



City of Chico
2014-2022
Housing Element





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CHAPTER 1. INTRODUCTION

A. 2030 GENERAL PLAN 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 the 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.

B. PURPOSE OF THE HOUSING ELEMENT

As captured in the 2030 General Plan Vision Statement above, the Housing Element is a statement of the community's priorities with respect to housing its citizens. More specifically, it sets goals for the allocation of funding, program coordination, and zoning. Goals are formulated by soliciting community participation, reviewing progress on the previous Housing Element, analyzing housing needs, documenting resources, and assessing constraints. A key part of the Housing Element lays out strategies to address the needs of community residents that are not typically met by the private market. Over the years, Chico Housing Elements have outlined strategies to provide housing for low-income households, seniors, homeless individuals and people with disabilities. The City does not directly build affordable housing, but facilitates production by guiding zoning policies, providing funding, and partnering with developers, lenders and nonprofits.

State law requires that the Housing Element is consistent with the City's General Plan. The General Plan is a policy document that guides the City's growth and delivery of services over a 15-20 year period. While the General Plan is updated every 20 years or so, the Housing Element is updated every five to eight years. The Chico 2030 General Plan was adopted in April 2011, while the most recent Housing Element was adopted in August 2009. The current 2014 Housing Element update will direct activities for the planning period of January 2014 through June 2022. Chapter 3, Section B provides a more detailed explanation of Housing Element and General Plan consistency.

The Housing Element consists of the following chapters, as required by State regulations:

- Review of Previous Housing Element
- Housing Program (Goals, Policies and Actions)
- Housing Needs Assessment



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- Resource Inventory
- Constraints Analysis

C. REGULATORY FRAMEWORK

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.” As such, State law includes specific direction with regard to California’s Housing Elements, generally found in the Government Code, Sections 65583 and 65588. The State Housing and Community Development Department (HCD) is charged with reviewing and approving each jurisdiction’s Housing Element for compliance with State law.

California State law mandates that all localities adopt a Housing Element Update every five to eight years. The law also requires that Housing Elements address the following issues, among others:

- Include all economic segments of the community in the planning process;
- Review the progress and effectiveness of the previous Housing Element;
- Assess housing needs, including special needs populations such as the elderly, homeless individuals, female-headed households, large households and persons with disabilities;
- List units at risk of conversion from restricted rents to market rents;
- Inventory whether there are an adequate number of appropriately zoned sites to accommodate growth for all income groups, as projected by the Butte County Association of Governments;
- Describe available financial and energy efficiency resources;
- Analyze constraints to housing production; and
- Outline a housing program with goals, policies and actions that are consistent with the General Plan, and that address housing needs, constraints and available resources.

State requirements recently incorporated into the State Government Code over the last 12 years are listed below, with the relevant Government Code section cited:

Section 65583(a)(7), (SB 812, 2010): Requires local jurisdictions to analyze the special housing needs of persons with developmental disabilities.

Section 65583(d), (SB 2, 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 supportive housing types as residential uses.

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Section 65583(c)(5), (SB 520, 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. In addition, this section requires that jurisdictions include a program to remove constraints to, or provide reasonable accommodations for housing designed for occupancy by persons with disabilities.

Section 65584 (AB 2348, 2004): Requires a detailed inventory of sites to accommodate projected housing needs and provide greater development certainty.

Section 65583(a)(1), (AB 2634, 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.

Section 65583(c)(1)(B) and 65583.2 (AB 1233, 2005): If the prior Housing Element failed to identify or implement adequate sites, the local government must zone or rezone to address this need within one year of the Housing Element update. This is in addition to new projected need.

Section 65583.2 (AB 2348, 2004): Clarifies the relationship between the land inventory and adequate sites requirement and provides more specific guidance on the adequate sites inventory.

Section 65589.7 (SB 1087, 2005): Requires local governments to immediately forward adopted Housing Elements to water and sewer providers.

D. PUBLIC PARTICIPATION PROCESS

Broad public participation is an essential component of the Housing Element update process, and is required by State law (Government Code, Section 65583(c)(8). Community outreach must be conducted through a variety of mechanisms to include all economic and cultural segments of the community.

The Chico 2014 Housing Element employed an extensive outreach effort in order to involve a wide spectrum of the community. This effort included compilation of a comprehensive contact list, utilization of a variety of methods to disseminate information, a focus group with low-income housing residents, and two community workshops.

Outreach

At the outset of the Housing Element planning process, a community outreach contact list was assembled to email announcements about public meetings and progress. This contact list included 388 individuals and encompassed representatives from the following interests and organizations:



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- City and County elected officials
- City, County and Butte County Association of Government staffs
- Neighborhood organizations
- Cultural civic groups
- Civic engagement groups
- Affordable housing nonprofits, including the Housing Authority
- Nonprofits serving low-income and homeless persons
- Greater Chico Homeless Task Force members
- Butte Countywide Homeless Continuum of Care members
- Real estate developers
- Landlords and property managers, incl. North Valley Property Owners Association
- Chamber of Commerce
- Downtown Chico Business Association
- Banks, mortgage lenders, and mortgage brokers
- Real estate agents, incl. Chico Association of Realtors
- Building and architecture firms
- Chico State University and Butte College representatives
- Chico Unified School District and Butte County Office of Education representatives
- Enloe Hospital representatives
- Local administrators of federal assistance programs (Social Security Administration, Veterans Administration)

To reach low-income residents, flyers announcing public meetings were posted and distributed at prominent service provider locations listed below. The list includes the largest affordable housing developments in the City. The flyers were distributed prior to the Focus Group and prior to the two Community Workshops.

- Housing Authority of the County of Butte
- Chico Branch of the Butte County Public Library
- City of Chico Housing & Neighborhood Services Front Counter
- Torres Shelter
- Jesus Center
- 6th Street Drop-in Center
- Esplanade House
- Parkside Terrace Apartments
- Murphy Commons
- Jarvis Gardens
- Hartford Place
- 1200 Park Avenue

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- Campbell Commons
- Walker Commons
- East of Eaton
- North Point Apartments

Methods for Information Distribution

The following methods for information distribution were employed in soliciting input for the Housing Element update:

Email Newsletter: An email newsletter was created and sent to the Housing Element contact list with 388 recipients. The email newsletter informed recipients about community meetings, document progress, and Planning Commission and City Council meetings. It also included links to the Housing Element website.

Website: A Housing Element website was launched to keep residents informed about progress and opportunities to participate. It included background information about the purpose of the Housing Element, maintained a schedule of events, provided a mailing list signup and an online form for submitting comments, posted document drafts, and provided City staff and Consultant contact information. The website was translated into Spanish and Hmong.

Flyers: Flyers announcing the Focus Group and two Community Workshops were distributed at the locations listed above. The flyers were translated into Spanish and Hmong.

Public Display Ads: A public display ad was printed in the Chico Enterprise Record to announce Community Workshops.

Focus Group

A Focus Group for low-income housing residents was held on October 16, 2013 at the Parkside Terrace Apartments clubhouse community room. It provided residents with the opportunity to provide input on the location, design and management of affordable housing. They also recommended housing types that are in the greatest need and ways to help people with limited means get into housing. Below are key points from the Focus Group participants:

- The Chico State campus should have more housing; renters, including single-parents with limited income, must compete with students
- Large need for one-bedroom and four-bedroom homes



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- The Harvest Park waiting list reached 1,000 names
- Need more affordable family properties like Parkside Terrace Apartments throughout Chico
- There is a long waiting list for affordable senior housing
- Make information about how to get into affordable housing more widely available, with distribution to affordable housing property managers and the housing authority
- Implement an inclusionary housing ordinance to make affordable units available in all new developments

Action H.3.5.2 in Chapter 3 directs the City to provide a summary of findings from the Focus Group to local affordable housing developers.

Community Workshops

Community Workshops were held on October 29, 2013 (Workshop #1) and November 21, 2013 (Workshop #2) in the City's Old Municipal Building. The purpose of the workshops was to review previous Housing Element Goals and Actions, and recommend new actions to address unmet needs.

Workshop #1 opened with a presentation on background; previous Housing Element progress; an overview of the housing needs, funding and economic context; and an introduction to the previous Housing Element's Goals, Policies and Actions. Participants then broke out into five groups, each reviewing the previous Housing Element Actions pertaining to one or two of the seven Goals. Each group was asked to evaluate the Actions by the criteria of whether they were needed, achievable, effective and efficient. Using these criteria, the groups determined whether each Action should be removed, continued without changes, or continued with revisions. Actions were removed if they were completed, no longer necessary, or deemed ineffective. After reviewing previous Housing Element Actions, groups discussed potential new Actions.

Based on the input from Workshop #1, a draft of 2014 Housing Element Goals and Actions was developed. These were printed on large poster-size pieces of paper for Workshop #2. After a review of Workshop #1, participants were invited to circulate the room to read the drafted Goals and Actions laid out on tables, and write in comments next to the Actions. City staff and consultants were available to respond to questions and solicit more information about comments. The Goals and Actions were revised based on participant comments, and further reviewed by City staff. Following analysis of housing needs, resources and constraints, the Goals and Actions were further revised and incorporated into the Draft Housing Element (Chapter 3).

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In particular, public comments from the Workshops led to revision of the following Actions:

Action H.1.2.1: Ensure that the City does not have regulatory constraints that impede protected classes from obtaining housing. Added “make City contact information for comments and questions and a list of legally protected classes available to the public in 2014” to the Time Frame.

Action H.2.2.2: Update the Affordable Housing Resource Guide and make it available online. Added “with distribution to the Housing Authority of the County of Butte, service providers and affordable housing managers” to the Action description.

Action 4.2.1: Identify mechanisms to integrate childcare into family-oriented residential developments. Added “provide incentives linked to City funding” to the Action description.

Action 4.3.1: Inventory of accessible units. Changed “maintain an inventory of units accessible to persons with disabilities” to “explore funding mechanisms to assist Independent Living Services of Northern California with maintaining an inventory of units accessible to persons with disabilities.”

Action H.5.4.1: As needed, continue to monitor and inventory housing infrastructure conditions in Chico’s older neighborhoods to help direct investment. Added “as identified in the inventory, upgrade and provide infrastructure consistent with adopted neighborhood plans, as funding is available.”

In addition to these revised Actions, the majority of Workshop participants supported the new Actions described in Chapter 3, and continuation or cessation of 2009 Housing Element Actions as reflected in **Appendix A**.

E. INTER-GOVERNMENTAL REVIEW PROCESS

As required in Government Code, Section 65589.7, the City has provided water and sewer providers with opportunity to participate in the Housing Element so that housing production can be coordinated with infrastructure plans. For the City of Chico, the water provider is CalWater, and the sewer provider is a division of the City’s Public Works Department. At the outset of the Housing Element planning process, the City sent letters to both providers. The letters requested confirmation that the provider has written policies and procedures granting priority for the provision of their services to proposed developments that include low-income housing (per SB1087, adopted in 2005). The letters also requested that providers review the Housing Element draft, and keep a copy of the final Housing Element on file. Following adoption of the Housing Element, the City will continue to work with water and sewer providers to coordinate housing and infrastructure plans. These activities are the focus of Action H.3.5.1 in Chapter 3.

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CHAPTER 2. REVIEW OF PREVIOUS HOUSING ELEMENT

A. BACKGROUND

The Chico City Council adopted the most recent Housing Element in August 2009 for the planning period of 2009 to 2014. The City's 2009 Housing Element was an ambitious planning document that featured major new initiatives to address its housing needs. Key initiatives included:

Action H.2.1.1— Production and dissemination of an Affordable Housing Resource Guide;

Action H.2.3.2— Implementation of an Infill Incentive Program, which is a comprehensive package of planning and zoning policy improvements to encourage infill residential development;

Action H.2.5.1— Establishment of a Local Housing Trust Fund;

Action H.2.5.2— Adoption of a Mixed-Income (Inclusionary) Program; and

Action H.2.5.3— Development of an Employer-Assisted Housing Program.

Actions H.2.1.1, H.2.3.2 and H.2.5.1 were completed during the Housing Element planning period, while Actions H.2.5.2 and H.2.5.3 are incomplete due to significant staff and funding reductions, as well as legal uncertainty regarding inclusionary programs statewide. In addition to making progress on its major initiatives, the City aggressively pursued utilization of its Chico Redevelopment Agency to produce affordable housing and address its Regional Housing Needs Allocation (RHNA). From 2009 to 2014, the Chico Redevelopment Agency catalyzed and financed the development of 11 projects and 335 units.

In 2012 and 2013, a number of factors caused the City to lose much of its capacity to finance housing development and implement Housing Element goals. In 2012, the State legislature and governor dissolved redevelopment agencies, eliminating the City's principal funding source for affordable housing production and program administration. Also beginning in 2012, the City needed to address its large structural deficit by cutting budgets and staff. The Housing and Neighborhood Services Department was reduced from a staff of seven employees to two employees. Given these changes, the 2014 Housing Element seeks to continue implementation of the 2009 Housing Element goals and actions, and revise actions where necessary, without introducing new major initiatives.

State Housing Element law (Government Code, Section 65588) requires that Housing Elements review the previous Housing Element in the following ways:

- Progress in implementation— including a description of the actual results or outcomes of previous Housing Element goals, policies, actions and programs.



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- Effectiveness—including a comparison of what was projected or planned in the previous Housing Element and what was achieved.
- Appropriateness of goals, policies, actions and programs—including a description of what has been learned based on the analysis of progress and effectiveness of the previous Housing Element.

This chapter of the Housing Element addresses these requirements below:

- B. Affordable Housing Production Goals and Results
- C. Program Actions— Previous Housing Element and Results
- D. Implication of Findings for the 2014 Housing Element

B. AFFORDABLE HOUSING PRODUCTION GOALS AND RESULTS

State law requires regions to plan for housing needs based on future growth projections through the Regional Housing Needs Allocation (RHNA) (Government Code, Section 65584). The State Department of Housing and Community Development allocates numeric RHNA unit production goals to regional councils of government. The goals identify the housing unit need over the next 7.5 -8.5 years for each of five different income levels. The income levels correspond with those identified in **Table 11** of Chapter 3, Section C. The regional councils of government must then allocate those unit production goals to communities within their jurisdiction. For Chico, the Butte County Association of Governments produces a Regional Housing Needs Plan that documents the growth projection model and distribution method for the Butte County RHNA.

Table 1 shows Chico's RHNA for the January 2007 to June 2014 period, and the number of units produced during that period that are affordable to each income level. State law does not require that communities meet the RHNA production goals. Instead, State law requires that communities employ planning and funding mechanisms that enable them to achieve the goals. One mechanism that carries a specific State mandate is the Adequate Sites Inventory, as laid out in Government Code, Section 65583.2. This section requires that each community ensure that there is adequate appropriately zoned land within its jurisdiction to accommodate its RHNA. If a community did not comply with this requirement at time of submission of the last Housing Element to the State, it must show how this was corrected in the next Housing Element planning period through re-zoning, annexation, or other means. This is not necessary for the City of Chico, as the City complied with Section 65583.2 requirements in its 2009 Housing Element. Chapter 5, Section A demonstrates Chico's compliance with this requirement as of 2014.

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Table 1: Regional Housing Needs Allocation and Production, Jan. 2007 to June 2014

Income Level	RHNA	Units Produced	% of RHNA Produced
Extremely Low	780	84	11%
Very Low	780	296	38%
Low	1,007	177	18%
Moderate	960	-	0%
Above Moderate	2,189	1,443	66%
Total	5,716	2,000	35%

Sources: *Butte County Association of Governments, 2014 Regional Housing Needs Plan*
City of Chico Community Development Dept., 2013

The last RHNA covered a seven-year period from 2007 to 2014, while the Housing Element covers a five-year period from 2009 to 2014. **Table 2** lists affordable housing that was produced during the last Housing Element planning period of 2009 to 2014. The production of Extremely Low, Very Low and Low Income housing can be tracked because these units received public subsidies to make them affordable. The long-term affordability of these units is regulated by a legal mechanism, such as a recorded covenant or regulatory agreement. The City has not tracked Moderate Income housing because it has not had a subsidy program for production of these units. The private market may produce units that are affordable to this income level, but they are not tracked and their affordability is not preserved by a legal mechanism. Above Moderate Income units are tracked via building permit through the City’s Community Development Department.



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Table 2: Affordable Housing Production, 2009-2014

Project Name	Target Population	Unit Affordability			Total
		Low	Very Low	Extremely Low	
Catalyst HAVEN (beds)	victims of domestic violence			28	28
Catalyst Cottages	victims of domestic violence			4	4
Parkside Terrace	families and persons w/ disabilities	40	40	9	89
Villa Serena	persons w/ disabilities			9	9
Bidwell Park Apts.	families and persons w/ disabilities	8	25	4	37
Harvest Park Apts.	families and persons w/ disabilities	65	15	9	89
North Point Apts.	families and persons w/ disabilities	19	23	7	49
Manzanita Pointe	first-time homebuyers	6			6
Habitat Greens	first-time homebuyers	8			8
Habitat 19th St.	first-time homebuyers	3			3
Martha's Vineyard	first-time homebuyers	13			13
Total		162	103	70	335
RHNA		1,007	780	780	2,567
% of RHNA		16%	13%	9%	13%

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In addition to the production of new affordable units, the City achieved other results through its programs and partnerships. Program results and a comparison to the 2009 Housing Element quantified objectives are illustrated in **Table 3**.

Table 3: Housing Accomplishments, 2009-2014

Outcome	Program	Result	2009 Quantified Objective
Low Income Affordable Units Produced	RDA-funded Low and Moderate Income Housing Fund, HOME Funds	335	2,567
Affordable Units with Expiring Contracts Preserved	City provided technical assistance to Dawson Holdings Co. to acquire, rehab and preserve affordability for Trans Pacific Gardens II; no City loans were committed	125	295
Households Assisted with Homeless Prevention Rental Assistance	HOME-funded Tenant Based Rental Assistance (TBRA) Program	211	
Low Income Homes Rehabilitated	HOME and Community Development Block Grant (CDBG) funds	41	100
Households Assisted with Accessibility Improvements	Community Development Block Grant (CDBG)	38	
Low Income Households Assisted with City Sewer Connection	Community Development Block Grant (CDBG)	22	
First-time Homebuyers Assisted	RDA-funded Low and Moderate Income Housing Fund	60	150
Low Income Households Receiving Financial Planning Assistance and Homebuyer Counseling	Community Development Block Grant (CDBG) and RDA funds in partnership with Community Housing Improvement Program (CHIP)	1,200	



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C. PROGRAM ACTIONS— PREVIOUS HOUSING ELEMENT AND RESULTS

The 2009 Housing Element included Goals, Policies and Actions. Below is a summary of the Goals, and the number of Actions associated with each.

- H.1. Increase equal housing opportunities. (2 Actions)
- H.2. Provide housing that is affordable to low incomes. (10 Actions)
- H.3. Promote construction of a wide range of housing types. (12 Actions)
- H.4. Encourage the creation of housing for persons with special needs. (9 Actions)
- H.5. Improve, rehabilitate and revitalize existing neighborhoods. (6 Actions)
- H.6. Increase homeownership. (5 Actions)
- H.7. Encourage energy efficiency in housing. (5 Actions)

A detailed assessment of the accomplishments and effectiveness of each 2009 Housing Element Action can be found in **Appendix A**. Some Actions were completed and have therefore been removed from the 2014 Housing Element. Other Actions do not have a start and end date, but are ongoing from year to year. Below is a summary of progress on the 49 Actions.

- 14 Actions completed and removed
- 1 Action incomplete and removed
- 34 Actions ongoing

For the 2014 Housing Element, most of the completed Actions were removed, while some were revised and will be continued. Most of the completed Actions were associated with Action H.2.1.1 (Infill Incentive Program). The new 2030 General Plan, adopted in April 2011, and related zoning and municipal code updates, addressed that Action as well as a number of other benefits to smart growth and infill development. These policy and regulation changes were completed during the last Housing Element planning period. Three of the four incomplete Actions will be continued. Most of the ongoing Actions have been revised and retained. Below is a summary of the effectiveness of the 2009 Housing Element Actions.

- 37 Actions met expectations
- 2 Actions exceeded expectations
- 8 Actions fell short of expectations
- 2 Actions did not require implementation

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City staff conducted an initial review of the 2009 Housing Element Actions to document accomplishments, assess effectiveness, and recommend whether the Action should be continued, modified, or deleted. Following this review, the Actions were presented at the Housing Element Community Workshop #1. Participants broke out into five groups, each reviewing the previous Housing Element Actions pertaining to one or two of the seven Housing Element Goals. Each group was asked to evaluate the Actions by the criteria of whether they were needed, achievable, effective and efficient. Using these criteria, the groups determined whether each Action should be removed, continued without changes, or continued with revisions. Actions were removed if they were completed, no longer necessary, or deemed ineffective. After reviewing previous Housing Element Actions, groups discussed potential new Actions.

City staff then presented the revised Actions for review in Workshop #2, based on public input from Workshop #1. Chapter 3 lists and describes all of the continued, revised and new 2014 Housing Element Actions.

D. IMPLICATION OF FINDINGS FOR THE 2014 HOUSING ELEMENT

The 2009 Housing Element set a bold agenda of Actions to expand access to affordable housing. The City can now build upon the progress and momentum created by those Actions. The Infill Incentive Program (Action H.2.3.2) has been achieved and implemented through the updated municipal code. The Affordable Housing Resource Guide (Action H.2.1.1) was published and updated. City staff and public workshop participants would like to now see the guide more widely distributed via the internet. The Housing Trust Fund (Action H.2.5.1) has been established. Given cuts to other affordable housing funding sources, it is imperative to build and utilize new funding sources over the next planning period to meet affordable housing goals. A Mixed-Income Housing Policy has not been adopted (Action H.2.5.2), but public workshop participants supported a new Action to review options for an inclusionary program that fits the City's needs. City staff has begun researching best practices and options to lay the groundwork for moving that discussion forward. An Employer-Assisted Housing Program (Action H.2.5.3) has not been established, but public workshop participants again supported this Action. The feasibility of this program will depend on the emergence of a new first-time homebuyer funding source.

As demonstrated in this chapter, the City has successfully produced a wide range of affordable housing over the past five years. While funding availability has fluctuated, the City's programs and partnerships have served it well. For this reason, proven and needed programs and partnerships should continue with the new Housing Element.

Notwithstanding past successes, the City must proactively plan how to overcome new challenges in the funding environment for affordable housing. The City can no longer rely on the dissolved Chico Redevelopment Agency. Federal HOME funds have been severely cut over the last few years. Funding



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cuts have also hindered the operating capacity of the City's partner nonprofits. There does not appear to be any relief from these challenges in the next couple years.

To help address these challenges, City staff and public workshop participants have identified new Actions with two general themes: 1) harness non-governmental forces (markets, businesses and nonprofits) to produce a wide range of housing; and 2) employ low-cost measures to improve the quality of the City's housing and neighborhoods. Harnessing non-governmental forces includes:

- Implement the Downtown Element of the General Plan to support high density residential development Downtown.
- Highlight the incentives to build affordable housing found in the Land Use Element to developers.
- Support emerging cost efficient and green housing models such as “micro-housing” and live/work lofts.
- Continue to work cooperatively with nonprofits and volunteer programs to develop special needs housing.

Improving the City's housing stock and quality of life encompasses:

- Share ideas from low-income housing residents on how to improve affordable housing with local developers.
- Continue to work with the City's Code Enforcement Division to eliminate blight and improve substandard housing.
- Expand the City's “Drop and Dash” program that cleans up neighborhoods by hauling away unwanted items.
- Develop a resource guide to help low-income homeowners maintain their home.

More detail about these new Actions is provided in Chapter 3.

7. HOUSING ELEMENT



CHAPTER 3. HOUSING PROGRAM

The purpose of this chapter is to present the housing program for meeting Chico's housing needs. The housing program describes strategies to produce, rehabilitate and conserve housing. It provides a foundation upon which housing activities can be developed and implemented through goals, policies and actions. Goals are broad statements of community desires. Policies and actions are more detailed steps to achieving these goals. The housing program consists of the following broad goals.

- H.1. Increase equal housing opportunities.
- H.2. Provide housing that is affordable to low incomes.
- H.3. Promote construction of a wide range of housing types.
- H.4. Encourage the creation of housing for persons with special needs.
- H.5. Improve, rehabilitate and revitalize existing neighborhoods.
- H.6. Increase homeownership.
- H.7. Encourage energy efficiency in housing.

A. GOALS, POLICIES AND ACTIONS

Goal H.1: Increase equal housing opportunities.

Policy H.1.1: Encourage and support the enforcement of housing laws and regulations prohibiting discrimination.

Action H.1.1.1: Assist in providing fair housing workshops for tenants and landlords, and include information on complying with American Disability Act (ADA) laws.

Responsible Party: Community Development Dept., Housing Division

Funding Source: Community Development Block Grant (CDBG)

Time Frame: Facilitate two fair housing workshops each year.

Policy H.1.2: Remove regulatory constraints to equal housing opportunity.

Action H.1.2.1: Ensure that the City does not have regulatory constraints that impede protected classes from obtaining housing. Annually review the City's fair housing procedure to maintain compliance.

Responsible Party: Community Development Dept., Housing Division

Funding Source: CDBG

Time Frame: Make City contact information for comments and questions and a list of legally protected classes available to the public in 2014.



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Goal H.2: Provide housing that is affordable to low incomes.

Policy H.2.1: Leverage federal and state programs to produce and preserve affordable housing.

Action H.2.1.1: Provide federal and state financial assistance, as available, to affordable housing developers and require that units are affordable to low, very low, and extremely low income households for at least 30 years.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: HOME, CDBG, State HCD

Time Frame: Ongoing

Quantified Objective: *Fund the development of 100 units by 2022.*

Policy H.2.2: Employ innovative approaches to provide housing at affordable costs.

Action H.2.2.1: Annually complete a Housing Element review on implementation progress and make findings available to the community and City Council.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: CDBG, Housing Program Income

Time Frame: Annually complete Housing Element review.

Action H.2.2.2: Update the Affordable Housing Resource Guide and make it available online, with distribution to the Housing Authority of the County of Butte, service providers and affordable housing managers.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: CDBG, Housing Program Income

Time Frame: Update and distribute the booklet by hard copy and online by the end of 2014.

Policy H.2.3: Foster community awareness of the relationship between various housing densities and public impacts, and costs and opportunities associated with the densities.

Action H.2.3.1: Inform the community and decision-makers of the benefit of smaller and more affordable homes through annual Housing Element reviews and housing market reports.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: CDBG, Housing Program Income

Time Frame: At least annually through Housing Element review.

Policy H.2.4: Develop mechanisms that harness local resources to meet local housing needs.

Action H.2.4.1: Expand the North Valley Housing Trust (NVHT) and use its funds to develop affordable housing for Chico residents.

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Responsible Party: Community Development Dept., Housing Division, in partnership with the NVHT nonprofit entity

Funding Source: CDBG, Housing Program Income, NVHT

Time Frame: Begin disbursing NVHT funds by the end of 2015.

Quantified Objective: *Use NVHT to fund the development of 30 extremely low-income affordable units of special needs housing by 2022.*

Action H.2.4.2: Develop a range of Mixed Income / Inclusionary Zoning options that are responsive to the local political and economic environment for City Council consideration.

Responsible Parties: Community Development Dept., Planning and Housing Divisions

Funding Sources: Housing Program Income, General Fund

Time Frame: Present options for City Council consideration by the end of 2015.

Action H.2.4.3: Explore an Employer Assisted Housing Program in the form of a first-time homebuyer assistance program for participating employers. A funding source is currently not available, but may become available through State HCD in the future.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: Housing Program Income, State HCD

Time Frame: Present a proposal to the City Council by the end of 2021.

Goal H.3: Promote construction of a wide range of housing types.

Policy H.3.1: Ensure a balanced rate of growth between housing production, employment and provision of services.

Action H.3.1.1: Initiate a Sphere of Influence update with Butte LAFCO, as needed, to ensure adequate land is available to meet the housing and employment needs of all income groups.

Responsible Party: Community Development Dept., Planning Division

Funding Source: General Fund

Time Frame: Review need for Sphere of Influence update annually.

Action H.3.1.2: Implement the Corridor Opportunity Site overlay as described in Land Use Element Goal 2.3.1 through the use of incentives and flexibility in development standards, including, but not limited to:

- Priority project processing
- Deferral of fees
- Flexibility in development standards



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- Density bonuses
- Support for infrastructure upgrades

Responsible Party: Community Development Dept., Planning Division

Funding Source: General Fund

Time Frame: Ongoing

Quantified Objective: *Incentivize the development of 50 moderate-income affordable units and 20 low-income affordable units within the Corridor Opportunity Site overlay, without federal or state subsidies, by 2022.*

Policy H.3.2: Enable sufficient housing construction to meet future needs.

Action H.3.2.1: Maintain an inventory of vacant and underutilized residential parcels.

Responsible Party: Community Development Dept., Planning Division

Funding Source: General Fund

Time Frame: Complete an annual review.

Action H.3.2.2: Highlight the incentives to build affordable housing found in the Land Use Element to developers, including, but not limited to:

- Priority project processing
- Deferral of fees
- Flexibility in development standards
- Density bonuses
- Support for infrastructure upgrades

Responsible Party: Community Development Dept., Planning Division

Funding Source: General Fund

Time Frame: Ongoing with annual updates.

Action H.3.2.3: Implement the Downtown Element of the General Plan to support higher density residential development Downtown.

Responsible Party: Community Development Dept., Planning Division

Funding Source: General Fund

Time Frame: Ongoing with annual updates.

Policy H.3.3: Promote a mix of dwelling types and sizes throughout the City.

Action 3.3.1: Continue to implement the Traditional Neighborhood Development Code (TND) that promotes higher density, vertical and horizontal mixed use, and greater flexibility in meeting parking requirements.

Responsible Party: Community Development Dept., Planning Division

Funding Source: General Fund, CDBG, Housing Program Income

Time Frame: Ongoing

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Quantified Objective: *Facilitate the development of 92 low-income affordable units and 97 moderate-income affordable units in the TND Zoning District by June 2022.*

Action 3.3.2: Regularly assess the need to amend the City’s Zoning Code and Design Guidelines Manual to promote design flexibility for residential developments to meet local needs.

