve existing assisted units that are not subject to restrictions.

a. Restriction on the occupancy or sale of residences rehabilitated through Community Development Block Grant program to owner-occupants or other low income households, or require repayment of rehabilitation loans at the time of sale. All such units shall be restricted.
b. Restriction on the occupancy or sale of residences purchased by households assisted through the MSP Program to owner occupants or other low/moderate income households, or require repayment of MSP loans at the time of sale. All such units shall be restricted.
c. Restrictions on affordability of rental units assisted by the LMIHF for a minimum of 55 years.
d. Develop a program to recapture a proportional share of home equity appreciation when homes purchased with the MSP are sold.

Progress: City has continued discussions on the policy implications of various affordability techniques. 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 ("d" above). 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.

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.

Progress: The City maintains a list of "at-risk" projects with dates of affordability covenant expiration.

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

Progress: Ongoing. During 2007-2008 the City rehabilitated 20 owner-occupied homes.

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.

Progress: The City will conduct a Rental Rehab 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.

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

Progress: Program was planned for implementation in 2005-2006 fiscal year in response to recent island annexations. Implementation has not yet occurred, due to shortage of staffing resources and budget shortfalls. The City plans to initiate a housing condition inventory during the 2010-2011 fiscal year.

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.

Progress: 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.

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.

Progress: Two neighborhood planning processes have been initiated. The Chico Avenues Neighborhood Plan identified infill strategies and infrastructure

improvements, and was adopted by Council in 2007. The Southwest Chico Neighborhood Plan was adopted in January 2009. A recent departmental reorganization within the City has resulted in a new "Housing and Neighborhood Services" department which has integrated the neighborhood planning process with housing activities over the long-term.

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.

Progress: Infill has been encouraged by staff on a project by project basis with considerations given to neighborhood compatibility. Additionally, the neighborhood planning process has provided an opportunity to encourage small infill projects and second units consistent with the larger neighborhood vision.

6) Implementing Policies: Ownership

H-I-32
Promote home ownership 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 for moderate income households. Loan repayments will also provide significant funding for new loans.

Progress: Ongoing. The City currently uses federal HOME funds to assist lower income households. The City encourages the use of state CalHFA loan programs to increase affordability for homebuyers.

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

Progress: The City works actively with the local chapter of Habitat for Humanity and with Community Housing Improvement Program (a local non-profit) to create self-help ownership housing.

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 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. Two parcels have been acquired in the past year.

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.

Progress: The Chico Redevelopment Agency continues to fund Chico Housing and Credit Counseling Center (CHCCC) (a HUD-approved agency). All participants in City's Mortgage Subsidy Program and Tenant-Based Rental Assistance Program are required to work with CHCCC.

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.

Progress: The City/RDA currently owns residentially-owned land sufficient to produce approximately 17 units of self-help housing. In 2006 the City/RDA adopted a budget policy which allows the Executive Director to acquire small parcels without the prior approval of the Agency, subject to certain conditions. Such small parcels are appropriate for self-help housing. The City has allocated CDBG funding to provide public improvements to facilitate the development of these small parcels. As part of the General Plan update over the next year, the City will further investigate the feasibility of establishing a land trust as a Housing Element objective.

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.

Progress: The City has acquired properties for a potential eight-unit attached ownership development and has begun the design process with the neighborhood.

H-I-37

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

Progress: State legislation has helped mitigate insurance premium increases by providing a procedure for claim resolution. No further action is needed.

7) Implementing Policies: Energy Conservation

H-I-38
Develop informational materials for dissemination to developers and project designers during development review. These materials shall include, but not be limited to, passive solar planning through subdivision, lot and structure orientation, protection of solar access, and application of passive and active energy saving features. The City shall also review its land use regulations and subdivision ordinance and where appropriate add provisions which promote and/or require energy conservation planning as a factor in project approval.

Progress: As part of subdivision map review, staff considers opportunities for passive cooling and heating consistent with the direction provided in the Subdivision Map Act. In addition, in 2006, Planning staff held a workshop with the Planning Commission which focused on expand opportunities City-wide for energy efficiency in project and building design. Staff is currently reviewing models and guidelines from other communities that address energy efficiency and sustainability.

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

Progress: This requirement was codified in 2008.

8) Implementing Policies: Quality of Life

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

Progress: Ongoing.

GOVERNMENT CONSTRAINTS MITIGATION UPDATE

Government constraints are identified in Section 10.4 (Constraints to Development of Housing) of the City's 2005 Housing Element. The information below briefly summarizes key actions taken to mitigate governmental constraints to the development of affordable housing in the City of Chico.

LAND USE CONTROL

The standard for conventional lot-by-lot development is 60 percent open space (or 40 percent coverage). This requirement is inclusive of driveways, uncovered patios and swimming pools or other hardscape intended for outdoor use. In considering a minimal 4,500 square foot lot, the site coverage would need to be in excess of 1,800 square feet to exceed this standard. The City's *planned development* procedures provide for the clustering of residential units and the concentration of open space for common use. The City consistently encourages use of the *planned development* process as a method for modifying the City's stock development standards and as a means to provide different housing types at more affordable levels. The City has also adopted special small lot subdivision standards that permit parcels between 3,500 and 4,499 square feet with lot coverage at 50 percent. Even smaller lots can be achieved through the planned development process.

MUNICIPAL CODE AMENDMENTS

The City concurred with HCD that the 12-person limitation on the size of residential care homes permitted in residential zones may be limiting in some cases, and therefore a program was added to the City's Housing Element (see Program H-I-18a) whereby the City would process a code amendment to revise the 12-person limitation to 7 persons and above. This was implemented in 2006.

Also in 2006, the Transit Corridor Overlay was designated for commercial-zoned parcels along transit corridors to encouraged residential development at higher densities along with commercial uses. The Overlay permits high-density residential uses and reduced parking standards.

In July 2007, the City Council adopted a significant code amendment (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.

In December 2007, the City Council adopted code amendments that provide for a one-step appeal process, and establish procedures for processing General Plan amendments during the General Plan Update.

PROJECT REVIEW PROCESS

The City continues to use a Zoning Administrator process to hear minor, non-controversial projects. The creation of the Zoning Administrator process has helped to greatly expedite permits for special housing needs, and is used whenever possible.