Responsible Party: Community Development Dept., Planning Division

Funding Source: General Fund

Time Frame: Conduct an annual assessment.

Action 3.3.3: Support emerging cost efficient and green housing models, such as “micro-housing” and live/work lofts.

Responsible Party: Community Development Dept., Planning Division

Funding Source: General Fund

Time Frame: Review and support annually.

Action 3.3.4: Work cooperatively with nonprofits, charitable organizations, and the Chico State University Construction Management Program to expedite project processing and reduce regulatory barriers to the development of specialized housing that meets a community need.

Responsible Parties: Community Development Dept., Planning, Building, and Housing Divisions

Funding Sources: General Fund, CDBG

Timeframe: Identify a project to assist every other year starting in 2015.

Policy H.3.4: Maintain an adequate supply of rental housing to meet the needs of all renters, including university students and employees.

Action 3.4.1: Promote the development of an adequate number of one- and two-bedroom apartments to serve small households.

Responsible Party: Community Development Dept., Planning Division

Funding Sources: General Fund, CDBG, Housing Program Income

Time Frame: Identify a project to assist in 2015, 2018, and 2021.

Policy H.3.5: Maintain and enhance housing and public facilities in residential areas.

Action 3.5.1: Provide for infrastructure and service demands generated by residential development. In compliance with State law (Government Code, Section 65583(a)(8)), coordinate Housing Element planning and implementation with water and sewer providers.

Responsible Parties: Community Development Dept., Planning and Housing



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Divisions, Public Works Dept., Sewer and Storm Drain Engineering Divisions

Funding Source: General Fund

Time Frame: Coordinate plans with annual reviews.

Action 3.5.2: Provide a summary of findings from the focus group with low-income housing residents, conducted on October 16, 2013, to local affordable housing developers.

Responsible Party: Community Development Dept., Housing Division

Funding Source: CDBG, Housing Program Income

Time Frame: 2014

Goal H.4: Encourage the creation of housing for persons with special needs.

Policy H.4.1: Make housing accessible to persons with disabilities.

Action H.4.1.1: Amend the City's reasonable accommodation procedure for persons with disabilities (Municipal Code Section 19.60.130) to read: "The community development director may approve modifications or exceptions to the regulations, standards and practices for siting, development and use of housing or housing related facilities or other matters related to zoning and land use that would eliminate regulatory barriers and provide an Individual with a Disability equal opportunity to housing of his or her choice." This amendment will clarify the City's consistency with State law.

Responsible Party: Community Development Dept., Planning and Housing Divisions

Funding Source: General Fund

Time Frame: Amend the Municipal Code by June 15, 2015.

Policy H.4.2: Seek to incorporate childcare services into new residential development.

Action H.4.2.1: Identify mechanisms to integrate childcare into family-oriented residential developments. Provide incentives linked to City funding.

Responsible Party: Community Development Dept., Housing Division

Funding Source: CDBG, HOME

Time Frame: 2015

Policy H.4.3: Assist in the provision of housing for persons with disabilities.

Action H.4.3.1: Explore funding mechanisms to assist Independent Living Services of Northern California with maintaining an inventory of units accessible to persons with disabilities. Share information with architects and builders to encourage accessible design.

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Responsible Party: Community Development Dept., Housing Division

Funding Source: CDBG

Time Frame: 2016

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. Promote programs that allow seniors to age in place.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: CDBG, HOME

Time Frame: 2022

Quantified Objective: *Fund the development of 50 units of low-income affordable senior housing by 2022.*

Policy H.4.5: Seek to provide temporary housing for persons who are recently homeless or at risk of becoming homeless.

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: Community Development Dept., Housing Division

Funding Sources: HOME, CDBG

Time Frame: 2022

Quantified Objective: *Assist 140 households with the TBRA Program through June 2022.*

Policy H.4.6: Encourage the development of housing for homeless and extremely low-income persons.

Action H.4.6.1: Support the development of affordable Single Room Occupancy (SRO) apartments through funding, and highlighting code incentives found in the General Plan Land Use Element.

Responsible Parties: Community Development Dept., Planning and Housing Divisions

Funding Sources: HOME, CDBG, General Fund

Time Frame: Support an SRO by 2020.

Action H.4.6.2: To clarify the City's consistency with State law, amend the City's Municipal Code (CMC) to make transitional and supportive housing an explicitly permitted use in all zoning districts that allow residential development, subject to only the same restrictions placed on other permitted residential uses. Include Transitional Housing and Supportive Housing as land use categories in the Allowed Land Uses tables in CMC Chapters 19.42 and 19.44.



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Responsible Parties: Community Development Dept., Planning and Housing Divisions

Funding Sources: HOME, CDBG, General Fund

Time Frame: Amend the City's Municipal Code by June 15, 2015.

Policy H.4.7: Continue to work with Chico State University to provide housing for students.

Action H.4.7.1: Encourage Chico State University to continue to involve the community in campus housing plans.

Responsible Parties: Community Development Dept., Planning and Housing Divisions

Funding Sources: Housing Program Income, General Fund

Time Frame: Meet to coordinate plans annually.

Goal H.5: Improve, rehabilitate and revitalize existing neighborhoods.

Policy H.5.1: Maintain and enhance the character and affordable nature of Chico's older neighborhoods.

Action H.5.1.1: Continue to support planning at the neighborhood scale.

Responsible Parties: Community Development Dept., Planning and Housing Divisions

Funding Sources: General Fund, CDBG

Time Frame: Review neighborhood plans annually.

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 collaborate with other housing entities and developers to preserve their affordability.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: HOME, Housing Program Income

Time Frame: Update at-risk properties annually.

Quantified Objective: *Preserve the affordability of 434 at-risk affordable units, prior to 2022.*

Policy H.5.3: Continue to pursue low-interest loan programs targeted to rehabilitation of older residential structures.

Action H.5.3.1: Continue the City's program that rehabilitates substandard, low-income owner-occupied units.

Responsible Party: Community Development Dept., Housing Division

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Funding Sources: HOME, CDBG

Time Frame: Annual implementation.

Quantified Objective: *Provide financial assistance to rehabilitate 30 homes by June 2022.*

Policy H.5.4: Support and guide the rehabilitation of and reinvestment in existing residential buildings.

Action H.5.4.1: As needed, continue to monitor and inventory housing and infrastructure conditions in Chico’s older neighborhoods to help direct investment. As identified in the inventory, upgrade and provide infrastructure consistent with adopted neighborhood plans, as funding is available.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: CDBG, HOME

Time Frame: Review infrastructure needs annually.

Action H.5.4.2: Produce a guide to help low-income homeowners maintain their homes, including weatherization, energy efficiency and rehabilitation resources.

Responsible Party: Community Development Dept., Housing Division

Funding Source: CDBG, Housing Program Income

Time Frame: Produce and distribute the guide by the end of 2016.

Policy H.5.5: Use code enforcement to facilitate neighborhood improvements.

Action H.5.5.1: Continue the City’s code enforcement efforts to preserve existing neighborhoods through the elimination of blight and improvement of substandard housing.

Responsible Party: Community Development Dept., Code Enforcement

Funding Source: General Fund, CDBG

Time Frame: Annual

Action H.5.5.2: Collaborate with stakeholders to expand the annual “Drop and Dash” Program that cleans up neighborhoods by hauling away unwanted items.

Responsible Party: Community Development Dept., Code Enforcement

Funding Source: General Fund

Time Frame: Implement program annually.

Goal H.6: Increase homeownership.

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



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Action H.6.1.1: Facilitate the development of attached ownership housing, such as townhouses, row houses or condominiums.

Responsible Party: Community Development Dept., Planning and Housing Divisions

Funding Sources: State HCD Catalyst Grant, CDBG, General Fund

Time Frame: Assist in the development of an attached ownership housing project by June 2022. Potential sites are Meriam Park with funding from the State HCD Catalyst Grant, and on City-owned property at 20th and C Streets.

Policy H.6.2: Expand homeownership opportunities for first-time homebuyers.

Action H.6.2.1: To the extent possible, promote homeownership through the Mortgage Subsidy Program for low- and moderate-income first-time homebuyers. A funding source is currently not available, but may become available through State HCD in the future. Apply for potential funding sources for this program.

Responsible Party: Community Development Dept., Housing Division

Funding Source: HOME, State HCD

Time Frame: Implement annually if funding is available.

Action H.6.2.2: Pursue resources to offer self-help housing, such as Habitat for Humanity and CHIP homes, to low-income first-time homebuyers.

Responsible Party: Community Development Dept., Housing Division

Funding Source: HOME

Time Frame: Provide financial assistance to develop one self-help project by June 2022.

Quantified Objective: *Assist in the development of 10 self-help homes by June 2022.*

Policy H.6.3: Continue to provide credit counseling services to residents.

Action H.6.3.1: Support, to the extent possible, counseling on the responsibilities of homeownership and debt management through assistance to local housing and credit counseling service providers.

Responsible Party: Community Development Dept., Housing Division

Funding Source: CDBG, Housing Program Income

Time Frame: Implement annually.

Policy H.6.4: Consider the feasibility of a community land trust.

Action H.6.4.1: Continue exploration of the land trust program that offers home purchase opportunities while maintaining affordability.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: CDBG, HCD Catalyst Grant

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Time Frame: Construct limited equity homes on a City-owned land trust in Meriam Park by the end of 2015.

Quantified Objective: *Produce four moderate-income affordable homes on Meriam Park land trust by the end of 2015.*

Goal H.7: Encourage energy efficiency in housing.

Policy H.7.1: Continue to enforce energy standards required by the State Energy Building Regulations and California Building Code, and reduce long-term housing costs through planning and applying energy conservation measures.

Action H.7.1.1: Effectively implement the 2013 California Building Code to achieve improved energy efficiency and reduce waste. New energy efficient requirements include:

- Upgraded insulation standards
- More energy efficient windows
- Flexibility for use of solar energy
- Greener heating and cooling systems

Responsible Party: Community Development Dept., Building Division

Funding Source: General Fund

Timeframe: Update implementation strategy with California Building Code changes.

Action H.7.1.2: Incorporate green building concepts into City funded housing developments.

Responsible Party: Community Development Dept., Housing Division

Funding Source: CDBG

Timeframe: Annually

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

Action H.7.2.3: Increase energy efficiency of homes assisted by the City's Housing Rehabilitation Program.

Responsible Party: Community Development Dept., Housing Division

Funding Sources: HOME, CDBG

Timeframe: Annually

B. PROGRAM CONSISTENCY WITH THE GENERAL PLAN

Government Code, Section 65583(a)(7) requires that the Housing Element identify the means by which



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its Program, including Goals, Policies and Actions, will be consistent with other General Plan elements and community goals. Responsible parties within the City organization are listed for each action above. The Community Development Department, Planning Division, is responsible for creating, implementing and tracking progress on the 2030 General Plan. The Community Development Department, Housing Division, is responsible for administering the City’s housing programs, including federal CDBG and HOME funds, and Housing Program Income (loan and grant repayments). Both the Planning and Housing Divisions are housed within the City’s Community Development Department. The Housing and Planning Divisions closely collaborated on the Housing Element update to ensure consistency between the General Plan Elements. The Goals, Policies and Actions in the Housing Element support and compliment the Chico 2030 General Plan Goals, Policies and Actions, specifically the Land Use, Downtown, Economic Development, and Parks, Public Facilities and Services Elements.

In addition to preparing planning documents, the Community Development Department prepares annual General Plan and Housing Element progress reports and presents them to the City Council. Housing Element progress is also provided to the State Housing and Community Development Department at that time. These annual reviews provide opportunity for City staff, the City Council and the general public to review progress and consistency between the General Plan Elements.

C. QUANTIFIED OBJECTIVES SUMMARY

Based on the policies and actions outlined above, the following objectives in **Table 4** represent a reasonable expectation of the maximum number of housing units that will be produced, preserved, and conserved. Preserved units are rehabilitations of low-income owner-occupied homes. Conserved units are at-risk units that have extended affordability due to City and/or developer intervention.

Table 4: Quantified Objectives Summary

	Income Level					Total
	Extremely Low	Very Low	Low	Moderate	Above Moderate	
New Construction	487	53	613	708	1,638	3,499
Preservation (Rehabilitation)			30			30
Conservation		434				434
Total	487	487	643	708	1,638	3,963

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CHAPTER 4. HOUSING NEEDS ASSESSMENT

This section assesses Chico's housing needs by analyzing various aspects of its population and housing stock. Issues addressed include:

- Demographics
- Employment
- Household characteristics
- Housing supply, including at-risk units
- Housing need
- Overpayment
- Extremely low-income households
- Overcrowding
- Housing conditions
- Special needs populations

A. DEMOGRAPHICS

Population

Chico is the largest city in Butte County and the second most populous city north of Sacramento in California. Chico's estimated population as of January 1, 2013 was 87,671, which was 40% of the total county population (California Department of Finance). Note that the U.S. Census population estimate for Chico is slightly higher, at 87,712 (U.S. Census, 2012 American Community Survey). As shown in **Table 5**, Chico's population has increased at an annual average of 0.5% over the last four years. Prior to 2010, Chico's population was growing at a rate closer to 2%. The Butte County Association of Governments projects that Chico will return to an annual growth rate of just under 2% over the next 25 years (see **Table 6**). By the year 2020, it is projected that Chico's population will increase by about 22,000 to just under 100,000.

Table 5: Population Growth, 2010-2013

	2010	2011	2012	2013	Avg. Annual Change	
					Number	Percent
Chico	86,187	86,565	87,106	87,671	412	0.5%
Butte County	220,000	220,465	220,263	221,485	413	0.2%

Source: California Dept. of Finance, 1/1/13



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Table 6: Population Forecast, 2010-2035

	2010	2015	2020	2025	2030	2035	Total Increase	Percent Increase	Annual Growth Rate
Chico	88,228	92,678	99,766	110,046	121,407	133,944	45,716	52%	1.7%
Butte County	221,768	236,800	257,266	281,558	306,047	332,459	110,691	50%	1.6%

Source: Butte County Association of Governments, Butte County Long-term Regional Growth Forecasts, 2010-2035

Age

Chico's population is much younger than Butte County, the State and nation as a whole. **Table 7** and **Chart 1** shows that the segment aged 20-34 is much larger than any other age segment, with one-third of the entire City's population. Chico's median age is 28.9 years old. By comparison, the median age for Butte County is 37.1 years old; the median age for the State of California is 35.5 years old; and the median age for the United States is 37.4 years old. The U.S. Census estimates that about 20,000 of Chico residents are college students, which is almost a quarter of the population (U.S. Census Bureau, 2012 American Community Survey). Chico's exceptionally young population influences its other demographic, economic and housing characteristics, particularly in terms of unemployment, income and housing tenure. Younger residents are more likely to be unemployed, have lower incomes, and rent housing.

Table 7: Population by Age, 2012

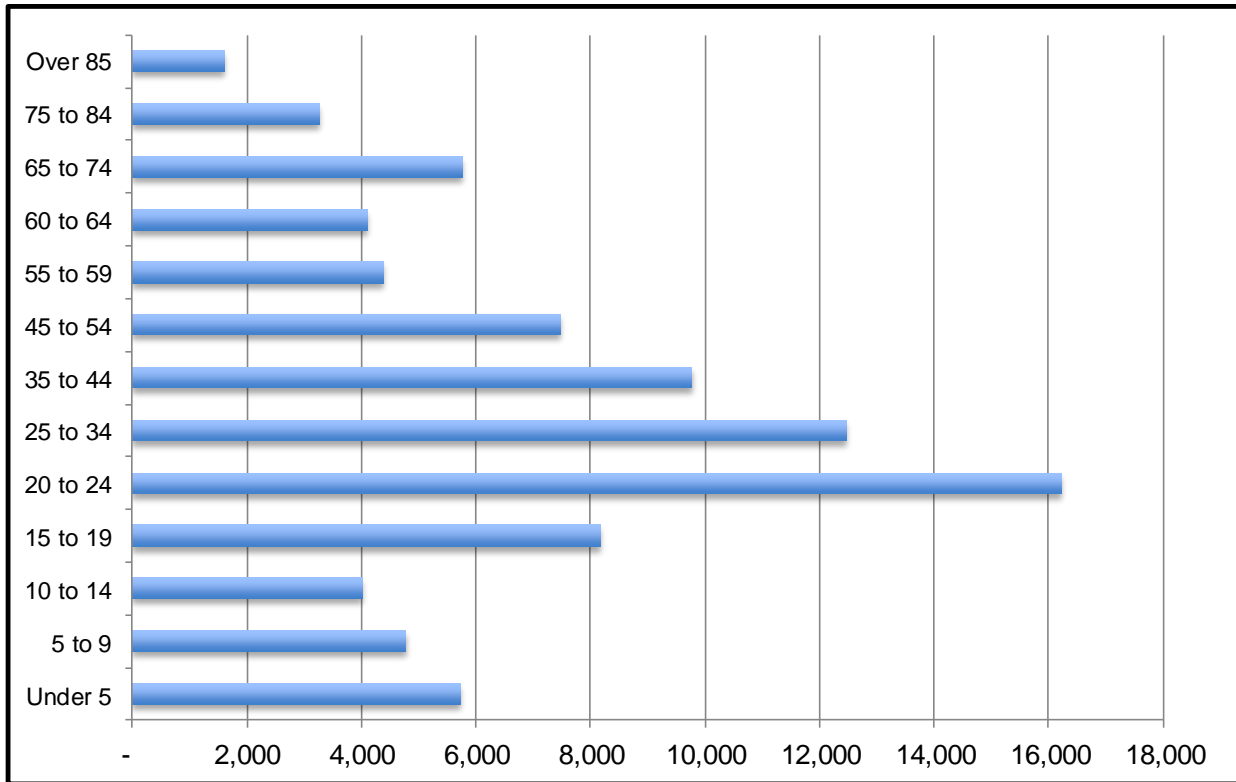
	Persons
Under 5	5,728
5 to 9	4,761
10 to 14	4,003
15 to 19	8,176
20 to 24	16,224
25 to 34	12,457
35 to 44	9,778
45 to 54	7,462
55 to 59	4,386
60 to 64	4,102
65 to 74	5,771
75 to 84	3,252
Over 85	1,612

Source: U.S. Census Bureau, 2012 American Community Survey

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Chart 1: Population by Age, 2012





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Race and Ethnicity

Approximately 85% of Chico’s population is White, which is a much higher proportion than for the State of California, which is about 62% White. **Table 8** shows race statistics for the City of Chico. **Table 9** shows that persons identifying as Hispanic or Latino are about 15% of the City’s population. This is a separate and distinct category from **Table 8**, as any Race can also be Hispanic or Latino.

Table 8: Population by Race, 2012

	Persons	Percent of Total
One race	82,002	93%
White	74,941	85%
Black or African American	1,628	2%
American Indian and Alaska Native	387	0%
Asian	3,344	4%
Native Hawaiian and Pacific Islander	153	0%
Other race	1,549	2%
Two or more races	5,710	7%
White and Black or African American	534	1%
White and American Indian and Alaska Native	2,408	3%
White and Asian	1,345	2%
Black or African American and American Indian and Alaska Native	143	0%
Other	1,280	1%

Source: U.S. Census Bureau, 2012 American Community Survey

Table 9: Hispanic Population, 2012

	Persons	Percent of Total
Hispanic or Latino (of any race)	13,419	15%
Not Hispanic or Latino	74,293	85%

Source: U.S. Census Bureau, 2012 American Community Survey

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B. EMPLOYMENT

Education, government and health sectors anchor the Chico economy. Principal employers in these sectors are Chico State University, Butte College, Enloe Hospital, City of Chico and Butte County. For this reason, the Education Services, and Healthcare and Social Assistance industry employs significantly more people than any other industry, at 31% of all Chico employees. The Retail Trade industry, and Arts, Entertainment and Recreation, and Accommodation and Food Services industry follow, with 14% of all Chico employees each. See **Table 10**.

Table 10: Employment by Industry, 2011

Industry	Chico, California	
	Estimate	Percent
Civilian employed population 16 years and over	39,978	
Agriculture, forestry, fishing and hunting, and mining	738	2%
Construction	1,696	4%
Manufacturing	2,385	6%
Wholesale trade	837	2%
Retail trade	5,457	14%
Transportation and warehousing, and utilities	864	2%
Information	819	2%
Finance and insurance, and real estate and rental and leasing	2,201	6%
Professional, scientific, and management, admin. and waste management	3,754	9%
Educational services, and health care and social assistance	12,262	31%
Arts, entertainment, and recreation, and accommodation and food services	5,408	14%
Other services, except public administration	1,780	5%
Public administration	1,777	4%

Source: U.S. Census Bureau, 2007-2011 American Community Survey

Unemployment grew, nationally, statewide and locally, from 2007 to 2010. Employment in Butte County declined by five percent over this period. This shot the unemployment rate up to 14 percent in 2010, much higher than the historical average of six to eight percent, and about two percent higher than the state unemployment rate, and five percent higher than the national unemployment rate. Since 2010, the Butte County unemployment rate has steadily declined to 9.1% in October of 2013 (California Employment Development Department, Labor Market Information Division).



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C. HOUSEHOLD CHARACTERISTICS

Total Households and Number of Persons per Household

The U.S. Census estimates that there are 33,405 households and 87,712 people in Chico, with an average of 2.5 persons per household. This persons per household figure excludes 3,655 persons in the “Group Quarters” category, which are persons residing in dormitories and institutions. Note that the U.S. Census population estimate of 87,712 is slightly higher than the State Department of Finance population estimate of 87,671.

Household Income

Federal and state governments measure housing affordability in terms of a household’s income as a percent of the area median income. For Chico, the area median income is Butte County’s median income. **Table 11** shows the household income categories used by the California State government to administer housing programs in Butte County. Each income category varies by the number of people in the household.

Table 11: State Income Categories, 2013

Income Category	% of Area Median Income	Maximum Income by Persons in the Household				
		1	2	3	4	5
Extremely Low	0-30%	\$12,060	\$13,770	\$15,480	\$17,190	\$18,570
Very Low	31%-50%	\$20,100	\$22,950	\$25,800	\$28,350	\$30,950
Low	51%-80%	\$32,160	\$36,720	\$41,280	\$45,840	\$49,520
Median	100%	\$40,200	\$45,900	\$51,600	\$57,300	\$61,900
Moderate	81%-120%	\$48,240	\$55,080	\$61,920	\$68,760	\$74,280

Source: California Housing & Community Development Department, 2013

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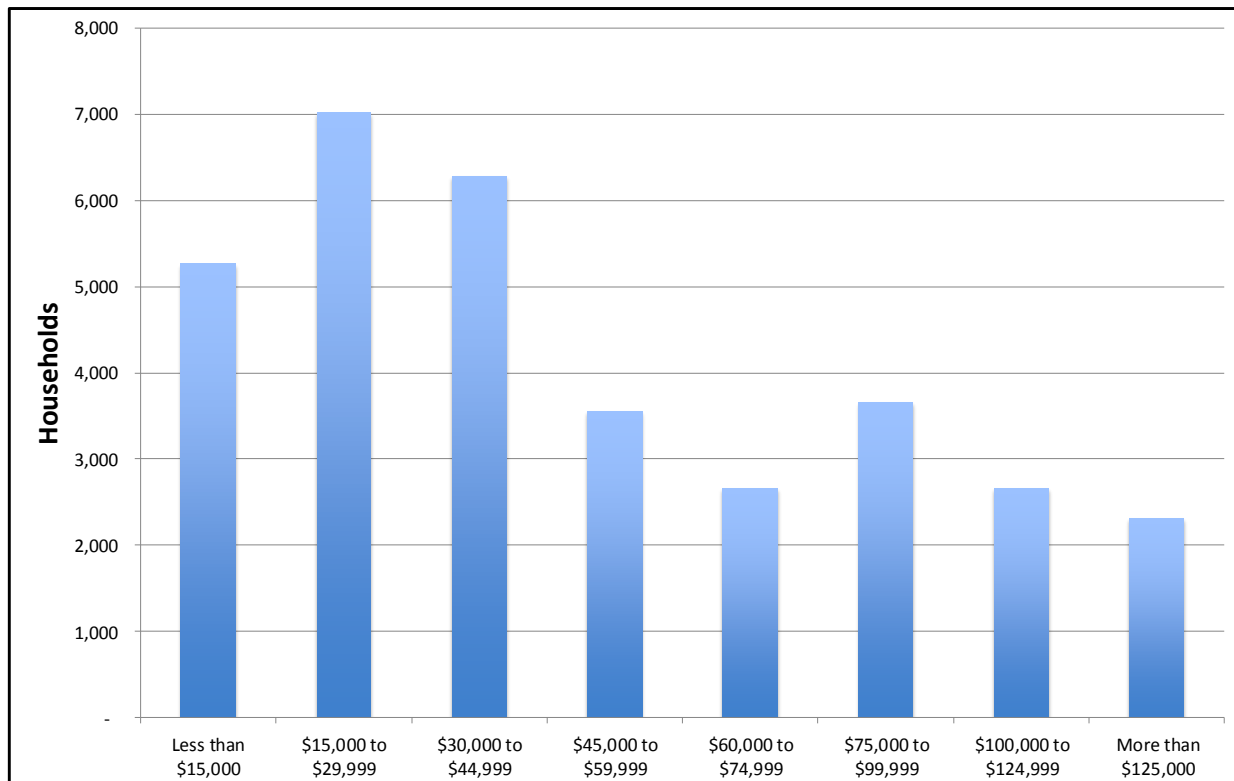
Table 12 and **Chart 2** show the number and percent of Chico households by income. The three lowest income categories, consisting of annual incomes less than \$45,000, make up the largest three categories, with a total of 18,558 households (56% of all households). A large portion of these households have challenges with housing overpayment and overcrowding. Many of these households also have special needs, as seniors, persons with disabilities, and single-parent households. These more specific characteristics will be discussed later in this chapter.

Table 12: Household Income: 2012

	Households	Percent of Total
Less than \$15,000	5,262	16%
\$15,000 to \$29,999	7,019	21%
\$30,000 to \$44,999	6,277	19%
\$45,000 to \$59,999	3,557	11%
\$60,000 to \$74,999	2,660	8%
\$75,000 to \$99,999	3,664	11%
\$100,000 to \$124,999	2,663	8%
More than \$125,000	2,303	7%

Source: U.S. Census Bureau, 2012 American Community Survey

Chart 2: Household Income: 2012





7. HOUSING ELEMENT

Housing Tenure

An estimated 57% of Chico households rent their residence (see **Table 13**). This is a much higher proportion than Butte County (44%) and the State of California (45%). It is more comparable to the City of San Francisco (58%). Chico's high proportion of renter households is influenced by its large student population, predominantly younger demographic, and large percentage of households with low incomes. **Table 14** and **Chart 3** show that most renters are age 15 to 34. Due to these factors, Chico has strong demand and low vacancy rates for rental units.

Table 13: Households by Tenure, 2012

	Number	Percent
Owner-occupied	14,262	42.7%
Renter-occupied	19,143	57.3%
Total	33,405	100%

Source: U.S. Census Bureau, 2012 American Community Survey

Table 14: Tenure by Age of Householder, 2012

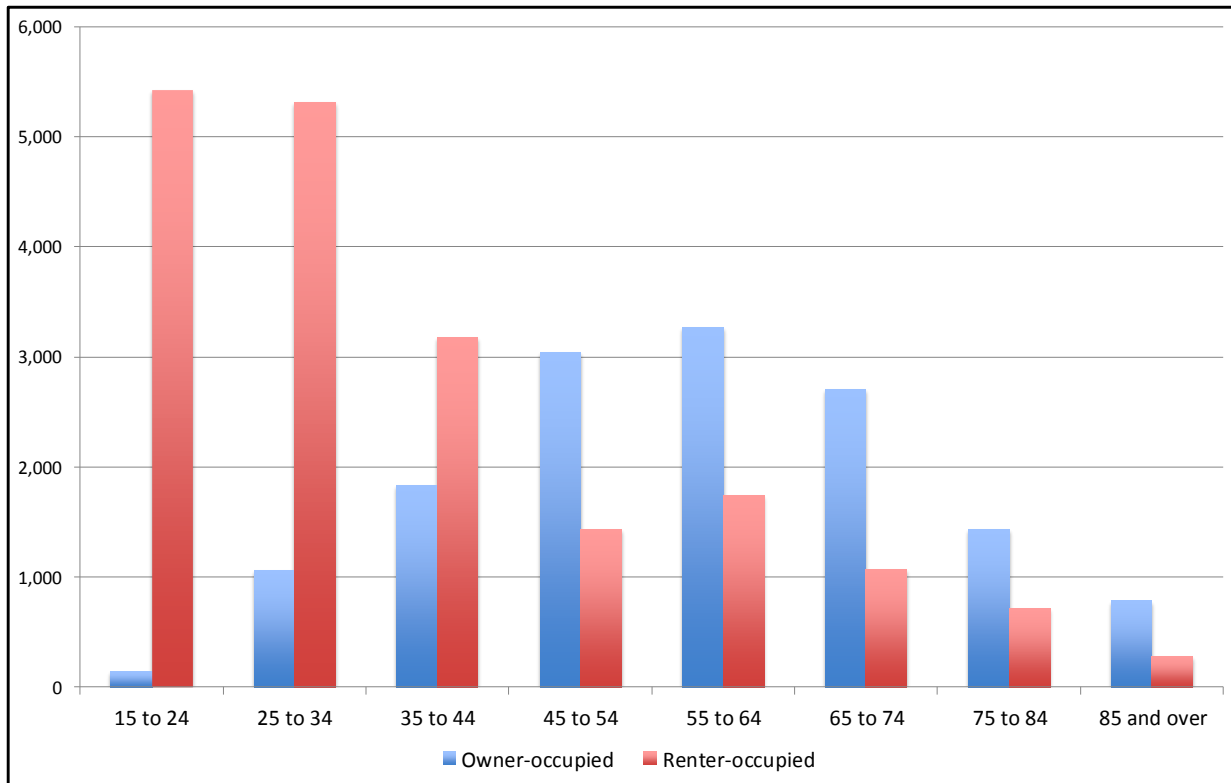
	Owner-occupied	Renter-occupied	Total
15 to 24	143	5,429	5,572
25 to 34	1,054	5,312	6,366
35 to 44	1,836	3,180	5,016
45 to 54	3,035	1,430	4,465
55 to 64	3,271	1,741	5,012
65 to 74	2,706	1,068	3,774
75 to 84	1,432	713	2,145
85 and over	785	270	1,055
Total	14,262	19,143	33,405

Source: U.S. Census Bureau, 2012 American Community Survey

7. HOUSING ELEMENT



Chart 3: Tenure by Age of Householder, 2012



D. HOUSING SUPPLY

Number and Type of Units

There are an estimated 37,773 housing units in Chico. **Table 15** shows a significant increase in the number of housing units in Chico between 2000 and 2010. This is primarily due to the City's incorporation of former County islands over this period. **Table 16** and **Chart 4** shows the City's breakdown of units by housing type. This demonstrates that Chico has a fairly balanced mix of housing types, with single-family structures making up just over half of units. The vacancy figures in Tables 15 and 16 include formerly owner-occupied and bank-owned units. The increased vacancy rate between 2000 and 2010 is evidence of the impact of foreclosures.



7. HOUSING ELEMENT

Table 15: Housing Units, 2000 and 2010

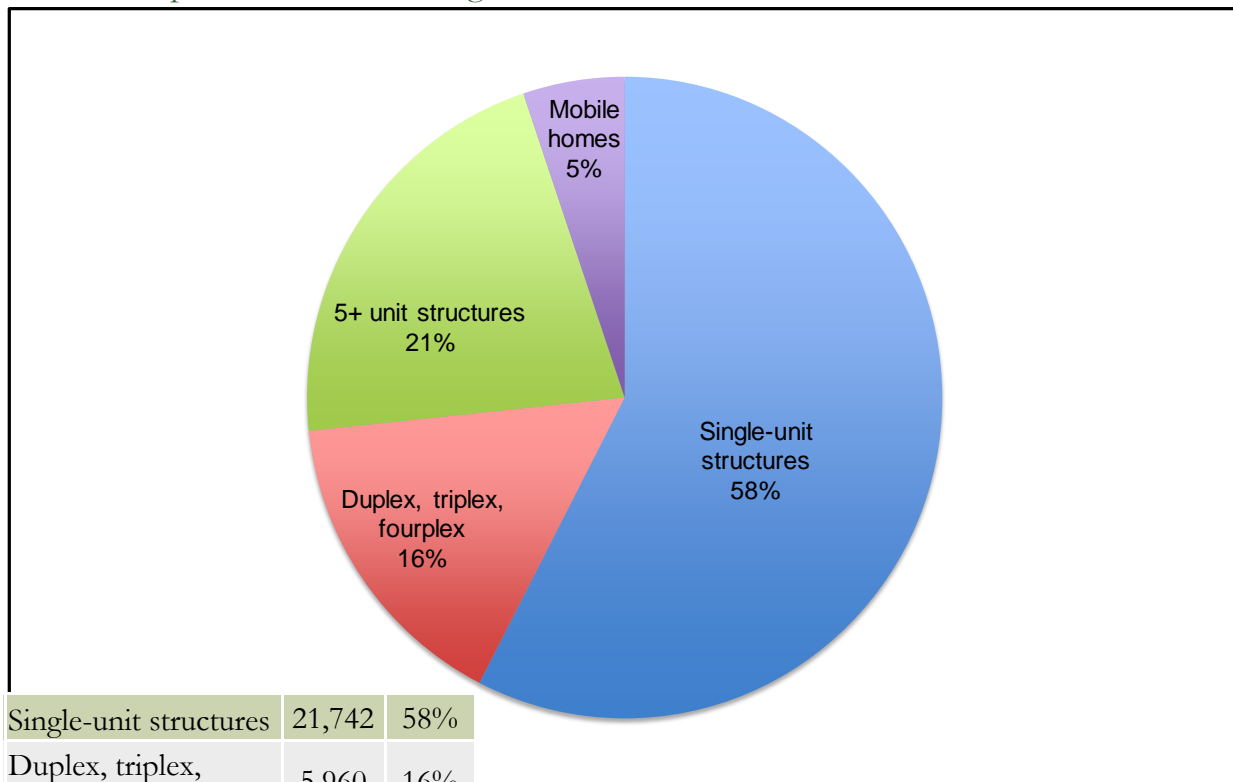
Year	Total Housing Units	Single	Multiple	Mobile Homes	Households	Vacant Units	Vacancy Rate	Persons Per Household
2000	24,386	12,819	10,934	633	23,476	910	3.73%	2.423
2010	37,050	21,470	13,625	1,955	34,805	2,245	6.06%	2.385
Change	51.9%	67.5%	24.6%	208.8%	48.3%	146.7%		

Source: California Dept. of Finance, 4/1/10

Table 16 and Chart 4: Population and Housing Units, 2013

Population	Persons in Households	Persons in Group Quarters	Total Housing Units	Single Detached	Single Attached	Two to Four	Five Plus	Mobile Homes
87,671	84,105	3,566	37,772	20,094	1,648	5,960	8,117	1,953
						Occupied	Vacancy Rate	Persons per House-
						35,483	6.1%	2.37

Chart 4: Population and Housing Units, 2013



Single-unit structures	21,742	58%
Duplex, triplex, fourplex	5,960	16%
5+ unit structures	8,117	21%
Mobile homes	1,953	5%

7. HOUSING ELEMENT



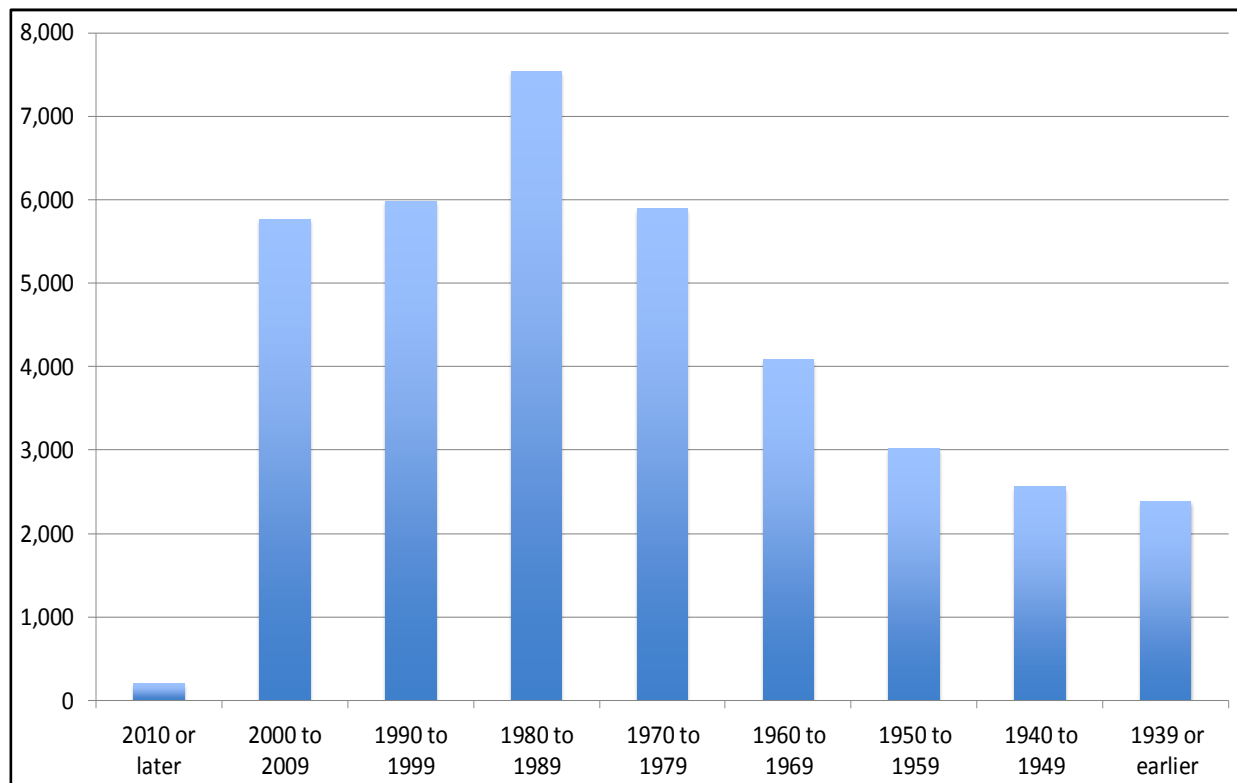
Age of Units

Table 17 and **Chart 5** show housing units by year built. Just over half of the City's units were built after 1979. While most housing units are less than 33 years old, almost 5,000 units are more than 63 years old. As discussed in the Substandard Conditions section of this Chapter, most of these units are in the City's central city neighborhoods and many have rehabilitation needs.

Table 17 and Chart 5: Year Structure Built, 2012

	Units
2010 or later	202
2000 to 2009	5,763
1990 to 1999	5,985
1980 to 1989	7,537
1970 to 1979	5,892
1960 to 1969	4,090
1950 to 1959	3,024
1940 to 1949	2,557
1939 or earlier	2,379
Total	37,429

Source: U.S. Census Bureau, 2012 American Community Survey





7. HOUSING ELEMENT

Rental Market

Chart 6 shows that there was relatively high production of rental units in Chico in 2010 and 2013. However, most of the units produced in those years were subsidized apartments. The average rent for Chico housing units in 2013 was \$889 (see **Table 18**). Rents grew by 2.1% from the third quarter of 2012 to the third quarter of 2013 (see **Table 19**). This is a similar rent growth to the nation as a whole. The overall rental vacancy rate as of September 30, 2013 was just 2.4% (ReisReports, Sept. 30, 2013). By comparison, a typical “balanced” rental market has a vacancy rate of around 5%. Extremely low vacancy rates limit options for very low-income and special needs households, creating overpayment and overcrowded situations, as described later in this chapter.

Chart 6: Residential Building Permits, 2006-2013

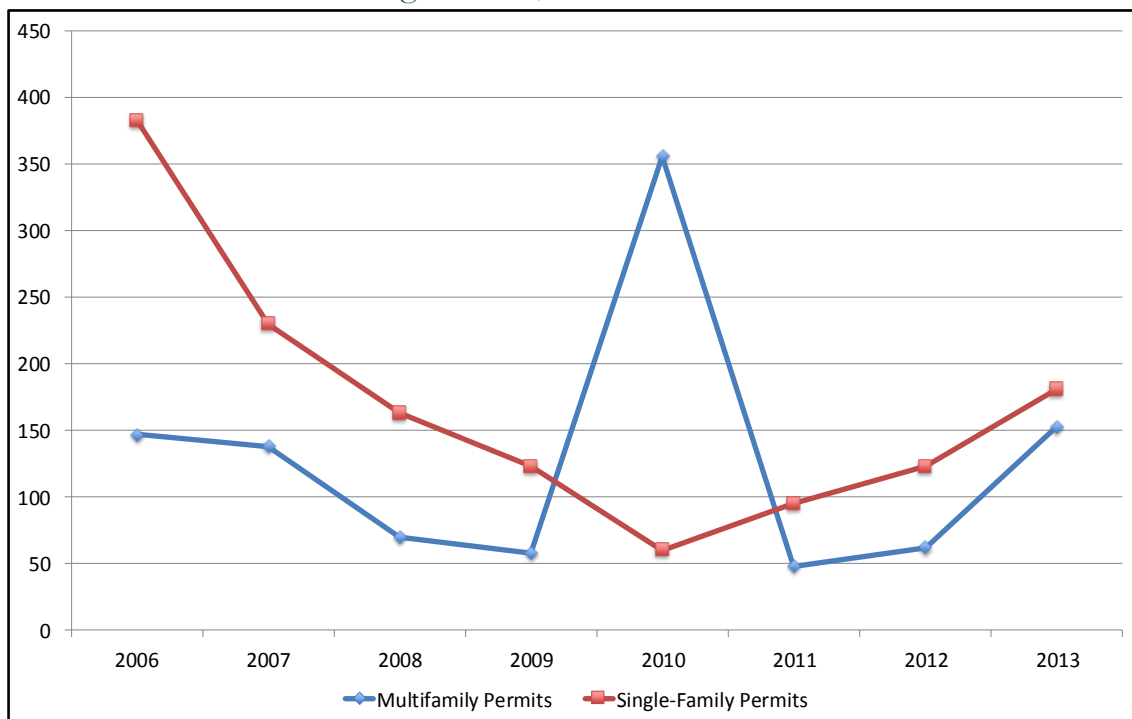


Table 18: Average Asking Rent by Building Age, 2013

Year Built	Rent
Before 1970	\$786
1970-1979	\$805
1980-1989	\$910
1990-1999	\$893
After 2000	\$1,080
All	\$889

Source: ReisReports, Chico Metro, Sept. 30, 2013
Survey of 73 apartment complexes in Chico

Table 19: Asking Rent Growth, 2013

2nd Qtr 2013	0.6%
3rd Qtr 2013	0.6%
Year-to-Date Avg.	0.7%
From 3rd Qtr 2012	2.1%

Source: ReisReports, Chico Metro, Sept. 30, 2013
Survey of 73 apartment complexes in Chico

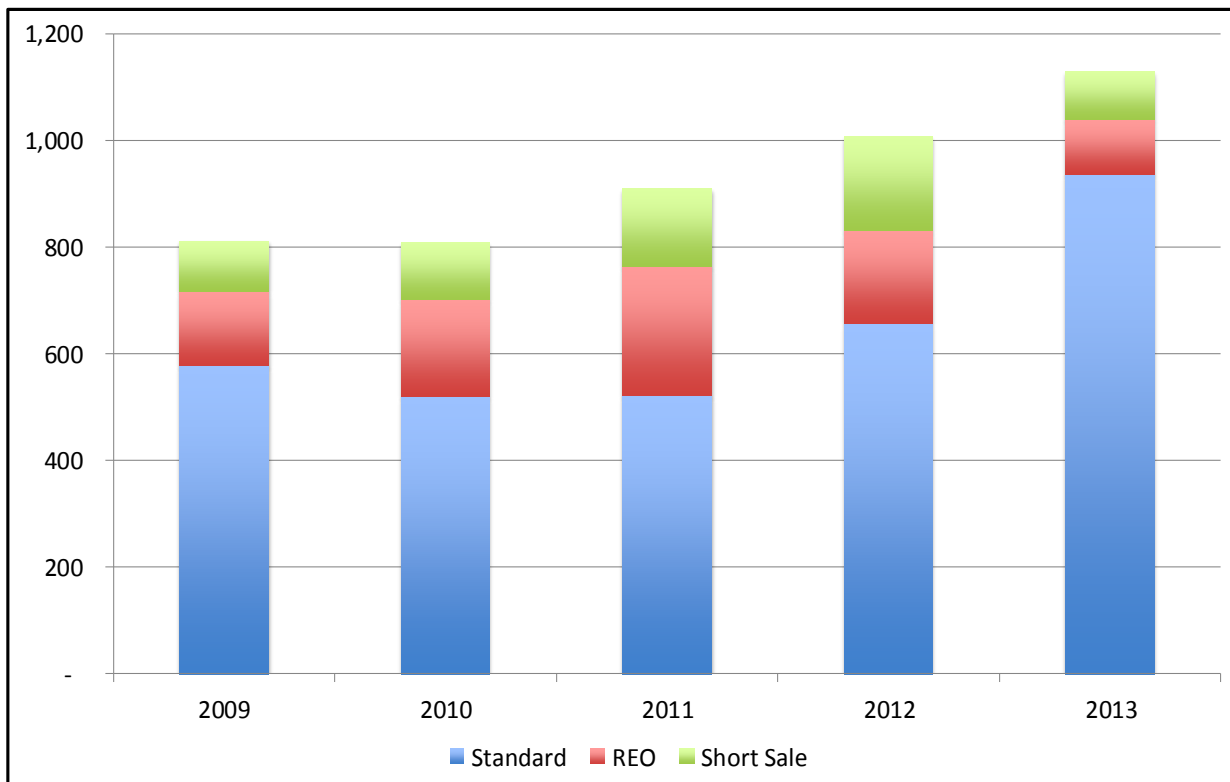
7. HOUSING ELEMENT



For-sale Market

After a sharp drop in production from 2006 to 2010, Chico for-sale home starts gradually increased over the last few years (see **Chart 6**). As far as sales of new and existing homes, **Chart 7** also shows an upward trend from 2010 to 2013. The percentage of sales that were bank-owned foreclosures peaked in 2011, and then declined to the smallest proportion in the last five years in 2013. In October 2013, foreclosure filings in Chico were 26% lower than the previous month and 55% lower than October 2012. There were 274 properties in Chico that were in some stage of foreclosure in October 2013, which represents .08% of all units in Chico (RealtyTrac, November, 2013). The median sale price fell to \$225,000 in 2011 before rebounding to \$265,000 in 2013 (see **Chart 8**).

Chart 7: Number of Home Sales, 2009-2013

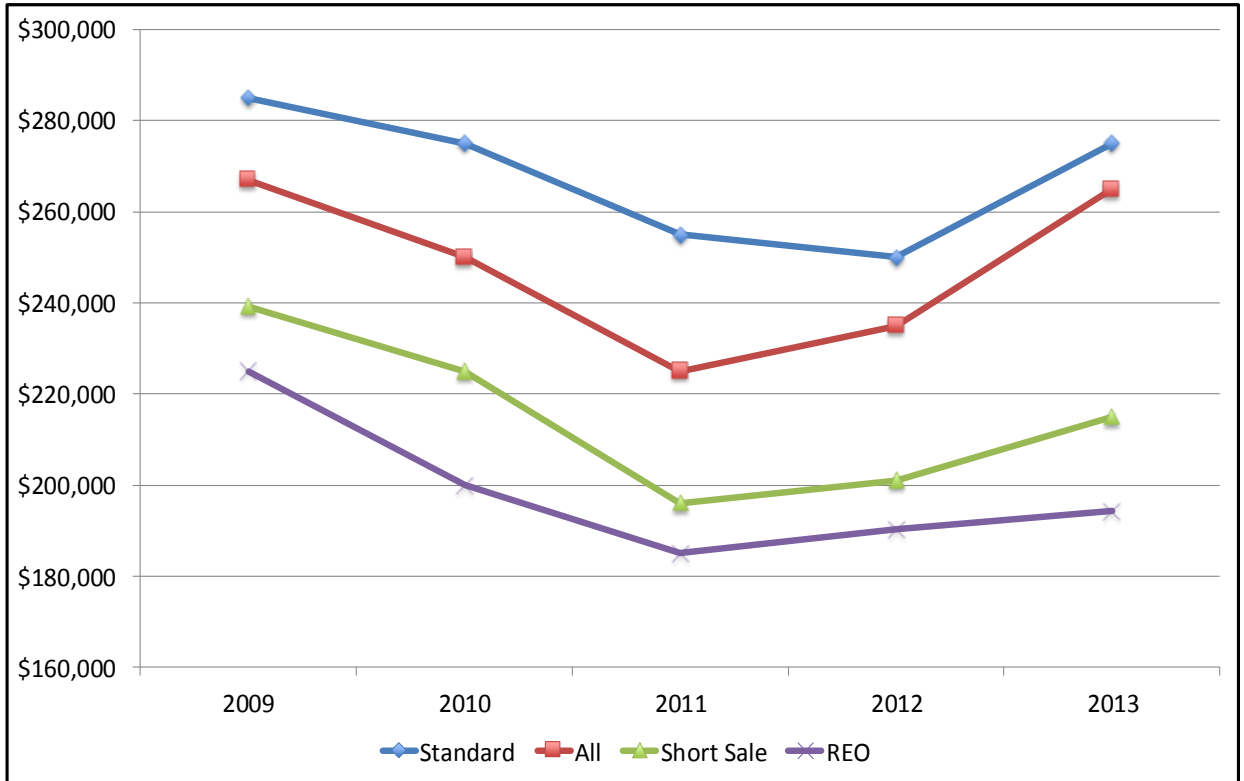


Source: Multiple Listing Service for Chico, CA thru Dec. 31, 2013

7. HOUSING ELEMENT



Chart 8: Median Sale Price, 2009-2013



Source: Multiple Listing Service for Chico, CA thru Dec. 31, 2013

7. HOUSING ELEMENT



Publicly Subsidized Rent-Restricted Units

A number of units in Chico are publicly subsidized and rent-restricted. In exchange for public financial assistance, owners of these units restrict rents below market rates, to levels that are affordable to low-income, very low-income and extremely low-income households. **Table 20** is an inventory of Chico's rent-restricted apartment complexes. There are 1,684 rent-restricted units in Chico, which is 4.5% of the City's total housing units. This does not include approximately 1,060 Section 8 Housing Choice Vouchers used by Chico households. Section 8 is a rental subsidy that moves with the assisted household, and is paid to participating landlords. **Table 21** is an inventory of emergency shelter and transitional housing beds. Emergency Shelters provide temporary beds for homeless individuals and families, usually for six months or less. Transitional Housing provides longer term, but temporary, housing for homeless individuals and families, usually for up to eighteen months. The purpose of Transitional Housing is to prepare individuals to move up to permanent housing.



7. HOUSING ELEMENT

Table 20: Assisted Units, 2013

Project Name	Target Population	Income Affordability				Unit Size					Total Subsidized Units
		Low	Very Low	Extremely Low	Studios	1BR	2BR	3BR	4BR		
Alamont Apts.	Families and Individuals	27	3			10	20				30
Avenida Apts.	Homeless and Persons w/ Disabilities			14	8	5	1				14
Bidwell Park Apts.	Families and Persons w/ Disabilities	8	25	4		15	10	12			37
Campbell Commons	Extremely Low Income Individuals			55	55						55
Cedar Village	Families and Individuals		116			28	56	32			116
Chico Commons	Families and Individuals	57	15			17	27	28			72
Chico Courtyards	Families and Individuals	17	58			0	28	47			75
Chico Gardens	Families and Individuals	52	40			28	62	2			92
Cinnamon Village	Families and Individuals			79		20	48	11			79
Cordillera Apartments	Families and Persons w/ Disabilities	19	1				20				20
East of Eaton	Families and Individuals	18	58			1	13	36	26		76
Hartford Place	Persons w/ Disabilities			20		14	6				20
Harvest Park Apts.	Families and Persons w/ Disabilities	65	15	9		12	40	25	12		89
Jarvis Gardens	Seniors		49			49					49

7. HOUSING ELEMENT

Project Name	Target Population	Income Affordability				Unit Size					Total Subsidized Units
		Low	Very Low	Extremely Low	Studios	1BR	2BR	3BR	4BR		
La Vista Verde	Farmworkers	5	28				14	14	5		33
Lincoln Apts.	Families and Individuals	2	2			1	3				4
Longfellow Apts.	Persons w/ Disabilities	12				8	4				12
Lucian Manor	Seniors and Persons w/ Disabilities		38			38					38
Murphy Commons	Families and Individuals		86				55	27	4		86
North Point Apts.	Families and Persons w/ Disabilities	19	23	7		5	18	26			49
1200 Park Avenue	Seniors	40	67			86	21				107
Parkside Terrace	Families and Persons w/ Disabilities	40	40	9		6	49	25	9		89
Housing Authority Units	Families and Individuals		145			18	65	54	8		145
Trans Pacific Gardens II	Families and Individuals			125		60	65				125
Turning Point Commons	Families (Limited Equity Co-op)	7	46			12	23	14	4		53
Villa Rita	Seniors			54		30	10				54
Walker Commons	Seniors and Persons w/ Disabilities	22	23	11		56					56
Villa Serena	Persons w/ Disabilities			9		9					9
Total		410	878	396	77	528	658	353	68		1,684

Note: Projects with Section 8 project-based subsidies are counted as Extremely Low Income Affordable since the subsidy pays the difference between the contract rent and tenant income





7. HOUSING ELEMENT

Table 21: Shelter and Transitional Beds, 2013

Project Name	Target Population	Beds
Sabbath House	Homeless Women and Children	26
Torres Community Shelter	Homeless Individuals and Families	120
Catalyst Haven and Cottages	Victims of Domestic Violence	32
Orchard House	Substance Abuse Treatment	6
Salvation Army	Substance Abuse Treatment	50
6th Street	Homeless Youth	8
The Well	Substance Abuse Treatment	102
Skyway House	Substance Abuse Treatment	30
Stairways	Persons w/ Disabilities	28
Esplanade House	Homeless Families w/ Children	60
VECTORS	Homeless Veterans	15
Total		477

At-Risk Publicly Subsidized Rent-Restricted Units

Housing Element law (Government Code Section 65583(a)(9)) requires that housing elements identify properties that are at-risk of losing rent-restriction covenants within 10 years of the start of the housing element planning period. These are properties with expiring subsidy contracts that may convert to market rate rents. **Table 22** identifies At-Risk properties in Chico and the anticipated expiration of their contracts. Turning Point Commons and Lucian Manor are each owned by nonprofit entities. Villa Rita Apartments is owned by a for-profit entity that purchased the property last year. Trans Pacific Gardens II was purchased by a for-profit entity in 2011 that extended the HUD affordability contract for a five-year period to October, 2016. Cinnamon Village and Cedar Village are each owned by for-profit entities that have HUD contracts expiring in 2020.

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Table 22: At-risk Assisted Housing Projects, 2013

Project Name	Address	Number of At-risk Units	Elderly or Non-Elderly	Subsidy Source	Expiration Date
Turning Point Commons	25 Via La Paz	24	Non-Elderly	HUD Section 8	March, 2014
Villa Rita Apartments	650 Manzanita Ave.	52	Elderly	HUD LMSA	March, 2014
Lucian Manor	120 Parmac Rd.	38	Non-Elderly	HUD Section 8	June, 2015
Trans Pacific Gardens II	729 Nord Ave.	125	Non-Elderly	HUD Preservation	October, 2016
Cinnamon Village	1650 Forest Ave.	79	Non-Elderly	HUD Section 8	July, 2020
Cedar Village	820 West 4th Ave.	116	Non-Elderly	HUD Section 8	September, 2020
Total		434			

Source: California Housing Partnership Corporation (1/29/14)

Cost of Replacing At-Risk Units

Government Code, Section 65583(a)(9)(B) requires that Housing Elements estimate the cost of preserving at-risk units or constructing new replacement units. The feasibility of preserving the units 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 comparable Chico sales in 2011 and 2012, as reported by Reis Reports. The analysis concludes that the average per-unit sale price of the five multi-family complexes sold during this period was roughly \$60,000, 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 \$90,000 per unit. The assumed cost to preserve all units in the at-risk projects listed above (434 units) is estimated at \$39,060,000.

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. Following are some general examples of expected subsidies:



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- An extremely low-income person can only afford up to \$302 per month and market-rate studio apartments are currently renting for around \$605 per month. The subsidy needed would be approximately \$303 per month or \$3,636 per year.
- A very low-income family of three can afford \$645 a month and market-rate two-bedroom apartments are currently renting for around \$851 per month. The subsidy would be approximately \$206 per month or \$2,472 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 low-income family of four could afford up to \$1,146 per month, and the median rent for a three-bedroom single-family home is \$1,300. The subsidy would be approximately \$154 per month or \$1,848 per year.

The buyer of an at-risk project would look to the Section 8 program for the necessary rent subsidies. 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 does not have any alternatives to offer without redevelopment agency funds. However, the difference between market rents and the Section 8 HUD Fair Market Rents is so minimal that conversion to market rate is unlikely.

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. The recently built North Point Apartments is a recent example of an affordable multi-family project in the City. North Point Apartments has a per unit total development cost of \$206,000 per unit. To replace the 434 units potentially at risk for conversion within the planning period would cost approximately \$89,404,000.

Local Response to At-Risk Housing Situations

Government Code, Section 65583(a)(9)(C) and (D) requires Housing Elements to identify entities that have capacity to acquire and manage at-risk projects, and identify potential funding sources to assist them. 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. Appropriate potential funding sources include: the CalHFA Preservation Loan Program; tax credits; tax-exempt bonds; City HOME funds; and project-based Section 8 subsidies.

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E. HOUSING NEED

State law requires regions to plan for housing needs based on future growth projections through the Regional Housing Needs Allocation (RHNA) (Government Code Section 65584). The State Department of Housing and Community Development allocates numeric RHNA unit production goals to regional councils of government. The goals identify the housing unit need over the next 7.5-8.5 years for each of five different income levels. The income levels correspond with those identified in **Table 11** of Section C in this chapter. The regional councils of government must then allocate those unit production goals to communities within their jurisdiction. For Chico, the Butte County Association of Governments produces a Regional Housing Needs Plan that documents the growth projection model and distribution method for the Butte County RHNA.

Table 1 shows Chico’s RHNA for the January 2007 to June 2014 period, and the number of units produced during that period that are affordable to each income level. **Table 23** shows Chico’s RHNA for the January 2014 to June 2022 period. The projected need for the new period is much lower than the last period due to much slower recent growth trends.

Table 23: Regional Housing Needs Allocation, Jan. 2014 to June 2022

Income Level	Housing Units	Percentage
Extremely Low	487	12%
Very Low	487	12%
Low	643	16%
Moderate	708	18%
Above Moderate	1,638	41%
Total	3,963	100%

Source: Butte County Association of Governments, 2014 Regional Housing Needs Plan

F. OVERPAYMENT

“Overpayment” is defined by the federal government as paying more than 30% of income toward housing costs. **Table 24** shows the number and percentage of households that overpay, categorized by income category and tenure. It shows that just over half of all households overpay for housing. A very high percentage of Very Low-Income (81%) and Extremely-Low Income (95%) renter households overpay. **Table 25** shows extremely rent burdened households. About half of all renter households pay more than 35% of income toward housing, and almost one-third pay over 50% of income toward housing.



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Table 24: Households Paying Over 30% of Income Toward Housing Costs: 2011

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total	Lower Income
Ownership Households	1,337	1,391	2,256	2,463	6,763	14,210	4,984
Overpaying Owner Households	1,009	734	1,196	1,428	1,234	5,601	2,939
% of Owners That Overpay	75.4%	52.8%	53.0%	58.0%	18.2%	39.4%	59.0%
Renter Households	5,170	3,310	3,963	2,139	2,005	16,587	12,443
Overpaying Renter Households	4,917	2,675	2,304	1,104	78	11,078	9,896
% of Renters That Overpay	95.1%	80.8%	58.1%	51.6%	3.9%	66.8%	79.5%
Total Households	6,508	4,701	6,219	4,602	8,768	30,797	17,428
Overpaying Households	5,926	3,409	3,500	2,532	1,312	16,679	12,835
% of Households That Overpay	91.1%	72.5%	56.3%	55.0%	15.0%	54.2%	73.6%

Source: U.S. Census American Community Survey, 2007-2011

Table 25: Renter Households Paying Over 35% and 50% of Income Toward Housing Costs, 2012

Rent as a % of Household Income	Households	% of All Renters
Less than 35%	8,796	46%
35% to 49.9%	3,469	18%
50% or more	5,967	31%
Not Computed	911	5%

Source: U.S. Census Bureau, 2012 American Community Survey

7. HOUSING ELEMENT



Table 26 demonstrates the gap between market rents and affordable rents for three-person Very Low-Income and Extremely Low Income Households. The affordability gap in monthly rents for these households is at least \$206 to \$463. This assumes that the households are paying 30% of their monthly income toward rent. **Table 27** and **Chart 9** compares the number of Low-Income and rent-burdened households to the number of subsidized units in Chico.

Table 26: Market Rent Compared to Affordable Rent, 2013

Affordability Category	Affordable Rent	Income	Affordability Gap
Chico 2-Bdrm Fair Market Rent	\$851	\$34,040	
Low Income Household	\$1,033	\$41,300	
Very Low Income Household	\$645	\$25,800	\$206
Extremely Low Income Household	\$388	\$15,500	\$463

Source: U.S. Dept of Housing and Urban Development, 2013

Table 27 Low Income Households Relative to Subsidized Housing Units

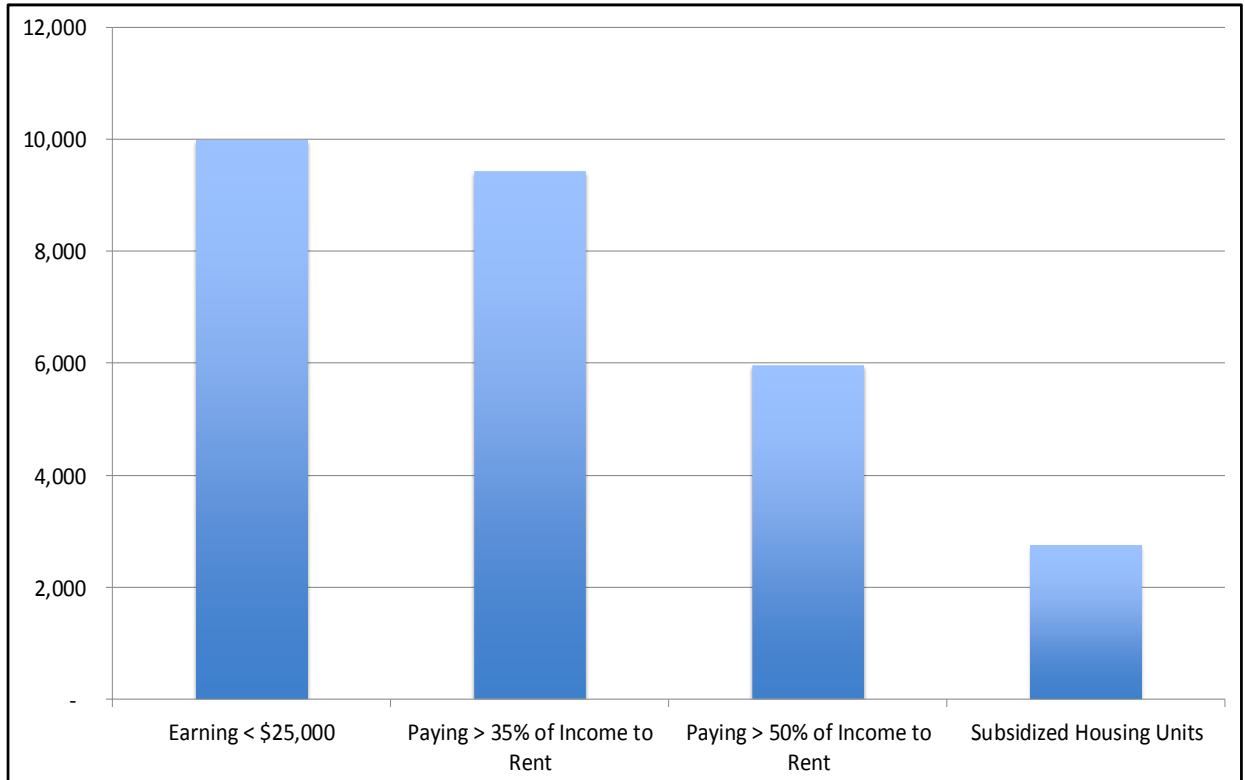
Earning < \$25,000	9,974
Paying > 35% of Income to Rent	9,436
Paying > 50% of Income to Rent	5,967
Subsidized Housing Units	2,744
Unmet Need	7,230

Source: U.S. Census Bureau, 2012 American Communities Survey, and City of Chico, 2013

7. HOUSING ELEMENT



Chart 9: Low Income Households Relative to Subsidized Housing Units



Source: U.S. Census Bureau, 2012 American Community Survey

Note: Subsidized Housing Units includes 1,684 units (see Table 20) and 1,060 Section 8 vouchers held by Chico residents.

Table 28 projects the affordability of market-rate for-sale homes in Chico. A household earning the median annual income of \$39,087 can afford a home priced at around \$180,000. Homes at this price are much harder to find in 2013 than they were just two years ago, and usually have significant deferred maintenance. An annual income of at least \$55,000 is necessary to afford a median-priced home, which is about the same as the median income for a four-person household, or 141% of the median annual income for all Chico households. The National Association of Home Builders Housing Opportunity Index is a measure of the percentage of homes that are affordable to a four-person median income household. For Chico, the Housing Opportunity Index reached almost 90% at the low-point of the recession, but declined to 68% in the third quarter of 2013 (National Association of Home Builders/Wells Fargo, September, 2013).

7. HOUSING ELEMENT



Table 28: Affordability of For-Sale Homes, 2013

	Median Income Affordable Home Price	Typical New Starter Home Price (1,200 sf)	Median Home Price	Starting Mid-Range New Home Price (1,600 sf)
Household Income	\$39,087	\$51,716	\$55,004	\$62,676
Affordable Monthly Housing Pmt.	\$1,140	\$1,508	\$1,604	\$1,828
Minus Taxes, MI and Prop. Ins.	-\$297	-\$368	-\$396	-\$460
Mortgage Pmt.	\$843	\$1,140	\$1,208	\$1,368
Affordable Mortgage	\$166,449	\$225,000	\$238,500	\$270,000
Down Payment	\$16,645	\$25,000	\$26,500	\$30,000
Affordable Home Price	\$183,094	\$250,000	\$265,000	\$300,000

Assumes affordable housing pmt. at 35% of monthly income, 4.5% interest rate, 30-year fixed-rate mortgage, 10% down pmt., property taxes at 1% of home price, monthly mortgage insurance pmts. of \$80-\$130, monthly property insurance pmts. of \$50-\$80



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G. EXTREMELY LOW INCOME HOUSEHOLDS

As defined by the federal and state governments, Extremely Low Income Households are those that earn less than 30% of the Area Median Income. In Butte County, this amount ranges from \$12,060 for a one-person household to \$18,570 for a five-person household. There were an estimated 6,508 Extremely Low Income Households in Chico in 2011 (See **Table 24**). Almost all Extremely Low Income households in Butte County live below the federal poverty threshold, as defined by the federal government. The 2012 Poverty Threshold was \$11,945 for a one-person household, and \$23,283 for a four-person household.

Table 29: Household Income, 2012

	Households	% of Total
Less than \$15,000	5,262	16%
\$15,000 to \$24,999	4,712	14%
\$25,000 to \$39,999	4,941	15%
More than \$40,000	18,490	55%
Total Households	33,405	100%

Source: U.S. Census Bureau, 2012 American Community Survey

In 2012, there were an estimated 7,559 households living below the Poverty Threshold in Chico according to the U.S. Census American Community Survey. With Chico’s large college student population, a substantial portion of these households could be students with a low-paying part-time job, or no job. The U.S. Census does not calculate the number of college students in a community, and it is unknown how many college students were surveyed in Chico, as many designate their principle residence with their parents. The U.S. Census does provide information on whether a household is a family, and the householder’s age. To capture a rough estimate of students living under the Poverty Threshold, **Table 30** shows the number of nonfamily households with the householder under 25 years of age. Households that do not fall in this category make up about 63% of those living below the Poverty Threshold in Chico.

Table 30: Households Living Below the Poverty Threshold, 2012

	Households	% of Total
Income below poverty	7,559	23%
Income below poverty, nonfamily, < 25 years old	2,817	8%
Income below poverty, all other	4,742	14%

Source: U.S. Census Bureau, 2012 American Community Survey

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Most Extremely Low Income Households are severely rent-burdened, many live in overcrowded conditions, and many are at-risk of becoming homeless. **Table 24** illustrates that 91% of Extremely Low Income Households pay more than 30% of their income toward housing costs, and most of those likely pay over half of their income toward housing costs. As shown in **Table 26**, the fair market rent for a two-bedroom apartment in Chico is about \$851, while a three-person Extremely Low Income household can afford rent of about \$388. If a household earning \$15,500 in annual income paid \$851 in rent, they would be paying two-thirds of their income toward rent. The RHNA projects that Chico needs to produce 487 units affordable to Extremely Low Income households in the next eight years to meet future demand (see **Table 23**).

In recently completed affordable housing developments, including Bidwell Park Apartments (37 units), Parkside Terrace (89 units), Harvest Park Apartments (89 units) and North Point Apartments (49 units), the City has required as a condition of funding that a portion of units have rents restricted to levels affordable to Extremely Low Income Households. These units have also been targeted to persons with disabilities (see the Section J below). This has yielded the production of 29 Extremely Low Income affordable units over the last five years. These units have not required rental subsidies. The City's condition to include these units within a larger project has proven to be an effective method to produce Extremely Low Income affordable units, since smaller projects solely targeted to this group require extensive subsidies and are extremely challenging to finance and operate. The City's zoning code also encourages the development of Single-Room Occupancy (SRO) housing for Extremely Low Income households (see Chapter 3, Action H.4.6.1 and Chapter 6, Section A1). SRO units are allowed without a discretionary permit in the R2, R3 and RMU residential zoning districts, and in the Downtown North and Downtown South commercial districts. Campbell Commons is a 56-unit, City-financed SRO that was built near Downtown, and is a valuable housing asset for the community in preventing homelessness.



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H. OVERCROWDING

The federal government defines “overcrowded” as more than one person per room (including bedrooms and other rooms). “Severely overcrowded” is defined as 1.5 or more persons per room. **Table 31** shows that as of 2011, there were an estimated 980 overcrowded households in Chico, which was almost 3% of all households. There were an estimated 282 severely overcrowded households in Chico, which was just under 1% of all households.

Table 31: Tenure by Occupants per Room, 2011

		Owner-occupied	Renter-occupied	Total
0.50 or less occupants per room		11,821	11,182	23,003
0.51 to 1.00 occupants per room		3,207	6,701	9,908
1.01 to 1.50 occupants per room		103	595	698
1.51 to 2.00 occupants per room		59	78	137
2.01 or more occupants per room		16	129	145
Total		15,206	18,685	33,891
Overcrowded	1.01 or more	178	802	980
Severely Overcrowded	1.5 or more	75	207	282

Source: U.S. Census Bureau, 2007-2011 American Community Survey

I. SUBSTANDARD CONDITIONS

The City of Chico is characterized by older neighborhoods in the central city area surrounding the Chico State University campus and Downtown. Most of the structures in these neighborhoods were built prior to 1950, and an estimated 2,379 were built prior to 1940 (see **Table 17** and **Chart 5**). As such, there are many residential structures in the City, particularly in the older neighborhoods, that are in need of rehabilitation.

In October 2012, the City of Chico completed a Housing Conditions Inventory for its older neighborhoods, which addressed Action H.5.6.1 of the 2009 Housing Element. A copy of the Housing Conditions Inventory is provided in **Appendix B**. The study area consisted of four older neighborhoods within the central city— North Campus, South Campus, Southwest Chico, Chapman and Mulberry East Park Avenue. The Inventory involved visual surveys of 1,438 residential properties out of 3,037 residential properties in the study area. The surveys categorized properties as vacant, served by limited infrastructure, and/or with high-risk or substandard structures. The number of properties in each of these categories was then counted within each of 50 sub-areas. This information was then mapped to view concentrations of properties with substandard conditions.

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Of the 1,438 properties surveyed, 155 were determined to be vacant (11% of all properties surveyed). Of surveyed properties, 932 were determined to have “limited infrastructure” (65% of properties surveyed). Properties were put into this category if they were not served by all of the following: streetlights; streets free of large potholes and broken pavement; streets with paved shoulders; storm drainage; curb and gutter; and wheelchair usable sidewalks. Of surveyed properties, 307 were determined to have “substandard” structures (21% of properties surveyed). Properties were put into this category if they had 1-2 visible conditions of deterioration, such as: missing roof shingles; uneven or damaged roof, foundation or porch; broken windows or door; and paint and façade in poor condition. Of the surveyed properties, 141 were determined to have “high-risk” structures (10% of properties surveyed). Properties were put into this category if they had structures with visibly unstable chimneys, holes in the roof, or more than two of the visible conditions of deterioration listed above.

In addition to overall conditions, the Housing Conditions Inventory provided a spatial orientation for results through maps. The maps revealed sub-areas within the surveyed neighborhoods that have concentrations of poor housing conditions, vacancies and limited infrastructure. This will assist the City in prioritizing limited resources and implementing neighborhood-specific improvement plans. Effective implementation of these plans will require collaboration among city departments, other government entities, neighborhood groups, local nonprofits, and businesses. In addition, the City continues to operate its Housing Rehabilitation Program in coordination with its Code Enforcement Program to improve housing stock throughout the City (see Chapter 3, Actions H.5.3.1 and H.5.5.1 and Chapter 5, Section C).

J. SPECIAL NEEDS HOUSEHOLDS

Seniors

Housing for seniors must be customized to their needs, which include: rent affordable to fixed incomes; accommodations for disabilities and mobility impairment; and flexibility in design and programming to allow seniors to age in place as circumstances change. There are an estimated 10,635 seniors over age 64 in Chico (See **Table 7**). This is 12% of the Chico population. Of Chico seniors, an estimated 3,252 are over age 74 and an estimated 1,612 are over age 84. Approximately 37% of seniors have a disability. An estimated 71% of 6,794 senior households with the householder over age 64 are homeowners. Rising housing costs are a concern for many seniors, including maintenance and rehabilitation expenses for homeowners. **Table 32** shows that for householders over age 64, about 61% earn less than \$45,000 annually and about 32% earn less than \$30,000 annually.

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Table 32: Income for Householders Over 64 Years Old, 2012

	Households	Percent of All Senior Householders
Less than \$15,000	723	10%
\$15,000 to \$29,999	1,521	22%
\$30,000 to \$44,999	1,991	29%
\$50,000 to \$74,999	1,000	14%
\$75,000 to \$99,999	654	9%
Over \$100,000	1,085	16%

Source: U.S. Census Bureau, 2012 American Community Survey

The City has funded the development of two larger affordable housing developments for seniors in the last 10 years— 1200 Park Avenue (107 units) and Jarvis Gardens (49 units). Walker Commons (56 units) also houses seniors, as well as persons with a disability. The City will continue to work with its partners to pursue senior housing development opportunities. With cessation of the HUD Section 811 capital grant program, the City must explore opportunities to partner with the Housing Authority of the County of Butte to use Section 811 rental vouchers, and other nonprofit partners to utilize emerging Affordable Care Act programs.

Persons with a Disability

Persons with a disability have particular housing needs, which include: rent affordable to fixed incomes; unit design and construction accommodations; safe paths of travel; and supportive services that assist with transportation and referral to healthcare specialists. There are an estimated 10,794 persons in Chico with a disability, which is about 12% of the total civilian noninstitutionalized population. Of persons with a disability, an estimated 4,928 have an independent living difficulty, meaning that they need assistance with daily living activities. **Table 33** shows the estimated number of persons by type of disability.

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Table 33: Persons with a Disability, 2012

	Persons	Percent of Total
Total population	86,918	
Persons with a disability	10,794	12.4%
Hearing difficulty	2,345	2.7%
Vision difficulty	1,572	1.8%
Cognitive difficulty	4,868	5.6%
Ambulatory difficulty	4,926	5.7%
Self-care difficulty	2,411	2.8%
Independent living difficulty	4,928	5.7%

Source: U.S. Census Bureau, 2012 American Community Survey

Note: surveyed persons only include civilian noninstitutionalized persons.

Senate Bill 812, passed in 2010, requires that all California Housing Elements include an evaluation of the special housing needs of persons with developmental disabilities. “Developmental disability” is defined as “a disability that originates before an individual attains age 18 years, continues, or can be expected to continue indefinitely, and constitutes a substantial disability for that individual. This includes mental retardation, cerebral palsy, epilepsy, and autism” (Welfare and Institutions Code, Section 4512). A large proportion of persons with developmental disabilities spend a disproportionate amount of their income on housing, and many suffer discrimination.

The California Department of Developmental Services collects data on developmental disabilities by zip code, as shown in **Table 34**. There are approximately 1,025 persons with a developmental disability in Chico, fairly evenly distributed between the three Chico zip codes. With about 340 persons living in independent living situations, it is assumed that many could benefit from living in affordable housing with supportive services. In 1996, the City funded the development of Hartford Place, a 20-unit rent-restricted apartment complex with services customized to support independent living for persons with developmental disabilities. The City will look for opportunities to build other similar projects to meet current and future housing needs of this population.



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Table 34: Persons with a Developmental Disability, 2012

Zip Code	Residence						Total
	Community Care	Parent or Guardian	Intermediate Community Care	Independent Living	Other	Skilled Nursing Facility	
95926	32	198	1	142	3	2	378
95928	19	174		121	2	2	318
95973	12	222	16	77	2		329
Total	63	594	17	340	7	4	1,025

Source: California Department of Developmental Services

A number of affordable housing developments specialized to persons with physical or mental disabilities have been built in Chico, as identified in **Table 20**. In recently constructed larger affordable housing developments, such as Parkside Terrace and Harvest Park, the City and developers have worked together with Independent Living Services of Northern California to target a portion of units to persons with disabilities. The City will continue to pursue development of both specialized supportive housing projects and larger affordable housing projects that target a portion of units to persons with disabilities.

In addition to producing new affordable housing, the City operates a Rental Accessibility Program with its CDBG funds. This program funds upgrades to units that help low-income tenants continue to live independently, at no cost to the tenant or landlord. The Rental Accessibility Program assisted 38 households from 2009 to 2014. The City also collaborates with Independent Living Services of Northern California to identify accessible units, and educate builders about accessibility and universal design (see Chapter 3, Action H.4.3.1). In its zoning code, the City has instituted a process to grant entitlement variances for projects that make accommodations for disabled persons (see Chapter 3, Action H.4.4.1)

Female-Headed Households

Table 35 illustrates that there is a clear disparity in median income between married couple families and single-parent families. Among single-parent families, female-headed households have a median income that is roughly \$4,500 per year less than male-headed households, and about \$44,000 per year less than married couple families. There are almost 4,000 female-headed households in Chico, which is about 12% of all households (see **Table 36**). Of these households, about 1,500 have incomes below the federal Poverty Threshold. (The Poverty Threshold is defined in Section G of this Chapter.)

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Table 35: Family Median Income, 2012

	Median Income
Families	\$47,134
Married-couple families	\$67,807
Female householder, no husband present	\$23,647
Male householder, no wife present	\$28,377

Source: U.S. Census Bureau, 2012 American Community Survey

Table 36: Female Householder Families, 2012

	Families	Percent of Total Households
Below poverty level	1,495	4.5%
At or above poverty level	2,488	7.4%
Total	3,983	11.9%

Source: U.S. Census Bureau, 2012 American Community Survey

Over the years, the City has funded the development of affordable housing for families. This commitment has been stepped up over the past five years, with the development of Murphy Commons (85 units), Chico Courtyards (75 units), Parkside Terrace (89 units), Bidwell Park Apartments (37 units), Harvest Park Apartments (89 units) and North Point Apartments (49 units). The City also supports the Esplanade House with CDBG funds, which is a 60-unit transitional and supportive housing project for formerly homeless families. The City will continue to pursue development of these types of projects, along with opportunities to locate on-site child care with housing (see Chapter 3, Action H.4.2.1).

Large Households

Large Households are defined by the State Housing & Community Development Department as households with five or more persons. There are an estimated 2,114 Large Households in Chico, which make up about 6% of all households. These households often experience challenges with Overcrowding and finding appropriately sized housing. Many Large Households also have difficulty paying for basic living expenses, as housing and medical care prices continue to climb at a much faster pace than income. Large Households on average have lower incomes than households with four persons (see **Table 38**).



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Table 37: Household Size, 2012

	Households	Percent of Total
1-person	9,861	30%
2-4 persons	21,430	64%
5+ persons	2,114	6%

Source: U.S. Census Bureau, 2012 American Community Survey

Table 38: Median Household Income by Household Size, 2012

	Median Income
Total	\$39,087
1-person	\$27,116
2-person	\$46,909
3-person	\$37,721
4-person	\$57,367
5-person	\$56,188
6-person	\$56,681
7+ person	\$50,428

Source: U.S. Census Bureau, 2012 American Community Survey

The affordable housing for families built over the last five years in Chico has included a large portion of three-bedroom apartments. Parkside Terrace and Harvest Park Apartments also include four-bedroom apartments. In all, these projects include 162 three-bedroom apartments and 25 four-bedroom apartments. The Housing Authority of the County of Butte (HACB) has also been an important affordable housing provider for Large Households, with 54 three-bedroom apartments and 8 four-bedroom apartments in their Chico public housing properties. With shrinking financial resources available for new construction, the City will work with the HACB to acquire, rehabilitate and preserve affordable family housing over the next Housing Element planning period.

Farmworkers

A small portion of Butte County farmworkers live in Chico, and the number of Butte County farmworkers has been declining in recent years. An estimated 738 people were employed in the Agricultural, Forestry, Fishing and Hunting, and Mining Industry in Chico as of 2011, which is 2% of all employed residents (U.S. Census Bureau, 2007-2011 American Community Survey). La Vista Verde provides 33 units of affordable farm labor housing in Chico.

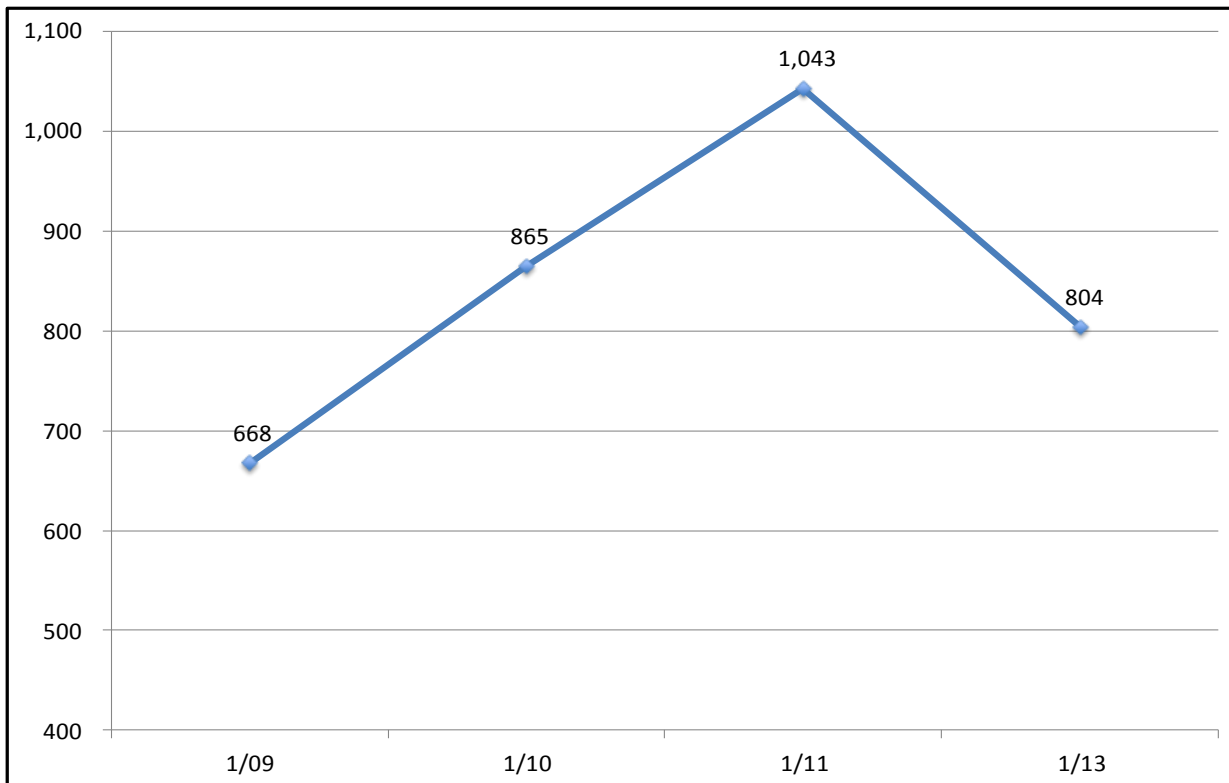
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Homeless Persons

The Butte Countywide Homeless Continuum of Care conducts a Point-In-Time Census of homeless persons on one day in January every 1-2 years. Homeless persons complete surveys that provide information about the characteristics and causes of homelessness. In January of 2013, this census counted 804 homeless persons in Chico, which was just over half of homeless persons counted in Butte County as a whole (Butte Countywide Homeless Continuum of Care 2013 Point-In-Time Homeless Census & Survey Report). The results of the total counts in 2009, 2010, 2011 and 2013 are shown in **Chart 10**. There were 239 fewer homeless persons counted in 2013 than in 2011, after a sharp increase from 2009 to 2011. A possible reason for this decrease may be a reduction in the extent of outreach in 2013, due to funding cuts. Another reason for the decrease may be an improvement in the economy and significant reduction in the unemployment rate since 2011.

Chart 10: Point-In-Time Homeless Counts, 2009-2013



Source: Butte Countywide Homeless Continuum of Care Point-In-Time Homeless Census & Survey Reports, 2009-2013



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While the 2013 Point-In-Time Census for Chico counted an overall decrease in the number of homeless persons from 2011, it counted an increase in Chronically Homeless individuals and children. One-third of Chico homeless persons surveyed were Chronically Homeless, meaning that they were continuously homeless for longer than one year, or experienced four or more episodes of homelessness in the past three years, and had a disabling condition. This was an increase of 79 persons in Chico from the 2011 Point-In-Time Census. There were 156 homeless children in Chico counted in 2013. This was a slight increase from 140 homeless children in Chico counted in 2011.

A comparison of the 2011 and 2013 Point-In-Time Counts also reveal some positive trends. The number of homeless persons surveyed that were staying in transitional housing or a substance abuse treatment facility increased, while the number of homeless persons surveyed that were living in emergency shelter, with relatives or friends, or in non-housing (street, car, park, etc.) decreased. There was an increase of 57 persons surveyed that reported staying the night in transitional housing or a substance abuse treatment facility, despite an overall decrease in the number of homeless persons surveyed. Meanwhile, there was a dramatic decrease in persons surveyed that reported staying the night in emergency shelter (105-person decrease) and living with relatives or friends (145-person decrease). The number of persons surveyed that reported staying the night in non-housing decreased moderately by 37 persons. It may be inferred from this comparison that many of the individuals living unsheltered, in emergency shelter, or living with relatives or friends moved to transitional housing, substance abuse treatment, or to permanent housing.

There was also a significant change in the length of time homeless, and persons claiming a drug or alcohol addiction, between the 2011 and 2013 Point-In-Time Counts. The number of persons surveyed that were homeless less than one year dropped significantly, from 399 persons in 2011 to 240 persons in 2013. Meanwhile, the number of persons surveyed that were homeless one year or longer actually increased by 16 persons. The number of persons surveyed citing a drug or alcohol addiction increased by 161 persons between 2011 and 2013. Meanwhile, the number of persons surveyed citing all other types of disabilities decreased between 2011 and 2013. These survey results support assumptions of an overall decline in the number of homeless individuals, including the newly homeless, and an increase in chronically homeless individuals, between 2011 and 2013.

The data indicates that some progress has been made in housing the homeless over the last few years. There are 477 shelter and transitional housing beds in Chico, and they are being effectively used to move people out of homelessness to more stable living situations. Recent affordable housing production has helped open paths for people to move from shelters and transitional housing to permanent housing.

However, there has been an increase in the number of chronically homeless individuals and homeless individuals with substance abuse addictions in Chico from 2011 to 2013. Furthermore, the 804 individuals counted in the last Homeless Census exceed the available shelter and transitional housing beds by 326. The City of Chico is an active partner with the Butte Countywide Homeless

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Continuum of Care (CoC) in addressing this problem. The CoC is in the process of developing a 10-Year Strategy to End Homelessness through extensive outreach to government agencies, service providers, and the broader community. The foundation of the strategy is to: engage in a public outreach and education campaign; build a volunteer network to mentor homeless individuals and families; and grow and utilize the North Valley Housing Trust, which has been established to accomplish Action H.2.5.1 of the 2009 Chico Housing Element (also see Chapter 3, Action H.2.4.1). These three initiatives will generate the human and monetary capital necessary to make other goals possible, such as a one-stop resource center, street outreach, housing assistance, and more robust supportive services. The City also facilitates the work of the Greater Chico Homeless Task Force, which coordinates responses to homelessness among local government agencies and service providers.

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CHAPTER 5. RESOURCE INVENTORY

A. ADEQUATE SITES INVENTORY

To demonstrate the City's capacity to meet its RHNA allocations in compliance with Government Code, Section 65583.2, an adequate sites inventory was conducted. The sites listed in **Table 40** 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 2014-2022 RHNA planning period. The City's vacant land has been broken up into the following categories: Vacant Acreage, Special Planning Areas, Entitled Undeveloped Land, and Master Planned Areas. A brief summary of each category and how unit capacity was derived is provided below.

Analysis of Density to Accommodate Low-Income Housing

Government Code, Section 65583.2(c)(3) requires that the Housing Element establish a reasonable baseline density to feasibly develop low-income housing for the Adequate Sites Inventory. The City has established this baseline by reviewing the density of eight of its most recently developed low-income affordable rental projects, as listed in **Table 39**. The eight projects were developed in the Residential Mixed Use (RMU), Community Commercial (CC), Traditional Neighborhood Development (TND), R3 and R4 zoning districts. With the exception of Harvest Park Apartments, all the projects received entitlements under the previous General Plan land use designations. All the projects were developed at less than the maximum allowed density per code. The projects located in the RMU, CC, TND and R3 zoning districts averaged 19 units per acre. The two projects developed in the R4 zoning district averaged 22 units per acre. From this data we can reasonably assume that low-income housing can be built at 19 units per acre. This is a conservative assumption, as three of the projects were built at less than 19 units per acre.



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Table 39: Multifamily Projects and Density

Low Income Affordable Projects	Year Built	Zoning	Units	Acres	Density
Harvest Park Apts.	2013	RMU	90	5.14	18
North Point Apts.	2013	R3	50	2.30	22
Bidwell Park Apts.	2012	R4	38	1.15	33
Villa Serena	2011	R3	10	0.38	26
Parkside Terrace	2010	TND	90	4.01	22
Chico Courtyards	2008	CC	76	4.40	17
Murphy Commons	2007	R4	86	4.59	19
Jarvis Gardens	2007	R3	50	3.10	16

Market Rate Multifamily Projects	Year Built	Zoning	Units	Acres	Density
Villa Risa Apts.	2011	R3	276	15.24	18
2052 Hartford Drive	2010	R3	28	1.39	20
2950 Sierra Sunrise Terrace	In Development	R3	32	1.90	17
Bruce / 20th St. (011-720-001)	In Development	R3	144	7.11	20
Eaton Village	In Development	R3	148	7.30	20
Fior di Monte	In Development	R3	156	8.00	20
Carriage Park Apts.	In Development	R3	141	7.10	20

Averages- Low Income Affordable			Units	Acres	Density
RMU/TND/CC			85	4.52	19
R3 Zoned			37	1.93	19
R4 Zoned			62	2.87	22

Averages- Low Income and Market Rate			Units	Acres	Density
R3 Zoned			104	5.38	19

Analysis of Realistic Capacity

Government Code, Section 65583.2(c)(1&2) requires that the Housing Element establish a realistic capacity for the zoning district associated with each parcel used in the Adequate Sites Inventory. For this purpose, **Table 39** lists average multifamily densities for 15 projects that are recently built or in-development. The average density of the three projects developed in the RMU, TND and CC districts is 19 units per acre. The zoning districts may also be developed with commercial uses, which may reduce their residential capacity. However, under the 2030 General Plan and municipal code update, most RMU properties are located in the Corridor Opportunity Site Overlay, which allows up to 70 units per acre. Therefore, 19 units per acre is a conservative assumption of capacity

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for the RMU district. The average density of the 10 projects developed in the R3 district is also 19 units per acre. The average density of the two projects developed in the R4 is 22 units per acre. For sites located in the low-density RS, R1 and R2 districts, the zoning district's minimum required density was used for the realistic capacity analysis.

General Description of Environmental Constraints to Housing Development

A number of state or federal listed species are known to occur within the City's Planning Area. Notable species include Butte County meadowfoam, Valley Elderberry Longhorn beetle, hairy orcutt and slender orcutt grasses, Greene's tuctoria, Chinook salmon, and the yellow-billed cuckoo. Other sensitive species of regional importance include Butte County checkerbloom, Swainson's hawk, and Giant Garter snake.

The City's Land Use Element establishes land use designations and a special overlay to address open space and sensitive habitat areas as follows: Primary Open Space – POS; Secondary Open Space – SOS; and, Resource Constraint Overlay – RCO. The Resource Constraint Overlay (RCO) designation acknowledges a reduced development potential in areas with known significant environmental constraints compared to allowable development potential based upon the underlying land use designation. The overlay designation is applied to three large areas on the eastern edge of the community as specified on the City's Land Use Diagram. The most significant environmental constraints at these locations are vernal pools and populations of Butte County meadowfoam (BCM). No lands with the RCO designation were counted towards meeting the City's RHNA numbers.

General Description of Existing or Planned Utilities

Water service in the City is provided by the California Water Service Company (Cal Water). Cal Water currently uses a system of 65 wells which deliver approximately 27 million gallons of water to customers each day. The delivery system is composed of over 355 miles of pipeline, seven storage tanks and six booster pumps. Cal Water's Water Supply and Facilities Master Plan, which is coordinated with the City's General Plan, guides the growth and development of their water delivery system to meet the community's future needs.

The City of Chico Water Pollution Control Plant (WPCP) is a regional-serving, gravity-fed facility located southwest of the City. The facility is a secondary treatment facility with a current treatment capacity of 12 million gallons per day (mgd). The Chico Urban Area Nitrate Compliance Plan (NCP) was developed to provide consistency between City and County land use and utility infrastructure policies, as well as to outline a plan to expedite the connection of septic tank users to the City sewer system. With a \$38 million loan from the State Water Resources Control Board, the City sewer system



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is being extended in phases through various neighborhoods. Implementation of the NCP is due to be complete in 2017.

Storm drainage management within the City and the urban area is provided by a system of developed and undeveloped collection systems operated and maintained by the City and Butte County. Water in the system is transported to outfall locations located along the major creeks including Sycamore, Mud, Comanche, Big Chico, and Little Chico Creeks, and Lindo Channel. Consistent with the City's adopted Storm Drain Master Plan, new development must incorporate storm water quality and quantity mitigations into their designs.

The City coordinates with dry utility providers, including electric, gas, telephone, and cable, during community master planning efforts and during the City's project entitlement and building permit process.

Vacant Acreage

The City of Chico's vacant land supply can accommodate a number of low density (RS, R1, and R2) and high density (R3, R4, and RMU) residential projects. The Medium High Density Residential (R3) zone allows 14- 22 units per acre, the High Density Residential (R4) zone allows 20-70 units per acre, and the Residential Mixed Use (RMU) zone allows 10- 20 units per acre, and up to 70 units per acre in the Corridor Opportunity Site Overlay. **Table 40** provides acreage totals for vacant RS, R1, and R2-zoned land. In addition, **Table 40** lists each individual vacant R3, R4, and RMU parcel suitable to meet the City's RHNA allocations, and provides its zoning and General Plan designations, which were used to determine unit capacity. No vacant parcels that have a Resource Constraint Overlay (RCO), as identified on the City's Land Use Diagram, were included in the Land Inventory. Each listing also identifies whether there is infrastructure available and if there are any constraints to development. **Appendix C** provides a location map for this category.

Special Planning Areas

There is significant additional vacant acreage available in areas identified on the City's Land Use Diagram as Special Planning Areas (SPAs). This designation identifies areas with significant new growth potential and carries a requirement for master planning prior to development. The five SPAs are Bell Muir, Barber Yard, Doe Mill/Honey Run, North Chico, and South Entler. The City's General Plan includes a narrative description of the existing conditions and setting, as well as a conceptual land use plan for each SPA. The conceptual land use plans include a collage of shapes with land use designations that were selected to reflect the desired uses on the site and accommodate projected housing and job needs. Development potential (i.e., residential capacity) for the SPAs is derived from the land use designations identified in the conceptual land use plans

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for the SPAs. General Plan consistency findings for subsequent land use planning will rely on a determination of substantial compliance with the written descriptions of land use concepts and development capacity assumed for each SPA. **Appendix C** provides a location map for this category.

Entitled Undeveloped Land

Prior to the economic downturn, the City entitled a significant amount of acreage with approved residential lots. A good amount of those lots remain undeveloped at present, with healthy capacity in larger projects like Mtn. Vista/Sycamore Glen and the western portion of the Northwest Chico Specific Plan area. These “ready-to-go” properties provide a variety of housing types to meet a variety of RHNA categories. **Appendix C** provides an accounting of the R1- and R3-equivalent residential capacity and a figure identifying the location of these approved residential projects. The total unit capacity has also been included in **Table 40**.

Master Planned Areas

Below are project summaries for two, large City-approved Master Planned projects that are anticipated to build-out over the next 10 years. These projects have programmatic entitlements for a total number of units, and require subsequent subdivision maps as they develop over time. **Appendix C** provides a location map for this category.

Oak Valley

In September 2005, the Chico City 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, and Humboldt Road on the south. The project allows for a mix of both single-family and multi-family housing totaling 1,354 residential units, as well as 109,000 square feet of commercial retail space. Initial site preparation has recently been initiated, and the City anticipates the development of these units will occur within the RHNA period. 1,298 units have been included as R1 capacity and 56 units have been included as R3 capacity in **Table 40**.

Meriam Park

In July 2007, the Chico City Council adopted new Traditional Neighborhood Development (TND) regulations. Simultaneous with adoption of the TND regulations, the Council also approved the 271-



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acre Meriam Park project through a Development Agreement. The project comprises a mix of residential, commercial, office, recreational and civic uses. The total residential yield for Meriam Park is anticipated to be approximately 2,300 dwelling units housed in a variety of single-family and multi-family building types, including flats and lofts above first floor retail/commercial uses.

The project is anticipated to have a significant multi-family component. To support the City's 2009 Housing Element, the Development Agreement for the project 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 Development Agreement requires a component of affordable housing be developed over the 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. In addition, the developer is required to provide an additional 66 units of low and very low income affordable housing. To date, 89 units of affordable housing have been developed at Meriam Park in the Parkside Terrace project.

The Chico 2030 General Plan assumes that the 2,300 Meriam Park units would build-out at a 34% single-family, 53% multi-family, and 13% mixed use split, which equates to approximately 782 single-family units, 1,357 multi-family units, and 299 mixed-use units over the life of the project. Based on the form-based zoning and the building types that regulate this project, the City is confident that the multi-family and mixed-use residential development will occur at or above R3 densities. As the City anticipates development at Meriam Park to begin in earnest over the next several years, 782 single-family and 1,357 multi-family units have been included in **Table 40**. This does not include land zoned for mixed-use with a capacity of 299 units.

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Table 40: Adequate Sites Inventory

VACANT ACREAGE										
ID	APN	ZONING	ZONING OVERLAY	GP DESIGNATION	ASSUMED DENSITY	PARCEL ACREAGE	CAPACITY UNITS	INFRA-STRUCTURE	ON SITE CONSTRAINTS	
RS ZONING		RS-2		VLDR	0.2	73.71	15	Yes		
		RS-1		VLDR	0.2	84.57	17	Yes		
		RS-20		VLDR	0.2	150.55	30	Yes		
						RS subtotal:	62			
R1 ZONING		R1-10		LDR	2.1	29.66	62	Yes		
		R1		LDR	2.1	225.33	473	Yes		
						R1 subtotal:	535			
R2 ZONING		R2		MDR	7.1	94.86	674	Yes		
						R2 subtotal:	674			
R3 ZONING										
73	002-160-076-000	R3		MHDR	19	6.51	124	Yes	Yes, Dead Horse Slough has potential Giant Garter Snake habitat, and possible vernal pools	
467	002-190-025-000	R3		MHDR	19	3.27	62	Yes	None	
154	003-180-018-000	R3		MHDR	19	0.24	5	Yes	Parcel is relatively small for R3 density (.25 acres)	
442	004-122-011-000	R3	L, FS	MHDR	19	0.08	1	Yes	Parcel is relatively small for R3 density (.1 acres)	
458	004-215-008-000	R3	FS	MHDR	19	0.20	4	Yes	Parcel is relatively small for R3 density (.2 acres)	
461	004-278-006-000	R3		MHDR	19	0.15	3	Yes	Parcel is relatively small for R3 density (.2 acres)	
459	004-288-003-000	R3		MHDR	19	0.04	1	Yes	Parcel is relatively small for R3 density (.1 acres)	
460	004-288-004-000	R3		MHDR	19	0.08	2	Yes	Parcel is relatively small for R3 density (.1 acres)	
505	004-520-009-000	R3	AOD	MHDR	19	1.22	23	Yes	Would require annexation	
509	004-530-002-000	R3		MHDR	19	1.57	30	Yes	Would require annexation	
164	006-170-033-000	R3	AOD	MHDR	19	5.83	111	Yes	None	

ID	APN	ZONING	ZONING OVERLAY	GP DESIGNATION	ASSUMED DENSITY	PARCEL ACREAGE	CAPACITY UNITS	INFRA-STRUCTURE	ON SITE CONSTRAINTS
182	006-210-020-000	R3	AOD	MHDR	19	0.29	5	Yes	Parcel is small, but adjacent to other vacant R3 parcels making the site developable
183	006-210-021-000	R3	AOD	MHDR	19	0.52	10	Yes	Parcel is small, but adjacent to other vacant R3 parcels making the site developable
184	006-210-022-000	R3	AOD	MHDR	19	0.52	10	Yes	Parcel is small, but adjacent to other vacant R3 parcels making the site developable
189	006-550-010-000	R3	AOD	MHDR	19	4.26	81	Yes	None
681	006-690-039-000	R3	AOD	MHDR	19	7.31	139	Yes	None
166	007-020-123-000	R3	AOC	MHDR	19	45.82	871	Yes	None
636	007-170-074-000	R3		MHDR	19	0.32	6	Yes	Church Complex
637	007-170-074-000	R3		MHDR	19	0.72	14	Yes	Church Complex
638	007-170-074-000	R3		MHDR	19	0.40	8	Yes	Church Complex
652	016-200-117-000	R3	AOC	MHDR	19	8.26	157	Yes	None
719	016-200-121-000	R3	AOC	MHDR	19	8.26	157	Yes	None
722	016-340-034-000	R3	AOC	MHDR	19	6.49	123	Yes	Yes, Giant Garter Snake habitat associated with Dead Horse Slough
23	018-360-003-000	R3		MHDR	19	1.90	36	Yes	None
419	018-390-020-000	R3		MHDR	19	7.11	135	Yes	None
490	039-400-048-000	R3		MHDR	19	0.48	9	Yes	None
593	043-080-008-000	R3		MHDR	19	8.66	165	Yes	None
371	043-180-039-000	R3		MHDR	19	0.20	4	Yes	None
418	043-220-009-000	R3		MHDR	19	0.60	11	Yes	None
412	043-230-011-000	R3		MHDR	19	0.30	6	Yes	None
77	043-740-030-000	R3		MHDR	19	13.44	255	Yes	None
						R3 subtotal:	2,565		
R4 ZONING									
72	002-160-076-000	R4		HDR	22	4.36	96	Yes	Yes, Dead Horse Slough has potential Giant Garter Snake habitat, and possible vernal pools
						R4 subtotal:	96		

Table 40: Adequate Sites Inventory Continued

ID	APN	ZONING	ZONING OVERLAY	GP DESIGNATION	ASSUMED DENSITY	PARCEL ACREAGE	CAPACITY UNITS	INFRASTRUCTURE	ON SITE CONSTRAINTS
RMU ZONING									
450	004-114-002-000	RMU	L, FS	RMU	19	0.68	13	Yes	None
405	004-141-014-000	RMU	L, COS	RMU	19	0.08	1	Yes	None
465	004-204-006-000	RMU	L, FS	RMU	19	0.40	8	Yes	None
4	004-208-005-000	RMU	FS	RMU	19	0.20	4	Yes	None
449	005-102-018-000	RMU	COS, SD8	RMU	19	0.69	13	Yes	None
648	006-150-128-000	RMU	AOD, PD, COS	RMU	19	5.71	108	Yes	None
392	006-530-025-000	RMU	AOD, COS	RMU	19	1.63	31	Yes	None
427	006-530-026-000	RMU	AOD, COS	RMU	19	5.17	98	Yes	None
						RMU subtotal:	277		
VACANT ACREAGE TOTAL:									
						R1 (w/RS & R2) TOTAL	1,271		
						R3 (w/R4 & RMU) TOTAL	2,938		

Table 40: Adequate Sites Inventory Continued

SPECIAL PLANNING AREAS									
ZONING	ZONING OVERLAY	GP DESIGNATION	ASSUMED DENSITY	PARCEL ACREAGE	CAPACITY UNITS	INFRASTRUCTURE	ON SITE CONSTRAINTS		
DIAMOND MATCH SPA	R1 equivalent	LDR	2.1	14	30	Yes	None		
	R2 equivalent	MDR	7.1	12	84	Yes			
	R3 equivalent	MHDR	19	11	206	Yes			
	R4 equivalent	HDR	22	19	414	Yes			
	RMU equivalent	RMU	19	14	274	Yes			
DOE MILL/HONEY RUN SPA	RS equivalent	VLDR	0.2	132	26	No	None		
	R1 equivalent	LDR	2.1	235	494	No			
	R2 equivalent	MDR	7.1	91	647	No			
NORTH CHICO SPA	R3 equivalent	MHDR	19	17	324	No			
	R1 equivalent	LDR	2.1	48	101	No	None		
	R2 equivalent	MDR	7.1	123	876	No			
SOUTH ENTTLER SPA	R3 equivalent	MHDR	19	52	991	No			
	R1 equivalent	LDR	2.1	21	45	No	None		
	R2 equivalent	MDR	7.1	37	261	No			
	R4 equivalent	HDR	22	18	385	No			
BELL/MUIR SPA	R1 equivalent	LDR			644	No	Partially built-out and multiple ownership		
SPECIAL PLANNING AREAS TOTAL:									
R1 (w/RS & R2) TOTAL					3,207				
R3 (w/R4 & RMU) TOTAL					2,594				

Table 40: Adequate Sites Inventory Continued

MASTER PLANNED AREAS										
	ZONING	ZONING OVERLAY	GP DESIGNATION	ASSUMED-DENSITY	PARCEL ACREAGE	CAPACITY UNITS	INFRA-STRUCTURE	ON SITE CONSTRAINTS		
MERIAM PARK	R1 equivalent		LDR			782	Yes	None		
	R3 equivalent		MHDR			1,357	Yes			
OAK VALLEY	R1 equivalent	SD 9	LDR			1,298	Yes	None		
	R3 equivalent		MHDR			56	Yes			
MASTER PLANNED AREAS TOTAL:										
						2,080				
						1,413				
ENTITLED UNDEVELOPED LAND										
ENTITLED UNDEVELOPED LAND TOTAL:						CAPACITY UNITS				
						1,975				
						189				

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Conclusion

Table 41 provides a summary of the City’s RHNA requirements and the potential unit capacity of the City’s vacant land by residential zoning district. The Table shows that the City has sufficient vacant land appropriately zoned to fulfill the regional housing need allocations for very low-, low-, moderate-, and above moderate-income households in the City of Chico.

Table 41: Adequate Sites Inventory Summary

Zoning	City of Chico Capacity	RHNA Equivalent	RHNA	Excess Capacity
RS & R1	5,992	Moderate and Above	2,346	6,187
R2	2,541	Moderate Income		
R3	5,689	Low Income, Very Low Income and Extremely Low Income	1,617	5,517
R4	895			
RMU	550			

B. FINANCIAL INVENTORY

Financial resources are available for the production of affordable housing at the local, state and federal levels. Some key resources that were available when the 2009 Housing Element was adopted are no longer available. This has made it much more difficult to build affordable housing from 2012 moving forward. These changes will make it extremely challenging for the City to make significant progress in meeting its RHNA goals. Below is a description of financial resources that have been removed, followed by **Table 42** outlining currently available financial resources.

Chico Redevelopment Agency— The end of redevelopment in California has been the most significant change to the State’s affordable housing policy since establishment of the affordable housing set-aside requirement in the early 1980s. The mandatory housing set-aside, known as the Low and Moderate Income Housing Fund, was 20% of each agency’s annual tax increment. For Chico, this set-aside was about \$1.8 million at its peak. It was usually the “first-in” funding source for property acquisition and predevelopment, which then typically leveraged 2-3 times that investment in state, federal and private funds. Almost all newly constructed affordable units in Chico utilized this funding source from the time that it was established. Since redevelopment dissolution, no new affordable housing projects have been initiated.

State Multifamily Housing Program (MHP)— This program provided permanent loans for rent restricted housing, sized at 25% to 30% of total development costs. It was a key piece of



7. HOUSING ELEMENT

financing that was often combined with redevelopment agency loans and tax credits. Murphy Commons (86 units) and Chico Commons (75 units) are two affordable rental complexes that utilized this funding source. It also funded a large number of special needs housing projects statewide. As it was funded with the Proposition 1C bond proceeds, it is no longer in operation since those funds have now been exhausted.

HUD 202 and 811 Programs— Administered by the U.S. Department of Housing and Urban Development, these programs provided capital and operating grants for low-income housing for seniors (202 Program) and persons with disabilities (811 Program). These programs have been the principle source of funding for some of the special needs housing developments in Chico, including Jarvis Gardens (50 units), Hartford Place (20 units) and Villa Serena (10 units). These programs have been restructured into a rental assistance program, and no longer provide the capital for construction that was available in the past.

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Table 42: Financial Resources

Source	Government Administrator	Eligible Uses	Current Status
Community Development Block Grant (CDBG)	City of Chico	emergency shelters; transitional housing; housing rehab; site improvements for affordable housing; city infrastructure; 15% of allocation for public services	The City has received direct allocations of CDBG since 1982. Over the past couple years, allocations have steadily decreased due to federal sequestration. The allocation for the 2013-14 fiscal year was \$764,374, compared to \$873,090 in the 2011-12 fiscal year. This year's federal budget agreement will allow the program to avoid sequestration and slightly increase the City's allocation in the 2014-15 fiscal year.
HOME	City of Chico	permanent rental and homeownership housing; tenant-based rental assistance	The City has received direct allocations of HOME funds since 1992. HOME funds have supported the City's Housing Rehabilitation Program and Tenant Based Rental Assistance Program, as well as construction of affordable rental and ownership units. The HOME Program suffered severe cuts in 2011-12, and then was further cut after sequestration was put in place. The allocation for the 2013-14 fiscal year was \$426,943, compared to \$813,994 in the 2010-11 fiscal year. This year's federal budget agreement will allow the program to avoid sequestration. The City's allocation should stay about the same in the 2014-15 fiscal year.
Revenue Bonds	California Statewide Communities Development Authority	tax-exempt bonds for projects that receive a debt limit allocation from the State, usually combined with tax credits	Revenue bonds will continue to be available at healthy levels in the near future.
North Valley Housing Trust (NVHT)	Nonprofit funded by private, state and federal sources	as directed by community-based board of directors; initial focus is homelessness	NVHT was established in 2012 in fulfillment of a 2009 Housing Element goal. The purpose is to partially compensate for the loss of other funding sources and provide a sustainable local funding source in Chico. The initial focus is rental assistance, outreach and supportive services for homeless persons. An advantage of housing trust funds like NVHT is their flexibility to meet the changing needs of the community. Recently passed legislation funding the State Local Housing Trust Fund Program and state tax credits for Community Development Financial Institutions will benefit NVHT.

Table 42: Financial Resources

Source	Government Administrator	Eligible Uses	Current Status
Section 8	Housing Authority of the County of Butte	rental assistance for low-income households	Local housing authorities receive Section 8 funding from the federal government. HACB administers about 1,000 Section 8 vouchers within the City of Chico. Funding for the program has been consistently cut in recent years. This year's federal budget agreement will allow the program to avoid sequestration and slightly increase the Housing Authority's allocation in the 2014-15 fiscal year.
HUD VASH Vouchers	Housing Authority of the County of Butte	rental assistance and supportive services for homeless veterans	This federally funded program is managed through a partnership between housing authorities and the U.S. Dept. of Veterans Affairs. Homeless veterans receive a rental subsidy from the housing authority and case management from the VA. Funding for this program has been increasing in recent years with strong bipartisan support in Washington D.C.
Tax Exempt Revenue Bond Authority	State of California	new construction of affordable housing; banks purchase bonds and loan with below-market terms to projects	Each state receives an allocation of debt from the federal government with interest earnings that are exempt from federal taxes. The California Debt Limit Allocation Committee administers allocations to affordable housing projects through a competitive application process. A number of larger affordable housing projects in Chico have used tax-exempt bonds, including Murphy Commons (86 units), Chico Commons (75 units), Parkside Terrace (90 units), Harvest Park (90 units), and North Point Apts. (50 units). The amount of debt allocation has generally been consistent over the years, but in the last couple of years the process has become less competitive because of fewer financially viable projects.
Tax Credits	State of California	new construction of affordable housing; tax credits are purchased by investors that provide equity to projects	Each state receives an allocation of federal tax credits for low-income housing. The California Tax Credit Allocation Committee administers allocations to affordable housing projects through a competitive application process. Most of the larger affordable housing projects in Chico have used tax credits. The amount of tax credits has generally been consistent over the years, but in the last couple of years the process has become less competitive because of fewer financially viable projects.
Emergency Solutions Grant (ESG)	State of California	emergency shelter operations; homeless street outreach; rapid re-housing assistance; homeless prevention	ESG is a competitive statewide grant program funding operations and rental assistance for homeless persons. There is also a capital funding component, but funds are not currently available. About \$8.4 million was in the 2013 Notice of Funding Availability. This was a dramatic decrease in from the \$11.6 million made available in 2012. Priority for the funds is shifting away for facility operations and toward rapid re-housing in scattered sites. Community Action Agency of Butte County and the Chico Community Shelter Partnership have used this grant source for their services and operations over the years, with grant amounts of about \$150,000. Due to cuts to this program, there is a strong possibility that these Chico nonprofits will not receive these funds in 2014.

Source	Government Administrator	Eligible Uses	Current Status
Predevelopment Loan Program	State of California	short-term loans to finance the start of affordable housing projects	This program provides three percent simple interest loans for up to two years to finance property acquisition and predevelopment costs. The applicant must have a take-out source to repay the loan. Funds are currently available but not in high demand because of fewer financially viable projects.
Emergency Housing Assistance Program (EHAP)	State of California	grants for operation, construction and improvement of emergency shelters and transitional housing	This is a competitive statewide grant program. It has funded construction of the Catalyst HAVEN shelter for victims of domestic violence, and expansion of the Torres Shelter. Funding has declined in recent years.
Mental Health Services Act (MHSA)	State of California and Butte County	permanent loans and operating subsidies for housing that serves homeless persons with mental disabilities	MHSA was enacted in 2004, creating a funding source for county mental health programs. A portion of these funds have been dedicated to building housing units with supportive services. About \$1.5 million have been allocated to the Butte County Mental and Behavioral Health Department for this purpose. The dedication of housing MHSA is a finite source and will require ongoing support from the Governor's office to continue in the future. Therefore, availability in the coming years is unknown.
CalHFA Preservation Loan Program	State of California	permanent loans for housing developments with expiring affordability covenants	This program provides below-market rate loans to existing housing developments that are at-risk of losing affordability due to expiring contracts. Funding is expected to continue at healthy levels in the coming years.
Homeless Continuum of Care Program	Federal	grants to local Continuums of Care that coordinate services for homeless persons	This program is prioritizing permanent housing with supportive services and rapid re-housing of homeless persons in private market units with rental subsidies. The program currently funds the Butte County Department of Mental and Behavioral Health with rental subsidies for chronically homeless persons in scattered sites, as well as operational subsidies for Caminar's Avenida Apartments and the Community Action Agency's Esplanade House. Continuum of Care funding has decreased in recent years due to federal sequestration. This year's federal budget agreement will allow the program to avoid sequestration and slightly increase the City's allocation in the 2014-15 fiscal year.



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C. ENERGY CONSERVATION OPPORTUNITIES

A variety of energy conservation opportunities are available in the City of Chico for housing construction and rehabilitation. These can be categorized as: green rating systems; new construction programs; rehabilitation programs; and local programs and partnerships. The resources available in each of these categories are described below.

Green Rating Systems

Green rating systems offer ways to measure the overall energy efficiency and sustainability of buildings. Developers use the green rating systems as a way to measure operational cost efficiency and market their product to potential tenants and the community at large. Two recent affordable housing developments built in Chico have used the Build It Green GreenPoint Rating System—Parkside Terrace and Harvest Park, both developed by Affordable Housing Development Corporation (AHDC). Because green rating systems not only encourage energy efficiency, but also healthier living environments for residents, waste reduction, sustainable materials, optimal housing location and quality design, the City should encourage their use, especially when providing funding to a project. The three most widely used green rating systems for housing are described below.

Build It Green (www.builditgreen.org)— is a Bay Area nonprofit with a mission to promote healthy, energy- and resource-efficient building practices in California. Nearly 15,000 homes have used their GreenPoint Rated system statewide. Scoring categories include: energy efficiency; resource conservation; indoor air quality; water conservation; and community. Community includes proximity to transportation, bicycle and pedestrian access, and safety.

LEED (www.usgbc.org/leed)— the most widely recognized green building accreditation system, developed by the U.S. Green Building Council. LEED accreditation is the most rigorous of the residential rating systems, and projects can achieve varying levels depending on the extent of green characteristics, including “Certified”, “Silver”, “Gold” and “Platinum”. Scoring categories include: sustainable sites; water efficiency; energy & atmosphere; materials & resources; and indoor environmental quality.

Enterprise Green Communities (<http://www.enterprisecommunity.com>) — developed by the Enterprise Foundation to encourage green building in affordable housing. Grants are available to help participants achieve certification. Scoring categories include: integrative design; location and neighborhood fabric; site improvements; water conservation; energy efficiency; materials beneficial to the environment; healthy living environment; and operations and maintenance.

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New Construction Programs

The California Public Utilities Commission (CPUC), in partnership with PG&E, offers various programs to promote energy efficiency in new residential construction. These programs are part of the “New Solar Homes Partnership”. Marketing materials for this program are made available at www.gosolarcalifornia.ca.gov/tools/marketing.

The three most applicable programs to Chico are described below.

Solar for New Affordable Housing (www.gosolarcalifornia.org)— offers a financial incentive for affordable multi-family and single-family developments that incorporate solar photovoltaic systems in their construction. The units must record regulatory agreements that restrict rents or sale prices. In addition, the homes must exceed current Title 24 Building Energy Efficiency Standards by at least 15 percent. This program was most recently utilized for North Point Apartments, a 50-unit affordable rental complex in Chico.

Solar Water Heating (www.gosolarcalifornia.org)— offers cash rebates to multi-family and single-family developments.

California Tax Credit Allocation Committee (www.treasurer.ca.gov/ctcac/)— incentivizes green building by awarding points and credits to applicants that incorporate energy efficiency measures into their developments.

Rehabilitation Programs

The CPUC offers the Multifamily Affordable Solar Housing (MASH) and Single Family Affordable Solar Housing (SASH) programs for existing buildings. In addition, PG&E operates programs to encourage energy efficiency and weatherization upgrades.

MASH (www.gosolarcalifornia.ca.gov/affordable/mash)— offers rebates for existing multifamily buildings that install solar photovoltaic systems. Participating buildings must restrict all tenants rent to less than 80 percent of area median income. Murphy Commons, Campbell Commons, and East of Eaton are subsidized developments that have used this program.

SASH (www.gosolarcalifornia.ca.gov/affordable/sash)— offers rebates for existing single family buildings that install solar photovoltaics. Household income must be less than 80 percent of area median income. This program has been used for the Manzanita Pointe, Martha’s Vineyard, and Habitat Greens self-help first-time homebuyer subdivisions.



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Energy Upgrade California (energyupgradeca.org)— created to help reduce energy usage by offering incentives to homeowners. The program provides PG&E rebates based on predicted energy savings, starting at 15 percent. The work is completed by participating contractors, and can include insulation and duct work upgrades, new heating and cooling systems, and window and fixture replacement.

Low-Income Home Energy Assistance Program (www.pge.com)— provides low-income PG&E customers that own or rent home with weatherization improvements such as refrigerator and door replacement, weather-stripping, attic insulation and compact fluorescent lighting. In Chico, this program is operated by the Community Action Agency of Butte County.

Local Programs and Partnerships

The City of Chico operates the Housing Rehabilitation Program, which provides improvements for low-income homeowners. The City conducts an assessment of needs for qualifying participants, which includes safety factors, code compliance and energy efficiency. Participants are eligible to receive new windows, new heating and cooling systems, electrical systems, roofs, and/or insulation. The City ensures that the rehabilitation always meets the most current building codes, which have strict energy efficiency standards. The City also coordinates with the Community Action Agency of Butte County, which operates a weatherization program for low-income residents. Where feasible, the two entities coordinate to maximize efficiency and benefit.

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CHAPTER 6. CONSTRAINTS ANALYSIS

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.

A. 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 that 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 that 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 impact 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 pose 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
- Building codes and their enforcement
- Site improvement requirements
- Fees and exactions
- Permit processing procedures

After adoption of the 2009 Housing Element, the City of Chico adopted the 2030 General Plan in April 2011. The new General Plan created new land use designations that significantly expanded the City's capacity to accommodate residential development, both in terms of volume of units and variety of



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housing types. Correspondingly, the new General Plan enhanced residential development flexibility for projects that meet General Plan goals. The City subsequently adopted comprehensive municipal code revisions with new zoning districts and associated requirements. These new land use controls and regulations are described in this chapter.

A1. 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 to certain types that 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 43**, the City of Chico's residential zoning districts allow for a broad range of housing types. The range of density, particularly at the high end, has been increased with the adopted 2030 General Plan, helping the City to better meet local housing needs.

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Table 43: Residential Zoning Districts

Zoning District	Purpose	Allowed Residential Uses (w/o discretionary permit)	DU/Acre	Max. Lot Coverage	Max. Height	Min. Lot Size
Suburban Residential (RS)	Applied to areas that are to remain rural in character. Implements the Very Low Density Residential land use designation of the General Plan.	guest house; home occupations; mobile homes; residential care homes (6 or fewer clients); single family homes; temporary emergency shelters	0.2 to 2	40%	35 ft.	10,000 sf
Low Density Residential (R1)	Applied to traditional neighborhoods consisting of single-family units.	guest house; home occupations; mobile homes; residential care homes (6 or fewer clients); single family homes; temporary emergency shelters	2.1 to 7	50%	35 ft.	3,500 sf
Medium Density Residential (R2)	Applied to areas with a mix of housing types, including single-family homes, duplexes, and multifamily.	home occupations; mobile homes; multifamily housing; residential care homes (6 or fewer clients); Single Room Occupancy housing; single family homes; temporary emergency shelters; duplexes	7.1 to 14	60%	35 ft.	4,000 sf
Medium-High Density Residential (R3)	Applied to areas with a mix of housing types which are predominantly multifamily.	home occupations; mobile homes; multifamily housing; residential care homes (6 or fewer clients); senior congregate care housing; Single Room Occupancy housing; single family homes; temporary emergency shelters; duplexes	14.1 to 22	65%	45 ft.	4,000 sf
High Density Residential (R4)	Applied to parcels appropriate for high density residential living, including apartment buildings and condominiums.	home occupations; mobile homes; multifamily housing; residential care homes (6 or fewer clients); senior congregate care housing; temporary emergency shelters; duplexes	20 to 70	75%	85 ft.	7,500 sf
Residential Mixed Use (RMU)	Characterized by predominantly residential development at medium to high densities. It allows for commercial or office uses mixed vertically or horizontally with residential uses. It does not preclude development that is entirely residential or commercial.	guest house; home occupations; live/work; mobile homes; multifamily housing; residential care homes (6 or fewer clients); senior congregate care housing; Single Room Occupancy housing; temporary emergency shelters; duplexes	10 to 20	75%	45 ft. to 65 ft.	7,500 sf



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Commercial Zoning Districts

To encourage mixed-use development, residential uses are allowed without discretionary permit, if they are located above the ground floor, in the following commercial zoning districts:

- Neighborhood Commercial (CN) (Density: 6 to 22 units per acre)
- Community Commercial (CC) (Density: 6 to 22 units per acre)
- Downtown North (DN) (Density: 6 to 22 units per acre)
- Downtown South (DS) (Density: 6 to 22 units per acre)
- Regional Commercial (CR) (Density: 6 to 50 units per acre)

Special housing types are allowed in the following commercial zoning districts without a discretionary permit:

Residential care homes with six or fewer clients, including supportive and transitional housing— Office Residential (OR) and Neighborhood Commercial (CN)

Live/Work units— if above the ground floor, all commercial districts except Commercial Services (CS) and Regional Commercial (CR)

Rooming/Boarding houses— if above the ground floor, Downtown North and Downtown South

Single-room occupancy housing (SRO)— if above the ground floor, Downtown North and Downtown South

Traditional Neighborhood Development Zoning District

The Traditional Neighborhood Development (TND) zone, encompassing approximately 271 acres, is intended to create compact and complete neighborhoods with defined neighborhood centers. It also encourages both residential and non-residential land uses while promoting a mix of housing types that can accommodate a variety of household sizes, incomes and life stages. The TND zone establishes an interconnected street network supporting a variety of transportation modes, a pedestrian-friendly environment, and public spaces. The first development within the TND zoning district was a 90-unit affordable apartment complex for families called Parkside Terrace. It is located across the street from an elementary school and a park, is on a City bike path, and is within walking distance of a bus stop.

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Overlay Zones

The new General Plan allows greater flexibility for multifamily development, and encourages higher densities along commercial corridors near public transit and the Downtown area. These goals are implemented through overlay zones in the City Zoning Code described below.

Planned Development (PD)— The purpose of this overlay zone is to encourage the development of affordable housing, protect natural resources, and ensure the provision of open space. It can be utilized in any zoning district that allows residential uses. Applicants may make justifiable modifications to all applicable development standards with the exception of density provisions set forth in the General Plan. The Planning Commission reviews each application on a case-by-case basis and makes a determination as to whether the PD permit is appropriate for the property and if it adequately meets General Plan goals.

Corridor Opportunity Site (COS)— The purpose of this overlay zone is to encourage the development of housing adjacent to key transit corridors and in the Downtown area. It covers 481 acres within the City. The density and height limits of zoning districts within this overlay are increased, and parking requirements are decreased. For example, projects within the COS must be developed at the midpoint of the allowed density range. Within COS areas: the Residential Mixed Use zoning district has a minimum density of 15 units per acre and a maximum density of 70 units per acre; and the Office and Commercial Mixed Use zoning districts have a maximum density of 60 units per acre. The maximum height in these zones is up to 65 feet. Required off-street parking is reduced by 25% from the code's standards.

Floor Area Ratio and Site Coverage

The Chico Municipal Code does not have floor area ratio requirements. The code does have a site coverage requirement, which sets the maximum percentage of the parcel that can be occupied by structures. For residential zoning districts, the maximum site coverage ranges from 40% for RS to 75% for R4 and RMU.

Required Setbacks

Front and rear setbacks are generally 10-15 feet for main buildings in all residential zoning districts. In the R2 District, no front setback is required for condominiums, townhouses and similar housing types. Side setbacks are 4-5 feet for main buildings, except when the lot abuts a street, in which case the setback is 10 feet. Where the parcel abuts another parcel zoned RS or R1, the setback is extended an additional 5 feet for each story over the ground floor.



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Parking Requirements

The City's comprehensive Municipal Code Update reduced parking standards. In addition, the Code allows for further parking reductions with the incorporation of Smart Growth principles in project design. Single-family development requires two parking spaces per unit. For multifamily development, the off-street parking requirement is as listed below:

Studio— 0.75 space per unit

One Bedroom— 1 space per unit

Two Bedrooms— 1.5 spaces per unit

Three Bedrooms or more— 2 spaces per unit

Guest parking— 1 space per 5 units

Senior housing units— 1 space per 2 units

Studios or single-room occupancies with rents restricted to low-income households for at least 30 years, and located within 500 feet of public transit or commercial facilities, have the same parking standard as senior housing units (1 space per 2 units). Parking requirements for multifamily housing in the Corridor Opportunity Site Overlay may be reduced by 25% below the standard multifamily housing requirements.

Density Bonus

Consistent with Government Code 65915, affordable housing developments are eligible for density bonuses under Chico Municipal Code 19.062.010. When a developer restricts rents by agreement for 10 to 20 percent of a project's units to low or moderate incomes, or 5 to 11 percent of a project's units to very low incomes, as defined in the California Health and Safety Code, the project is eligible for a density bonus of up to 35% and up to three incentives or concessions. The arrangement is formalized in a development agreement and approved by the City Council.

Growth Controls

The City does not have any growth controls or caps on the number of units that can be built over a designated period of time. The 2030 General Plan, municipal code, and design guidelines adequately support community character and public safety.

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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.” The City has a successful permanent emergency shelter located in the Light Manufacturing (ML) zone, which is located close to daily services and transit. In addition, the City has expanded opportunities for “by right” permanent emergency shelters in its new General Plan and municipal code update.

In compliance with Government Code Section 65583(a)(4), emergency shelters are allowed without a discretionary permit in the Public/Quasi-Public Zoning District. This district is applied to areas appropriate for uses established in response to the health, safety, cultural and welfare needs of the City. It implements the Public Facilities and Services land use designation of the General Plan. Adequate undeveloped and developed land close to services lies within this zoning district. This land has the capacity to provide for additional emergency shelters through new development, redevelopment, and reuse of existing structures. In addition, emergency shelters are allowed with a use permit in the ML, IOMU, OR, OC, CC and CS commercial zoning districts.

The Chico Community Shelter Partnership currently operates the Torres Community Shelter on City-owned property at 101 Silver Dollar Way. The formerly vacant portion of this property is being developed with a Phase I expansion, which includes: a 2,000 square-foot dining room with overflow bed capacity for 30 people, a commercial kitchen, a reception area, office space, and showers. A Phase II expansion will include a new dorm room with capacity for 25 additional beds, and a new building with 14 units of affordable housing. Use permits have been issued for this expansion within the ML zoning district.

Supportive and Transitional 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. 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.

The City’s Municipal Code currently includes supportive and transitional housing as permitted uses in its definitions section of the City Municipal Code (City Municipal Code 19.04), consistent with Health and Safety Code Sections 50675.2 and 50675.14. State Housing and Community Development has



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required that supportive and transitional housing are also shown as permitted uses in the Allowed Land Uses tables in Chico Municipal Code Chapters 19.42 and 19.44. To clarify the City’s consistency with State law, Action H.4.6.2 in Chapter 3 will amend the City’s code to make supportive and transitional housing an explicitly permitted use in all zoning districts that allow residential development, subject to only the same restrictions placed on other permitted residential uses. With these revisions, the Chico Municipal Code will be in compliance with Government Code Section 65583(a)(5).

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 Chapter 4, Section G. 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 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.” SRO units are allowed without a discretionary permit in the R2, R3 and RMU residential zoning districts. As long as SRO units are above the ground floor, they are also allowed Downtown without a permit in the DN and DS commercial districts. SROs must comply with standards outlined in Municipal Code Section 19.076.140. These include: location within a quarter-mile of a bus stop, a maximum density of 50 units per acre, design that compliments surrounding land uses, and lighted outdoor common areas.

Provision of a Variety of Housing Types

Other than the housing types allowed without a discretionary permit listed in **Table 43**, the following housing types are allowed with a discretionary permit:

Assisted living facilities— all residential zoning districts except RMU; and OR

Caretaker and employee housing— CS (and allowed without a discretionary permit in all manufacturing and industrial zoning districts)

Dormitory— R3 and R4

Fraternity/sorority housing— R3, R4 and RMU

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Mobile home parks— R1, R2 and CS

Multifamily— OR and OC

Residential care homes w/ 7 or more clients— all residential zoning districts; and OR, OC, CN, DN and DS

Rooming and boarding houses— all residential zoning districts except RS; and OR, OC and CN

Single-family housing— OR

Senior congregate care housing— R1 and R2

Emergency shelters— OR, OC, CC and CS

Duplexes— R1, OR and OC

Conclusion

The Chico 2030 General Plan and Municipal Code Update expands the City’s overall housing development capacity, opportunities for a wide range of housing types, flexibility in residential construction, and incentives to build affordable housing. The overall housing development capacity has been enhanced with new land use designations and zoning overlays that increase densities. Opportunities to develop a wide range of housing types have been expanded with the large variety of types that are allowed without a discretionary permit in residential zoning districts, and more options for mixed-use development in commercial zoning districts. Site development flexibility has been improved with the overlay zones and parking standards. Affordable housing is incentivized through greater overall densities in targeted affordable housing locations, the updated density bonus ordinance, SRO accommodations, and allowance for by-right development of emergency shelters, transitional housing and supportive housing.

A2. On- and Off-Site Improvement Standards

Design Criteria and Improvement Standards

The City’s Design Criteria and Improvement Standards are found in Title 18R of the Municipal Code. It establishes lot configurations that are in conformance with General Plan goals and zoning code requirements, and makes provision for public utility easements. In addition, it sets engineering and design standards for storm drains, sewer, water supply, fire hydrants, street lights, street trees and landscaping. Standards for public and private streets are also established in 18R.08.020 and 18R.08.035. A public street is publicly maintained and open to the public. A private street is privately owned and maintained, and not part of the City street system.



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The requirements for street dimensions are laid out in the Improvement Standards Chapter 18R.12 as follows, and apply to both public and private streets.

- For streets with 10 or fewer lots on a through street, and blocks of 25 or fewer lots on a cul-de-sac or loop street: 44-foot right-of-way for no street parking; 50-foot right-of-way for parking on one side of the street; and 56-foot right-of-way for parking on both sides of the street. The right-of-way includes curb, gutter, parkway and sidewalk.
- For streets with blocks of more than 10 lots on a through street, and blocks of more than 25 lots on a cul-de-sac or loop street: 48-foot right-of-way for no street parking; 50-foot right-of-way for parking on one side of the street; and 56-foot right-of-way for parking on both sides of the street. The right-of-way includes curb, gutter, parkway and sidewalk.
- The following minimum widths apply for all streets: 10-12 feet for travel lanes; 6 feet for shoulders; 7 feet for parkways; and 5 feet for sidewalks.
- cul-de-sacs must have a right-of-way diameter of at least 104 feet, which includes curb, gutter, parkway and sidewalk.

Conclusion

The City's on- and off-site improvement standards are typical of other similar size communities in California, and do not present an undue burden on developers. Right-of-way and street standards facilitate the development of more housing than many suburban standards, while at the same time meeting transportation engineering and public safety requirements.

A3. Codes and Enforcement

Building Code

Building standards are essential to ensure safe housing, although some codes and standards may constrain the development or preservation of affordable housing. The City of Chico has adopted the Model Codes consisting of the Uniform Building Code, Uniform Fire Code, Uniform Mechanical Code, Uniform Plumbing Code and the National Electric Code. The City operates a code enforcement program employing two full-time Code Enforcement Officers and administrative support. 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.

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Housing Rehabilitation

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.

Conclusion

The City enforces the Model Codes, but does not layer them with additional local codes. As such, the City's codes and enforcement do not constrain residential development beyond what is typically required in the State of California.

A4. Fees and Exactions

Permit and Impact Fee Schedules

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 **Table 44**, associated with the cost of processing permit applications, and **Table 45**, associated with the cost of infrastructure improvements due to growth in the community.



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Table 44: Planning and Building Fees

Planning Fee	Amount
Rezone/Prezone (1 acre or less)	\$4,678
Rezone/Prezone (> 1 acre)	\$5,450
Planned Development	\$5,804
Initial EIR Deposit	\$13,422
EIR Document	
Deposit for City Staff related to EIR	15% of Cost of Consultant Contract
General Plan Amendment	\$6,436
Specific Plan Initiation or Amendment	\$69,768
Development Agreement	\$6,263
Tentative Subdivision Map	\$16,330
Tentative Parcel Map	\$8,088
Condominium Conversion- Tentative Map	\$5,018
Use Permit- Single-family Owner-occupied	\$1,489
Use Permit- Zoning Administrator Action	\$2,944
Use Permit- Planning Commission Action	\$5,982
Variance Permit- Single-family owner-occupied	\$2,962
Variance Permit- All Others	\$3,549
CEQA Notice of Exemption	\$142
CEQA Negative Declaration	\$3,899
Boundary Line Modification	\$1,577
Second Dwelling Units (where use permit is not required)	\$548
Architectural Review Board	\$1,073
Building Fee	Amount
Preliminary Plan Check Fee	\$210
Plan Check/New Construction Fee	Varies by construction type and size
Apartment Building (20,000 sf threshold)	\$21,313-\$31,969 plus \$11.45-\$17.17 per additional 100 sf
Single-Family Dwelling (1,500 sf threshold)	\$1,650 plus \$27.50 per additional 100 sf
Condominium Conversion Inspection	\$210 minimum; \$145 per unit
Energy Plan Check	\$93 minimum (up to 2 units);
Mechanical, Plumbing, Electrical Plan Check (hourly rate)	\$128
Northwest Chico Specific Plan Residential Fee	\$485

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Table 45: Development Impact Fees

Fee Type	Fee Per Unit or Acre	
	Single-Family	Multifamily
Transportation Facility		
Street Facility Improvement	\$3,973.05	\$2,747.72
Street Maintenance	\$108.70	\$75.18
Bikeway Improvement	\$474.99	\$410.28
Storm Drainage Facility (per Acre)		
Butte Creek	\$9,479.00	\$14,219.00
Comanche Creek	\$9,888.00	\$14,832.00
Little Chico Creek	\$10,774.00	\$16,160.00
Big Chico Creek	\$8,032.00	\$12,048.00
Lindo Channel	\$9,801.00	\$14,701.00
SUDAD Ditch	\$8,548.00	\$12,822.00
Mud-Sycamore Creek	\$7,439.00	\$11,159.00
PV Ditch	\$10,542.00	\$15,813.00
Park Facility		
Basic Park Facility	\$2,913.00	\$2,465.00
Bidwell Park Land Acquisition Fee	\$199.00	\$177.00
Building and Equipment Fees		
Administrative	\$190.00	\$164.00
Fire Protection	\$732.00	\$581.00
Police Protection	\$834.00	\$940.00
Sewer Fees		
Application Fee	\$100.00	\$100.00
Water Pollution Control Plant Capacity	\$2,251.00	\$2,251.00
Trunkline Capacity	\$1,693.00	\$1,693.00
Total	\$13,468.74	\$11,604.18

Note: Total per unit excludes drainage fees. School District fees are not included.



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All fees are based on a nexus study conducted by the City to determine the actual cost of providing improvements or facilities. The Nexus Study included an analysis 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 jurisdictions 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.

Conclusion

Table 46 shows estimated fees for a typical 1,500 square-foot single-family home and a multifamily apartment complex with 50 units. This includes School District fees at the rate of \$3.20 per square foot as of December 2013. For a typical single-family home, the total planning, building and impact fees are estimated at about \$23,700. For a typical 50-unit apartment complex, the total planning, building and impact fees are estimated at about \$17,400 per unit.

Table 46: Per Unit Fees Estimate

Assumptions		
Unit Type	Single-Family	Multifamily
Total Units	1	50
Acres	0.2	2
Total Square Footage	1,500	50,000
Mechanical Fixtures	4	200
Plumbing Fixtures	3	115
Electrical Fixtures	5	252
Planning Fees		
CEQA Negative Declaration		\$3,899
Architectural Review Board		\$1,073

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Table 46: Per Unit Fees Estimate (Continued)

Building Fees		
Unit Type	Single-Family	Multifamily
Preliminary Plan Check Fee	\$210	\$210
Plan Check/New Construction Fee	\$1,650	\$24,748
Energy Plan Check	\$93	\$2,350
Mechanical, Plumbing, Electrical Plan Check	\$1,536	\$72,576
Impact Fees		
<i>Transportation Facility</i>		
Street Facility Improvement	\$3,973	\$137,386
Street Maintenance	\$109	\$3,759
Bikeway Improvement	\$475	\$20,514
<i>Storm Drainage Facility</i>		
Lindo Channel	\$1,960	\$29,402
<i>Park Facility</i>		
Basic Park Facility	\$2,913	\$123,250
Bidwell Park Land Acquisition Fee	\$199	\$8,850
Building and Equipment Fees		
Administrative	\$190	\$8,200
Fire Protection	\$732	\$29,050
Police Protection	\$834	\$47,000
Sewer Fees		
Application Fee	\$100	\$100
Water Pollution Control Plant Capacity	\$2,251	\$112,550
Trunkline Capacity	\$1,693	\$84,650
School District (\$3.20 per sf)	\$4,800	\$160,000
Total	\$23,718	\$869,567
Total Per Unit	\$23,718	\$17,391



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A.5. Permit Processing Procedures

See **Appendix D** for a diagram 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.

Development Review Committee

The City 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 were optional and available at no cost. The DRC was helpful to design professionals and developers for providing an informal meeting environment at which the City Planning, Development Engineering, Building and Fire Divisions, as well as Cal Water staff, could review and respond with written comments to preliminary project plans. Projects that went through DRC generally reduced the number of plan revisions needed in the planning process. Due to major staffing reductions, the DRC process was placed on hold. Following a fee study update, currently in progress, it is contemplated that the DRC function will be resumed and made available to applicants for a nominal fee.

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 subdivision review 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, RMU). 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 and Historic Preservation Board (ARHPB). Depending on the project size and motivation of the builder, most multi-family projects can obtain building permits within six weeks following approval from ARHPB. 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 to 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.

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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 Community Development Director then determines, based on the study, whether an environmental impact report (EIR) or negative declaration is to be prepared. The Director may also require the submittal of additional information, such as 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 Community Development 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.



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General Plan Amendment

There are no required time frames for the processing of a General Plan Amendment, however, these requests are typically processed in conjunction with land use entitlements that are subject to the time 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.

Prezone/Rezone

A prezone or rezone is also not subject to the Permit Streamlining Act time frames unless combined with a land use entitlement proposal as discussed above. Once the application is deemed complete and has gone through CEQA review, 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/Variations

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 is required. Unless appealed, the Planning Commission decision is final. Should an applicant or affected party be dissatisfied with the Commission's action, an appeal may be made to the City Council within 10 days of the action. The appeal is placed on the next available City Council agenda.

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Subdivision/Parcel Maps

Subdivision applications have the most extensive and technical requirements for a complete submittal. Once a complete subdivision application is submitted, state law requires the City to make an environmental determination within 30 days if the project qualifies for an exemption, Negative Declaration or Mitigated Negative Declaration, and within 1 year if the subdivision requires an EIR. The Planning Commission usually considers a subdivision map 30 days after environmental review has been completed and circulated for public review. Extension of the processing time may occur only with the consent of the applicant. Subdivisions subject to an appeal of the Planning Commission decision are considered by the City Council 30-45 days following the date of receipt of the appeal.

Boundary Line Modification/Minor Land Division

These minor applications are approved by the Map Advisory Committee within one month of submittal of a complete application, unless an appeal is filed. An appeal of staff approval is considered by the Planning Commission in 30 to 45 days, and if further appealed, considered by the City Council in an additional 30 to 45 days. Most of these applications are exempt from environmental review.

Architectural Review and Historic Preservation Board (ARHPB)

Commercial and multi-family projects require review by the Architectural Review and Historic Preservation Board (ARHPB). 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 ARHPB for larger projects. The ARHPB meets once or 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;



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- The architectural design of structures, including all elevations, 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;
- 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, RMU). 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 and Historic Preservation Board. A building permit for a single-family residence, by comparison, can be processed in approximately 3 weeks.

Conclusion

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.

A.6. 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.

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Residential Care Homes

In accordance with the Community Care Facilities Act, residential care homes for six or fewer residents are permitted as a matter of right in all residential districts, and the Office Residential and Neighborhood Commercial districts. The definition of “residential care homes” includes “transitional” and “supportive” housing. Residential care homes for seven or more persons is permitted in most residential districts, office residential and commercial districts with a use permit. 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 allows ground-floor accessible residential units by right in commercial zoning districts (Title 19.44, Table 4-6, Footnote 2).

Reasonable Accommodation

To achieve Goal H.4.1.1 of the adopted 2009 Housing Element, the Municipal Code Update included the addition of a new section entitled “Accommodations for Persons with Disabilities.” This section of the Municipal Code allows the Community Development Director to approve modifications to development standards in order to accommodate improvements that provide access for persons with disabilities (City Municipal Code 19.60.130). State Housing & Community Development has required a revision to this language to clarify the City’s consistency with State law. The new Goal H.4.1.1, found in Chapter 3, calls for City Municipal Code 19.60.130 to read "the community development director may approve modifications or exceptions to the regulations, standards and practices for the siting, development and use of housing or housing related facilities or other matters related to zoning and land use that would eliminate regulatory barriers and provide an Individual with a Disability equal opportunity to housing of his or her choice."

Environmental Review

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.



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Building Code

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.

Conclusion

The above-described regulations and processes meet or exceed those typical of other communities throughout the state. The City allows residential care homes by-right in all of its residential zoning districts. In addition, the municipal code update includes a provision for the Community Development Director to permit reasonable accommodation code variances.

B. 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.

B1. Land Prices

A major market constraint that impacts housing production and the cost of available new housing is the price of land. A discussion of multifamily and single-family residential land prices follows.

Multifamily Residential Land

Table 47 shows four vacant multifamily sales completed within the last couple of years. Two were completed between August 2011 and April 2012, and the other two were in escrow as of October, 2013. The sales represent three general price points for vacant multifamily land, as described below.

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Table 47: Multifamily Vacant Land Sales

Location	Date Sold	Price	Acres	Price per Acre	Zoning	Units	Price per Unit	Comments
Esplanade / Nord Hwy (006-170-033)	In Escrow as of Oct. 2013	\$985,000	7.94	\$124,055	R2 & R3	120	\$8,208	No off-site utility access.
Bruce / 20th St. (011-720-001)	In Escrow as of Oct. 2013	\$1,250,000	7.11	\$175,809	R3	144	\$8,681	Access to all off-site utilities.
3432 Esplanade (Esplanade / Eaton Ave; 006-680-011, 012)	8/23/2011	\$500,000	2.00	\$250,000	R3	50	\$10,000	Land only; does not include \$160,000 of improvements that was included in the purchase price. No access to water and sewer off-site utilities; on major commercial corridor.
Harvest Park (East Ave / Esplanade; 006-150-127)	4/25/2012	\$1,728,000	5.14	\$336,187	RMU	90	\$19,200	Access to all off-site utilities; on major commercial corridor

Source: Chico Multiple Listing Service, December, 2013

Lower Density, No Off-site Utilities, Larger Size, Not Publicly Subsidized

Esplanade/ Nord Hwy is located on the north edge of the City, without access to off-site utilities. It has a mix of R2 and R3 zoning districts. It is the largest land sale, with almost eight acres. It will not receive public subsidies. It has the lowest price per acre, at \$124,055, and the lowest price per unit, at \$8,208.

Medium Density, Some Off-site Utilities, Smaller Size, Publicly Subsidized

3432 Esplanade, also called North Point Apartments, is located near Esplanade / Nord Hwy, with slightly better location adjacent to Shasta Elementary School and De Garmo Park, and slightly better access to off-site utilities. It was zoned R3 at the time of acquisition. It is the smallest land sale, at two acres. It is a publicly subsidized affordable housing apartment complex, which tends to increase the land value as subsidies are required to target specific locations, and subsidies carry expenditure time limits. It has a price per acre of \$250,000 and a price per unit of \$10,000.



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High Density, Access to All Utilities, Medium Size, Publicly Subsidized

Harvest Park is located on East Avenue just west of Esplanade, adjacent to a range of retail and services on a major commercial corridor. It has the best location of the four land sales, and is surrounded by viable development and a mix of land uses. It was acquired after adoption of the 2030 General Plan, and the property is currently zoned Residential Mixed Use with a Corridor Opportunity Site Overlay, which increases maximum density to 70 units per acre. It is a medium-size property at five acres. It is a publicly subsidized affordable housing apartment complex. It has the highest price per acre, at \$336,187, and the highest price per unit, at \$19,200.

Multifamily Land Conclusion

The modest outlier of the four land sales is Bruce / 20th Street. It has a price that is slightly higher than Esplanade / Nord Hwy, as it is a similar size property in the R3 zoning district. However, unlike Esplanade / Nord Hwy, it has access to all off-site utilities. It may have been sold for a significantly lower price than 3432 Esplanade and Harvest Park because it is not subsidized, is larger in size, and was purchased at a later date. Taking these sales into account, some very general conclusions can be drawn that bracket the range of land prices in Chico. Larger multifamily properties in less desirable locations without access to off-site utilities currently cost around \$125,000 per acre. Smaller multifamily infill properties (1 to 5 acres) that are adjacent to public and commercial amenities, on commercial corridors, and zoned RMU or R4 with a Corridor Opportunity Site overlay under the new General Plan, currently cost around \$350,000 per acre, and are likely closer to \$400,000 per acre in the city center area. The values of these types of properties will most likely increase in coming years as developers take advantage of higher densities. A property at \$400,000 per acre could be developed at \$8,000 per unit with a density of 50 units per acre. In summary, a cost per acre of \$125,000 to \$400,000 for multifamily-zoned land, especially when considering the flexibility of Chico's zoning codes, is not a significant impediment to development when compared to other California communities.

Single-family Residential Land

Table 48 shows three single-family residential land sales for June 2010 through the current period. The price per acre ranges from \$125,000 to \$146,000, and the price per undeveloped lot ranges from about \$20,000 to \$30,000. The 20th St. / Diversion Channel property is located in the highest land value location of the three sales, and is the most recent transaction. Therefore, the higher price per lot makes sense. Prices for developed single-family subdivision lots in Chico roughly range from \$50,000 to \$160,000, based on 2013 sales. At the top end, lots sold for more than \$100,000 are generally over 10,000 square feet and located in the highest value neighborhoods of Chico, such as Canyon Oaks or adjacent to Bidwell Park. Lots between 5,000 and 10,000 square feet in middle-

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class neighborhoods are currently sold in the range of \$50,000 to \$100,000. These prices are comparable to other similar size cities in the Central Valley, and generally lower than the Sacramento Metropolitan Area.

Table 48: Single-Family Vacant Land Sales

Location	Date Sold	Price	Acres	Price per Acre	Zoning	Units	Price per Lot	Comments
2855 Mariposa Ave. (016-010-028)	6/4/2010	\$689,000	5	\$137,800	R-1	26	\$26,500	Access to all off-site utilities.
Humboldt Road / Forest (002-050-184)	12/28/2011	\$336,000	2.3	\$146,087	R-2	17	\$19,765	No access to some off-site utilities.
20th St. / Diversion Channel (018-580-022)	In Escrow as of Oct. 2013	\$2,730,000	21.84	\$125,000	R-1	91	\$30,000	Access to off-site utilities; requires construction of a bridge.

Source: Chico Multiple Listing Service, December, 2013

B2. 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 home, though the cost of each unit in the multi-family structure will generally cost less due to the economies of scale. Multifamily and single-family construction costs in Chico are comparable to other similar size cities in the Central Valley, and generally lower than in the Sacramento Metropolitan area.

Construction costs for recently built subsidized multifamily housing in Chico are about \$140,000 per unit, and about \$140 per square foot, for family apartments averaging about 1,000 square feet in size. If funding sources require payment of State Prevailing Wages, construction costs are generally about 15% higher. Total development costs, including land, permits and soft costs, for subsidized multifamily apartments without State Prevailing Wages are roughly \$200,000 per unit and \$200 per square foot. Senior and studio subsidized apartment complexes cost less per unit and more per square foot. Construction costs for recently constructed private market apartments, averaging about 800 square feet in size, are about \$110,000 per unit and \$140 per square foot. Including land, permits and soft costs, these private market apartments cost about \$140,000 per unit and \$175 per square foot. Subsidized apartments are generally more expensive to build because costs, such as developer overhead and profit, financing, and reserves, must be front-loaded into the development budget instead of future year operating budgets. This is because publicly subsidized project rents are restricted to levels affordable to low-incomes. Operating income just covers annual expenses, with very modest income growth over the operating period. Furthermore, rent restriction covenants limit price appreciation, as subsidized projects cannot be resold at market prices until 30 to 55 years after they are built.



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Home-cost.net, a housing construction resource that calculates the total estimated cost of building a new home using the National Building Cost Manual, estimates the 2012 average construction price of a standard 1,600 square-foot home in Chico at about \$208,000, or \$130 per square foot. This is for construction costs only, and does not include the cost of land, permits, or site improvements. Inclusion of these costs adds about \$65,000 to \$85,000 on average for lots between 5,000 and 10,000 square feet. Adding 10% for builder overhead and profit brings the estimated cost to \$300,000 to \$320,000 for a standard, or mid-range, new home. A survey of comparable newly constructed homes in Chico concludes that they are priced in a similar range, with a small portion just under \$300,000. New starter homes around 1,200 square feet in size are currently priced from \$230,000 to \$250,000. (Epick Homes, Bill Webb Homes, Newhomesource.com, Trulia.com). It is estimated that home prices starting at \$300,000 would require a household income of at least \$63,000 (or 161% of area median household income). A starter home price of \$250,000 would require a household income of at least \$52,000 (or 133% of area median household income). See **Table 28** for assumptions used in this calculation.

B3. Financing Availability

Housing financing includes private and publicly subsidized sources for homeownership and rental units. In the wake of the real estate market recession and foreclosure crisis, all forms of housing finance were severely restricted over the last five years. Only over the past year, has financing become more readily available in the private market.

Private Multifamily Rental Financing

Nationwide, strong growth in rental housing demand since the middle of 2009 has led to consistent growth in multifamily lending activity over the last four years. Multifamily Real Estate Investment Trusts (REITs) have performed well over this period, with compound annual returns of 7.77% for the five years ending in November 2013. Interest rates have remained consistently low over the last five years, with the Prime Rate at 3.25% and 3-Month Libor at 0.26% in December 2013. These factors have driven a strong rebound in multifamily construction from the recession of 2009. The number of multifamily starts in June through August of 2013 was 280% higher than the lowest point reached in November 2009 (“Market Pulse”, *Multi Housing News*, December 2013). Given these trends and a gradually improving overall economy, it is anticipated that multifamily credit and equity will remain at healthy levels in the coming years.

Private Homeownership Financing

The national multifamily market rebounded from the recession much more quickly than the homeownership market. In Chico, loans on new subdivisions revived in 2013 after a five-year

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freeze. Stringent underwriting criteria on home loans kept many homebuyers out of the market during this period as well. A number of factors began to broaden access to credit in 2012, including: improvement in the overall economy; greater market involvement by government-sponsored mortgage programs; low interest rates; and an easing of the foreclosure backlog. The improvement in access to homebuyer credit and rising home values that emerged in 2012 has continued through 2013. Mortgage interest rates have gradually risen in the second half of 2013 in response to greater credit demand, but remain low by historical standards. These factors have contributed to steadily improving homebuilder confidence since the beginning of 2012 (National Association of Home Builders/Wells Fargo Housing Market Index). Correspondingly, nationwide monthly single-family starts have increased, from about 400,000 in January 2012 to just over 600,000 in July of 2013. That is still about half of the monthly single family starts in 2000 and one-third of the monthly single-family starts at the market peak in 2006 (National Association of Home Builders, December 17, 2013). The single-family market is forecast to continue growing at an accelerated pace in 2014 due to positive trends in employment and income, improving access to credit, and stable interest rates (National Association of Home Builders, Chief Economist Interview, December 19, 2013).

Publicly Subsidized Multifamily Rental Financing

As described in the Financial Inventory section of the Chapter 5, critical affordable housing funding sources at the local, state and federal level have been eliminated in the last couple of years, most prominently redevelopment agency funds. Furthermore, most other financing sources have been reduced during the same period. As a result, public subsidies are much more competitive, and fewer projects are moving forward, particularly in the rural parts of the State such as Butte County. While Low Income Housing Tax Credits have been in strong demand by investors, driving equity prices of over \$0.80 per \$1 of tax credit in Butte County, there has been a dramatic drop in tax credit utilization without State and local financial support. These challenges will make it extremely difficult for Chico to produce affordable units in the coming years. Until a dedicated revenue source for affordable housing is secured at the State and/or local level, progress will be severely stunted.

Publicly Subsidized Homeownership Financing

In Chico, the primary subsidy source for low-income, first-time homebuyers has been the City's Redevelopment Agency, which has been eliminated. The secondary source has been the allocation of federal HOME funds. HOME funds were slashed by almost 40% in the 2011-12 fiscal year, and were reduced further by about 8% in 2012-13. Similar to affordable rental development, it will be very challenging to produce affordable for-sale housing in the coming years until a dedicated revenue source is secured at the State and/or local level. While some USDA financing sources are available in

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surrounding rural areas, they are not available in Chico since it is classified as an urban area, and therefore ineligible for USDA programs. The California Housing Finance Agency offers a number of below market-rate first- and second-mortgage programs, which may help some Chico households earning near median income qualify for a home purchase. However, these subsidies are not generous enough to benefit lower income households.

**APPENDIX A:
REVIEW OF PREVIOUS
HOUSING ELEMENT ACTIONS**

APPENDIX B:
HOUSING CONDITIONS INVENTORY

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City of Chico Housing Conditions Inventory

Methodology

The Housing Conditions Inventory is a collaboration between the City of Chico Housing & Neighborhood Services (HNS) and Geographic Information Services (GIS) Departments, and the Chico State University Geography Department. City of Chico and Chico State University staff worked together to develop the survey scope and processes. Chico State University undergraduate students conducted the surveys, and Graduate Geography students tabulated and organized the survey data. City of Chico staff reviewed and verified data, mapped the data in GIS, analyzed the data, and prepared this report.

The study area was divided into 50 sub-areas as shown on the attached Study Area Map. About half of the residential parcels within the study area were designated in GIS to be surveyed. The survey consisted of 20 questions about the visible condition of each GIS-designated property, categorized into two types: questions about infrastructure serving the property; and questions about the structures on the property (see attached Survey Guide). The surveyor answered “yes”, “no” or “incomplete” for each question on the Survey Guide. An “incomplete” means that walls, landscaping or vehicles blocked the surveyor’s view of the condition. The surveyors viewed the properties from the public right-of-way and did not enter onto properties or look inside structures. A total of 1,438 residential properties were surveyed out of 3,037 residential properties in the study area. All survey responses were entered into an Excel spreadsheet, and grouped and totaled into each of the 50 sub-areas.

In the spreadsheet, a surveyed property was categorized as “Vacant” if the surveyor determined that the property appeared vacant (e.g. overgrown landscaping, foreclosure sign). A surveyed property was categorized as having “Limited Infrastructure” if any of the Infrastructure survey questions were marked with a “no”. Types of limited infrastructure included: no streetlights visible; potholes or broken pavement on the street; no paved shoulders; uneven or poor street drainage; no curb, gutter or sidewalk; or lack of sidewalk wheelchair accessibility. A surveyed property was categorized as “High Risk” if either of the first two House/Structure Condition survey questions



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were marked with a “yes”. These High Risk conditions included: visibly unstable chimney; and holes in the roof. In addition, if more than two of any the House/Structure survey questions were marked with a “yes”, the property was categorized as High Risk. Properties with “yes” marked for 1-2 of the House/Structure survey questions were categorized as “Substandard”.

The responses to each of the 20 questions for each surveyed property, as well as their categorization as Vacant, Limited Infrastructure, High Risk and Substandard were totaled for each of the 50 sub-areas. The 50 sub-areas were then identified in each of the following four maps by one of three categories, as described below.

Vacancies Map

- < 5 vacant properties (white)
- 5-10 vacant properties (light gray)
- > 10 vacant properties (dark gray)

Limited Infrastructure Map

- < 25 properties with limited infrastructure (white)
- 25-50 properties with limited infrastructure (light gray)
- > 50 properties with limited infrastructure (dark gray)

High Risk Structures Map

- < 5 high Risk properties (white)
- 5-10 high Risk properties (light gray)
- > 10 high Risk properties (dark gray)

Substandard Structures Map

- < 10 substandard properties (white)
- 10-20 substandard properties (light gray)
- > 20 substandard properties (dark gray)

Sub-area Analysis

An average of 29 properties were surveyed in each sub-area. The number of properties surveyed in each sub-area ranged from 1 to 99, as some were on the outer edge of the study area with few

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residential lots, as shown on the Study Area Map. Below is a description of noteworthy findings from the sub-area analysis.

Surveyed Properties with High Risk Structures

The following sub-areas had more than 10 surveyed properties with structures considered to potentially pose health and safety risks. Adjacent sub-areas also had 5-10 surveyed properties with High Risk structures as shown in the table below.

Sub-Area	No. of Surveyed Properties with High Risk	% of Surveyed Properties w/ High Risk Structures to Total	Adjacent Sub-areas w/ 5-10 Surveyed Properties w/ High Risk
14	19	46%	23, 24
7	15	30%	5,6

Surveyed Properties with Substandard Structures

The following sub-areas had more than 20 surveyed properties with Substandard structures.

Area	No. of Surveyed Properties w/ Substandard Structures	% of Surveyed Properties w/ Substandard Structures to Total Properties Surveyed
38	35	35%
27	26	30%
6	26	41%
7	23	46%

Surveyed Vacant Properties

Area 14 was the only sub-area with more than 10 surveyed Vacant properties. Areas 5, 22 and 28 had 5-10 surveyed Vacant properties.

Surveyed Properties with Limited Infrastructure

About a third of the 50 sub-areas had 25 or more surveyed properties with Limited Infrastructure. Three of the sub-areas (23, 27 and 31) had more than 50 surveyed properties with Limited Infrastructure.



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Neighborhood Analysis

The Neighborhoods Map shows the study area divided into five neighborhoods- North Campus, South Campus, Southwest Chico, Mulberry/East Park, and Chapman. Each of these neighborhoods has unique characteristics and histories that define them. These categories provide a spatial orientation for the survey results. The mapped survey results reveal areas within neighborhoods that have concentrations of poor housing conditions, vacancies and limited infrastructure. These areas are described in greater detail below.

North Chapman

Sub-area 14 shows a high number of surveyed properties in all four categories compared to the other mapped areas: Limited Infrastructure (40); Vacancies (17); Substandard structures (15); and High Risk structures (19). More Vacancies and High Risk structures were surveyed in Subarea 14 than any other area. Sub-area 23, the adjacent sub-area to the south, shows similarly high numbers of surveyed properties with Limited Infrastructure (62) and Substandard structures (15). Areas 14 and 23 in the North Chapman neighborhood are roughly bordered by 9th Street on the north, Cleveland Avenue on the south, Martin Street on the west, and Guill Street on the east.

North Campus (Warner Street and West 1st Avenue)

Sub-areas 6 and 7 show high numbers of surveyed properties with Substandard structures (both with more than 20 properties each). Between the two sub-areas, 24 properties with High Risk structures and 88 properties with Limited Infrastructure were surveyed. Sub-areas 6 and 7 are just north of the Chico State University campus, west of the Esplanade, and south of West 4th Avenue. Warner Street is a major corridor running through Area 6, and West 1st Avenue is a major corridor running through Area 7.

South Campus/ Southwest Ivy Street Corridor to 14th Street

Sub-areas 27 and 38 each had over 20 surveyed properties with Substandard structures. Subarea 38 had the highest number of surveyed properties with Substandard structures (35). Subarea

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27 had the highest number of surveyed properties with Limited Infrastructure (77). These two areas are not directly adjacent to each other, but are near to one another and are roughly bordered by West 5th Street on the north, Hazel and West 14 Streets on the south, Ivy Street on the west, and Salem Street on the east.

Other Areas of Note

- Sub-areas 39, 40 and 48 show moderately high numbers of surveyed properties with Limited Infrastructure and Substandard structures. These sub-areas are in the southeastern residential end of the Southwest Chico Neighborhood.
- All of the Chapman Neighborhood had high numbers of surveyed properties with Limited Infrastructure when compared to the rest of the survey area.

Creation and Implementation of an Improvement Plan

The scarcity of public funding makes it impossible to meet all of the needs identified throughout the study area in this Housing Conditions Inventory. However, the survey and analysis assist in strategically prioritizing responses and coordinating an implementation plan. Of the sub-areas discussed above with high concentrations of limited infrastructure, vacancies and poor housing conditions, Sub-areas 7 and 14 have the greatest needs. These two areas also happen to have a high degree of community-wide visibility. Sub-area 7 is adjacent to the Chico State University campus, bordering West Sacramento Avenue, and near the south end of the Esplanade. Subarea 14 is in North Chapman, bordering the Highway 32 corridor of 8th and 9th Streets, and just west of Highway 99.

The identification of a variety of needs in Sub-areas 7 and 14 presents an opportunity to implement a Neighborhood-specific Improvement Plan. This type of plan would target a coordinated package of resources toward these neighborhoods to dramatically and visibly transform their conditions. It would include infrastructure improvements, housing rehabilitation and new housing construction. The goal would be to not only improve the neighborhood, but also to have a broader positive impact on the surrounding community, including adjacent sub-areas that have similar needs.



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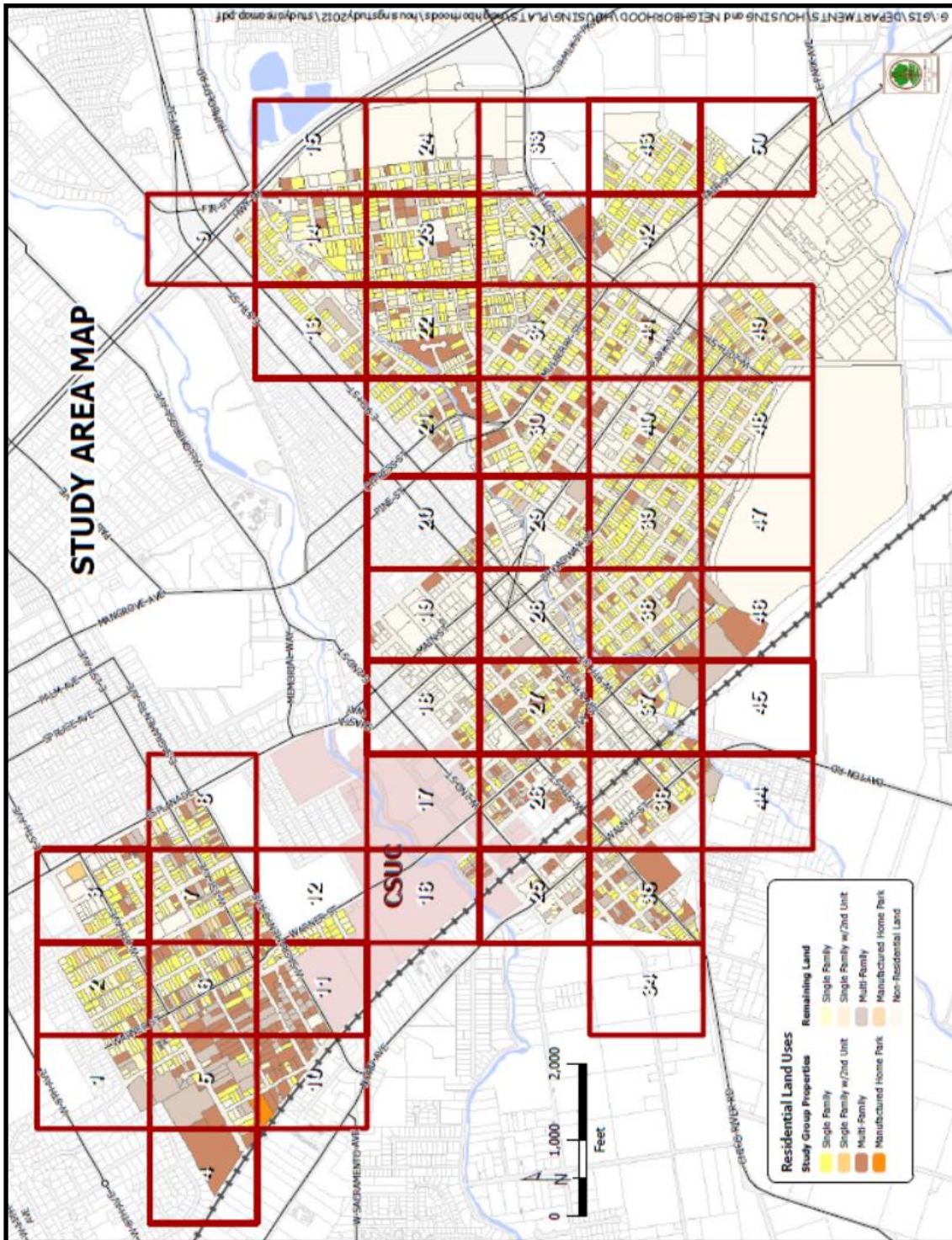
An alternative improvement plan would be to more widely disburse resources throughout the study area, prioritizing the highest need areas described above. This plan would distribute resources more evenly than the Neighborhood-specific Improvement Plan, but would have a lower visible impact overall from a comprehensive improvement perspective.

Below is a list of resources that should be pursued to implement either of the improvement plans described above:

- City and County Community Development Block Grant Funds (CDBG);
- City and County HOME Investment Partnership Funds (HOME);
- City of Chico public improvement funds;
- Potential future AB 1532 and Infrastructure Improvement District funds;
- The University Foundation (Chico State University);
- Community Action Agency of Butte County (CAA) Weatherization Program;
- Community partnerships with Butte County, Community Housing Improvement Program (CHIP), Habitat for Humanity of Butte County, CAA, and the Housing Authority of the County of Butte (HACB);
- Federal and State funding tied to affordable housing preservation, acquisition/rehabilitation, and new construction (tax-exempt bonds, tax credits, State Multifamily Housing Program, Federal Home Loan Bank); and
- Community Development Financial Institutions (CDFIs) and local banks.

The creation of an appropriate improvement plan will require a dialogue among city leaders, City staff, residents, and community partners about goals, opportunities and constraints. Effective implementation will require collaboration among city departments, government entities, neighborhood groups, local nonprofits and businesses. The Housing Conditions Inventory provides a foundation on which to build a responsive plan.

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Housing Conditions Inventory Handlebar Survey Guide

Map Number: _____ Property Address: _____

Y | N Is the house address number visible from street?

Y | N Does the property appear vacant? (e.g. overgrown landscaping, foreclosure sign)

Infrastructure

Y | N Are there streetlights visible from the property (on that block)?

Y | N Is the street free of large potholes or broken pavement?

Y | N Does the street have paved shoulders?

Y | N Is the street surface even and sloped to the sides to allow for good storm water drainage?

Y | N Is the property served by curb and gutter?

Y | N Is the property served by a sidewalk?

Y | N Is the sidewalk in front of the property free of bumps and cracks that would impede wheelchair use?

House/Structure Condition

[Answer “yes” if any of the following conditions are visible on any structure on the property, if there are multiple structures.]

Y | N If there is a chimney, is the chimney visibly unstable?

Y | N Are there holes in the roof?

Y | N Does the roof have multiple shingles missing or other visible damage?

Y | N Is the roof significantly uneven or does it sag to indicate structural problems?

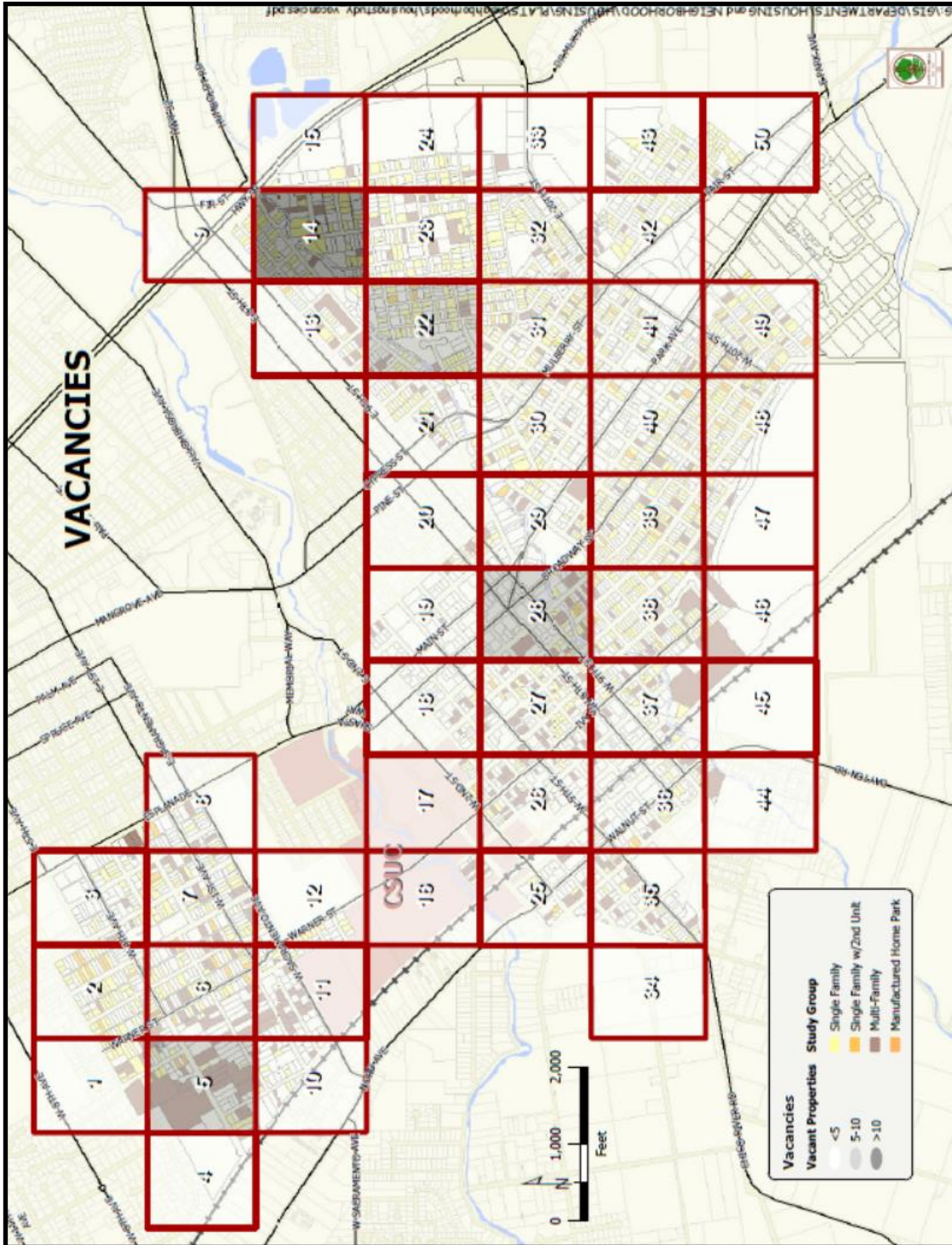
Y | N Are windows missing frames or are the frames broken?

Y | N Are windows cracked or broken, or are panes missing?

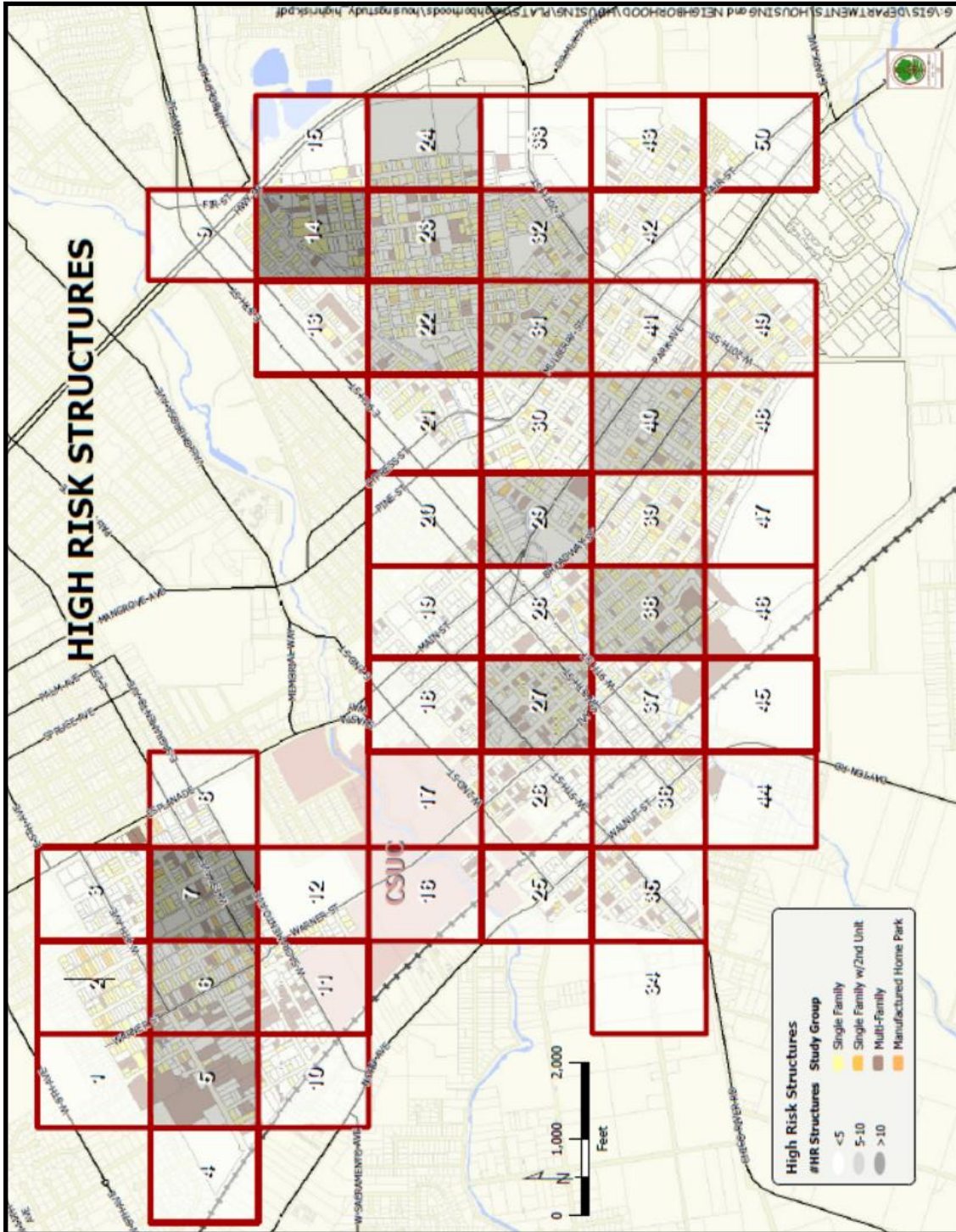
Y | N Is the front door loose or unsecured?

Y | N Are there gaps between the door and doorframe that are visible from the street?

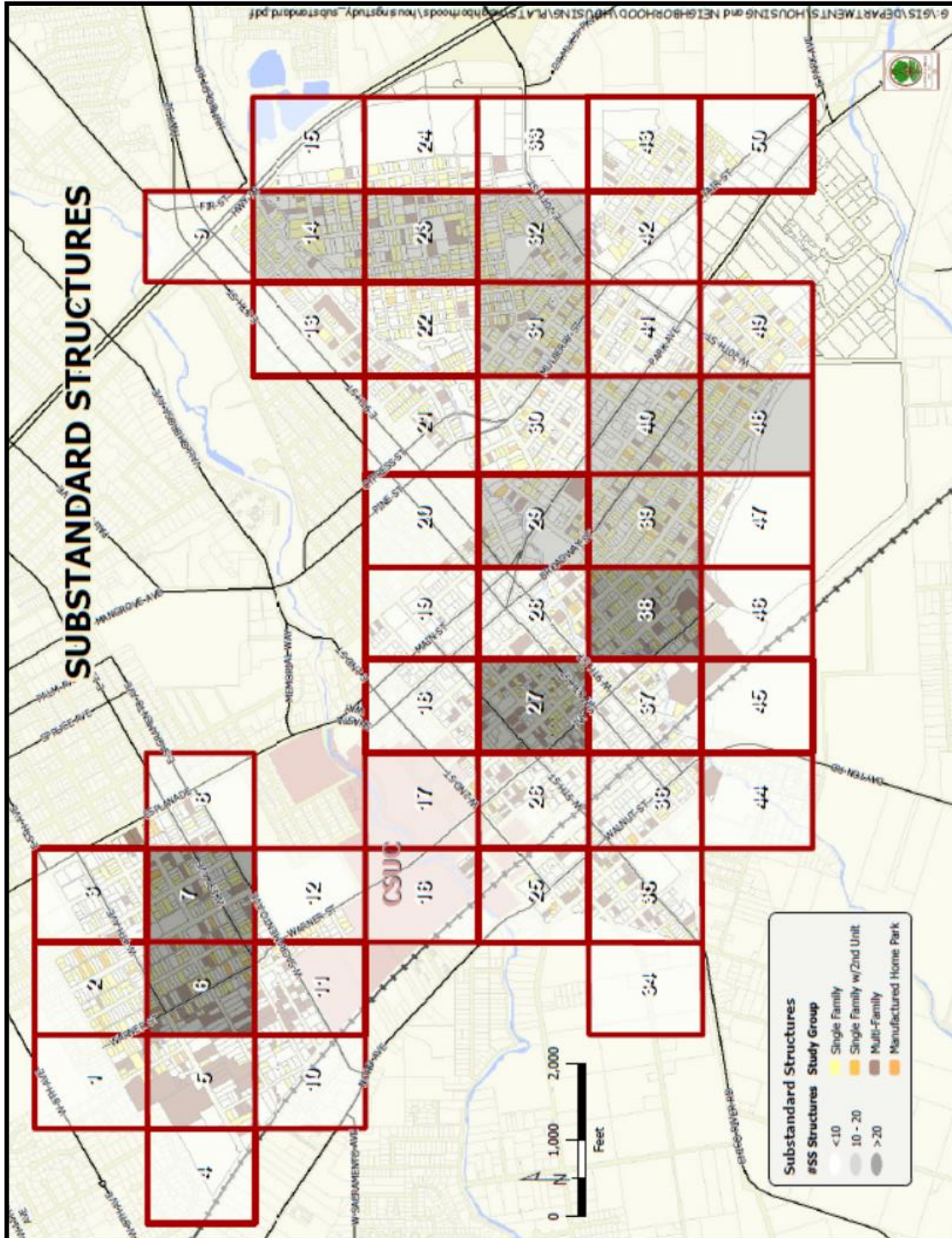
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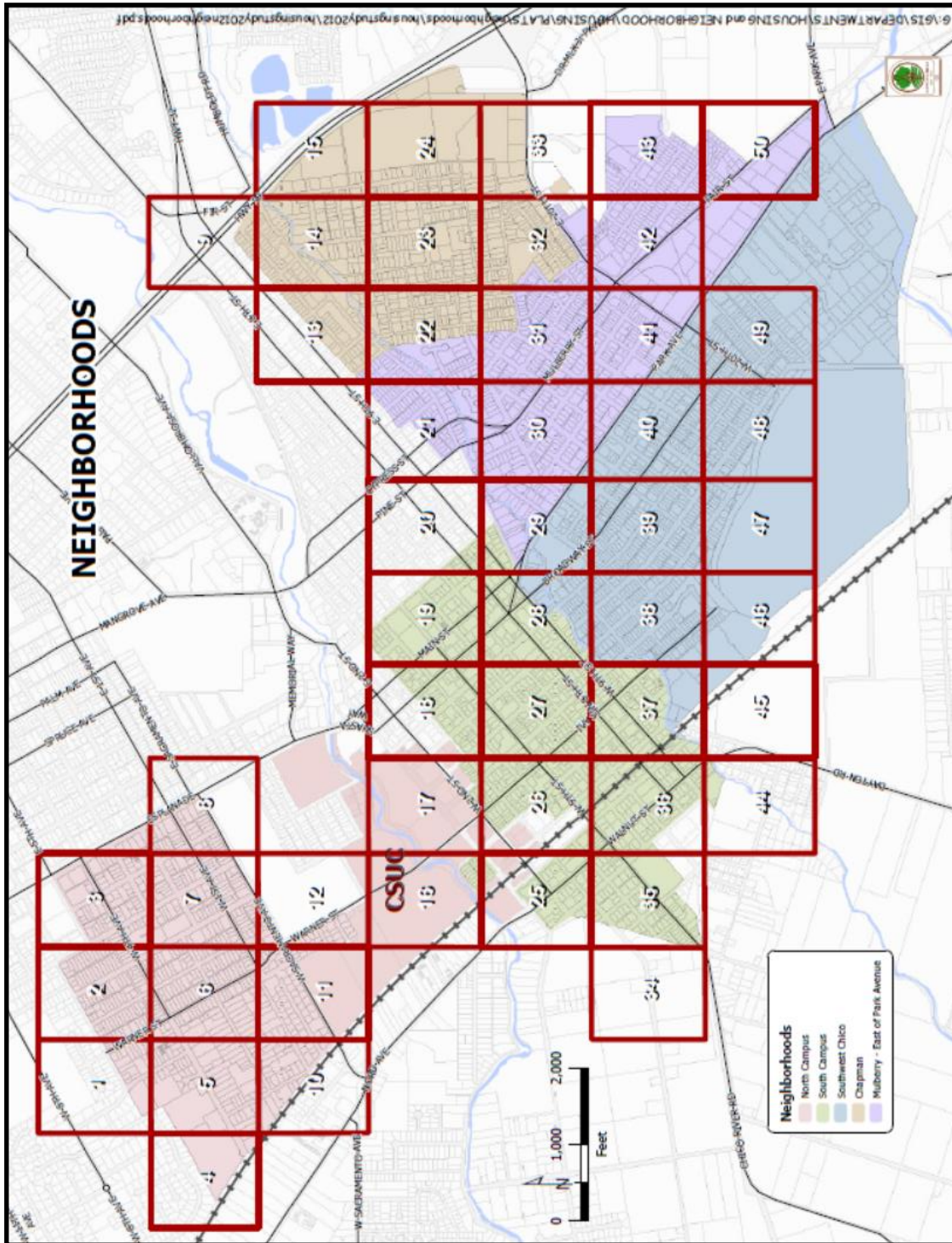
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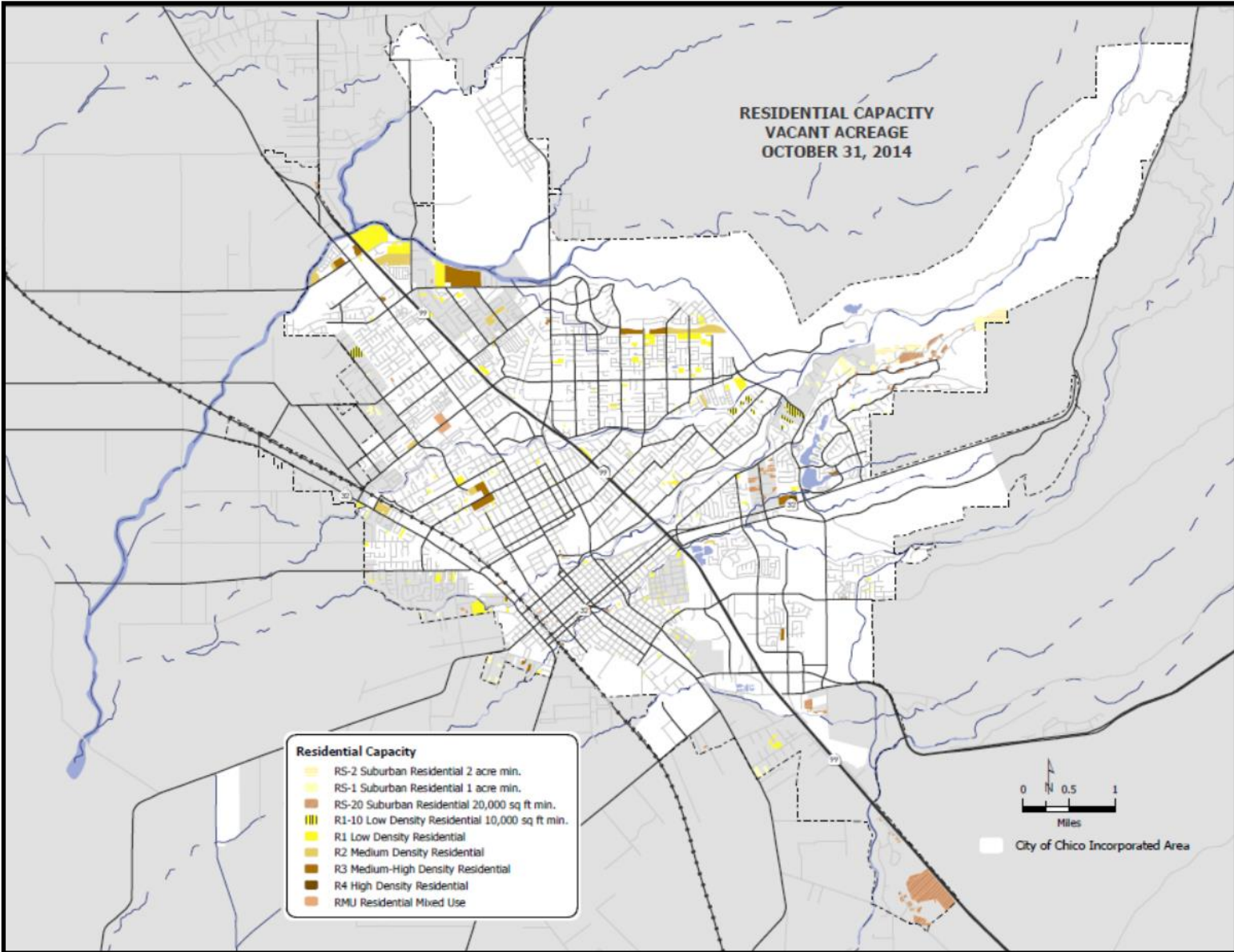


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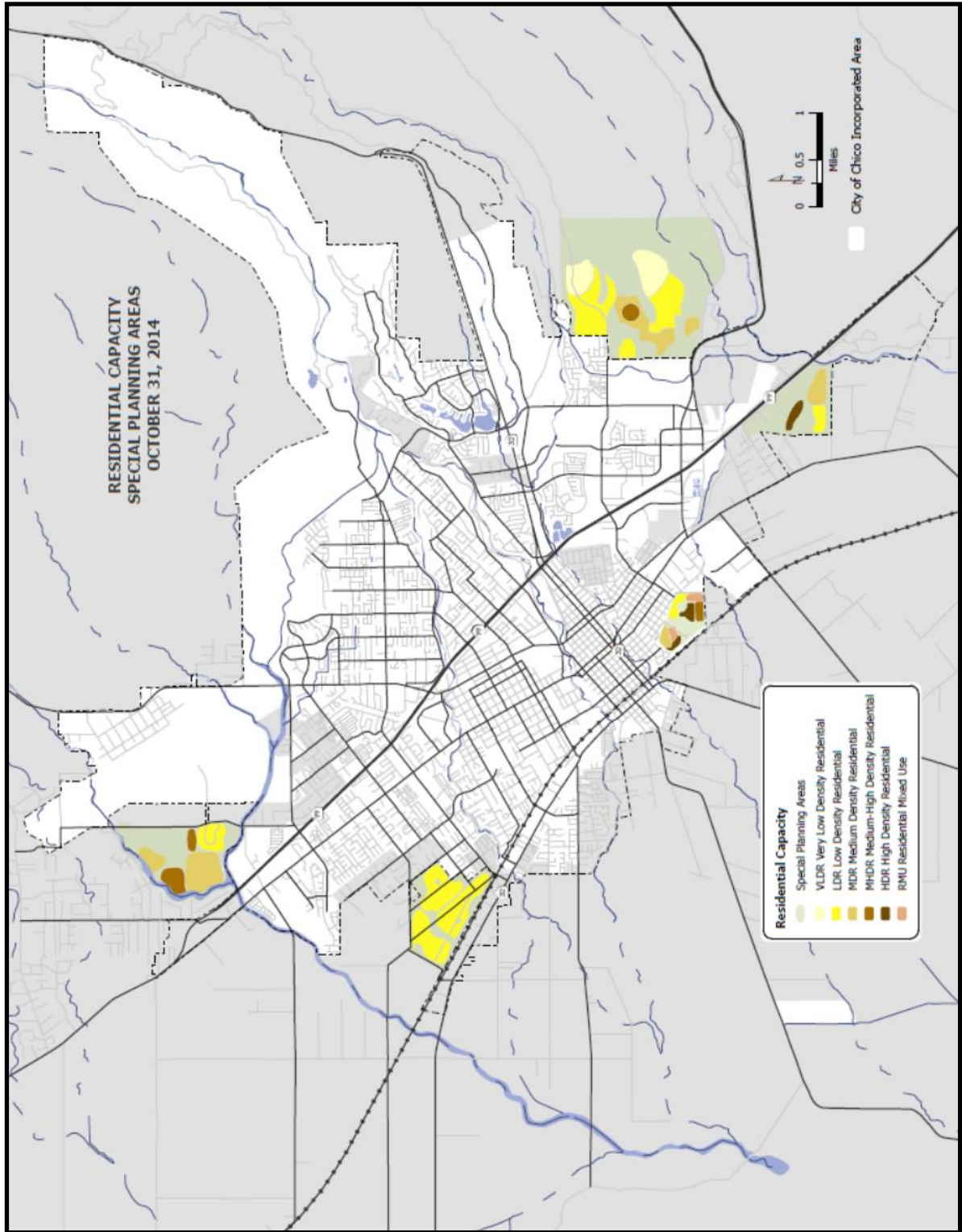


**APPENDIX C:
ADEQUATE SITES INVENTORY**

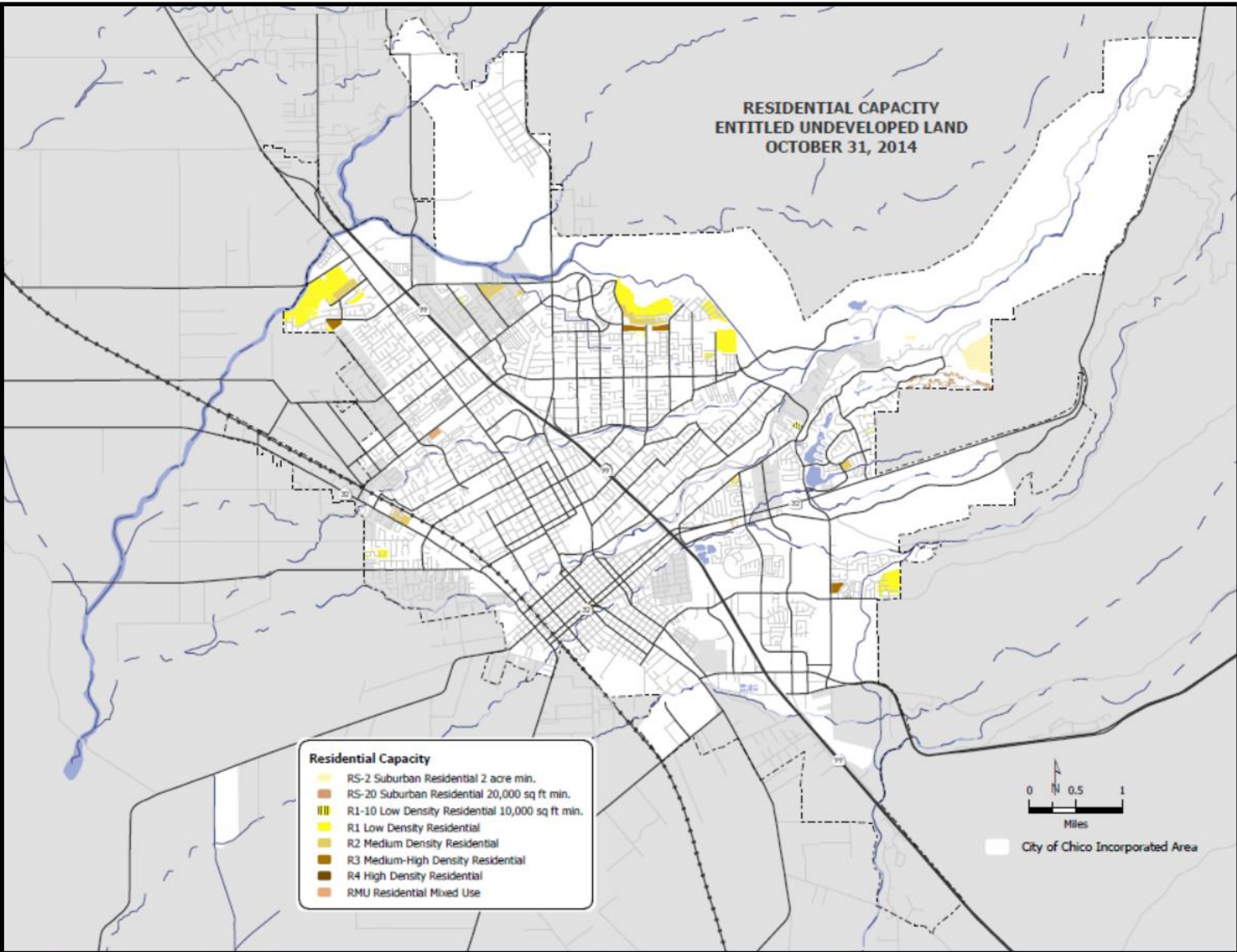
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Entitled Undeveloped Land

Single Family Residential

Name	Location	Owner / Developer	Status*	TMA Date**	Acres	Units	C/O's
DeGarmo Terrace	Esplanade / DeGarmo Dr	Montecito Investment Group	A	06/19/08	6	41	0
Foothill Park East 7	St Lawrence Ave	Drake Homes Inc	A	02/19/04	19	65	0
Humboldt Subdivision	1962 Humboldt Rd	Anderson Land & Investment Co LP	A	11/15/07	3	17	0
Las Palomas	E Lassen Ave, east of Mayfair Dr	Air-Vol Block Profit Sharing Trust	A	05/03/07	2	14	0
Lassen Subdivision	216 W Lassen Ave	Chico & the Man LLC	A	05/03/07	3	14	0
Lassen Village	2960 Burnap Ave	Lassen Village LLC	A	06/17/07	3	25	0
Mission Vista Ranch 2	Humboldt Rd / Morning Rose Way	Ronco Enterprises LLC	A	01/22/04	2	17	0
Montecito Place	DeGarmo Dr	Forecast Land Investments LLC	A	12/07/06	15	105	0
Mountain Vista	Floral Ave / Eaton Rd	Greenline Preservation Partnership	A	06/12/07	90	211	0
Sierra Gardens Townhouses	Sierra SunriseTerr / Idyllwild Cir	Ilahee Sierra Gardens LLC	A	11/04/08	7	72	0
Tannelli Subdivision	2211 Floral Ave	Kidd Revocable Trust	A	10/05/06	3	12	0
Tuscan Village	Eaton Rd / Burnap Ave	Shuster	A	07/17/08	19	155	0
Twin Creeks	Canyon Oaks, Parcel 8	Riley Ventures LLC	A	08/17/06	68	16	0
Wildwood Estates	Eaton Rd / Cactus Ave	Guillon Inc	A	12/21/06	32	175	0
Zamora Subdivision	1367 East Ave	Marshall / Leeds	A	03/16/06	4	14	0
S 12-01 (former Ellenwood)	DeGarmo Dr	Matt Webb Construction	R	09/20/12	3	29	21
Belvedere Heights	E 20th St / Potter Rd	Ridgecrest Property Group LLC	R	10/21/04	61	192	47
Creekside Landing	W Eaton Rd / Rogue River Dr	Discovery Builders Inc	R	06/01/06	97	350	127
Godman Ranch	Redeemers Loop	GR Investment Partners	R	05/16/07	8	44	36
Harmony Park Circle	3166 Cactus Ave	Davenport	R	11/15/07	4	18	0
Hillview Terrace	E 20th St / Potter Rd	Ridgecrest Property Group LLC	R	07/06/06	27	73	65
Innsbrook Subdivision	Innsbrook Way	Bill Webb Construction Inc	R	12/21/06	25	107	66
Lake Vista	Idlywild Ave	Alleghany Properties	R	02/06/00	12	55	43
Lee Estates	Chico Canyon Rd	Lee Family Trust	R	03/02/06	3	7	1
Park Forest Neighborhood	E 8th St	Vanoverbeek / Hawley Trust	R	02/15/07	6	35	10
River Glen	Glenwood Ave	Marshall / Conroy	R	04/19/07	5	25	20
Schill Subdivision	SW corner Esplanade / Nord Hwy	Webb Homes	R	11/16/06	60	152	0
Shastan @ Glenwood	Glenwood Ave / Wisteria Ln	Shastan Homes Inc	R	03/02/06	15	58	29
Siena @ Canyon Oaks	Canyon Oaks, Parcels 4 & 5	Galli Designs Inc	R	12/14/04	40	64	42
Sycamore Glen	Eaton Rd / Mariposa Ave	AP Associates	R	06/12/07	84	178	29
The Orchard	Eaton Rd / Abbott Cir	Epick Inc	R	04/05/07	34	55	33
Westside Place	Nord Ave / Purcell Ln	Westside Stories Investments LLC	R	07/20/04	21	168	29
Woodbrook	2855 Mariposa Ave	Provost / Keeva	R	08/04/05	5	28	18

Multi-Family Residential

Name	Location	Owner / Developer	Permit Issued	Units	C/O's
Harvest Park Apartments	75 Harvest Park Ct	Chico Harvest Park LP	12/06/11	90	0
Montecito Place	2910 Joshua Tree Rd	Country Vista Inc	03/19/13	24	0
Penzance Place	121 Penzance Ave	Eaton Properties Inc	Plan Check	75	0

Total Units:

Approved	953
Recorded	1,638
MFR	189
sub total	2,780
C/O's	-616
net total	2,164
Oak Valley and Meriam Park	3,493
Total Units	5,657

**APPENDIX D:
CITY OF CHICO PERMIT
PROCESSING FLOW CHART**

7. HOUSING ELEMENT APPENDIX D



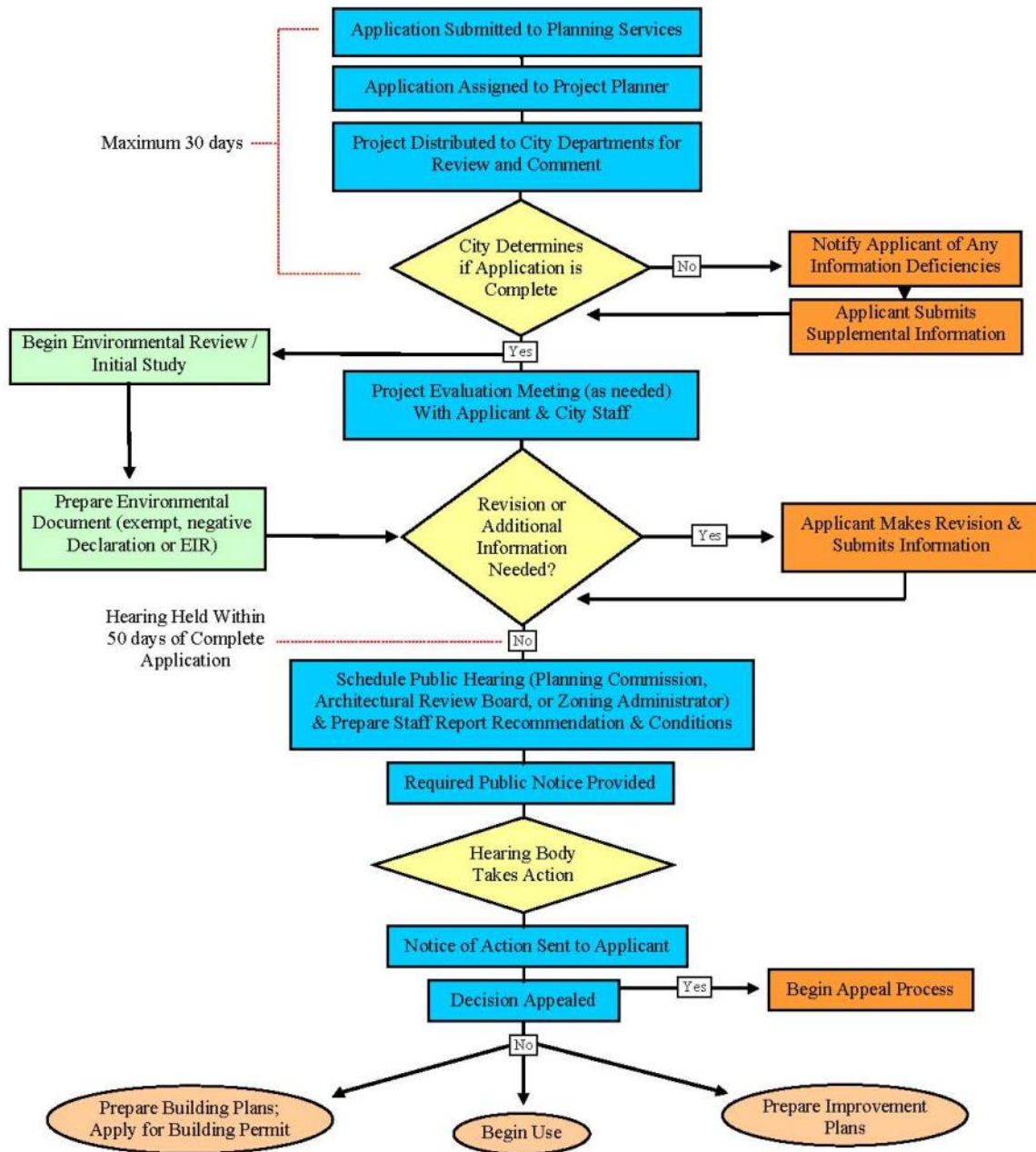
General Application Processing Procedures



Planning Services

CITY OF CHICO
 Planning Services Department
 411 MAIN STREET / P.O. Box 3420
 CHICO CA. 95927
 530.879.6800
 www.ci.chico.ca.us

General Application Processing Procedures for Applications Requiring a Public Hearing



7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
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.	CDBG	Housing & Neighborhood Services	Ongoing	The City funds four fair housing workshops each year: two facilitated by Legal Services of Northern California; and two facilitated by the North Valley Property Owners Association. The City and partner agencies promote these workshops among property owners, managers and service providers.	Action Met Expectations: fair housing workshops were held and were well-attended.	Continue
H.1.2.1	Support regular fair housing audits to ensure that there are no regulatory constraints impeding persons from obtaining housing.	CDBG	Housing & Neighborhood Services	Annually	During the Housing Element period, it has been the City's protocol to review all new policies and programs to ensure that they do not include regulatory constraints that impede persons from obtaining housing. All City housing agreements prohibit discrimination of protected classes.	Action Met Expectations: policies and programs regularly reviewed for fair housing compliance.	Continue
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 2 nd unit standards.	CDBG	Housing & Neighborhood Services Planning Services Building & Development Services	2010-2011	The City adopted the Chico 2030 General Plan in April 2011. The Plan's policy framework is centered around supporting infill and redevelopment throughout the community that is consistent with community character, and includes an action to develop a tiered impact fee program that promotes infill development and redevelopment. The policy framework from the Plan has been codified in the City's development standards through a 2-year comprehensive update to the City's Municipal Code. Key changes include a requirement for increased densities along major corridors, allowance for mixed-use development, higher density ranges, fee deferrals, flexibility in standards, reduced parking requirements, provisions for the allowance by right for 2nd floor residential in several mixed-use districts, and allowances for increased building heights and lot coverages.	Action Met Expectations: an infill incentive program was implemented as a key policy of the 2030 General Plan, and subsequent Municipal Code Updates over the past two years.	Complete

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/ Modify/Delete
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.	None	Planning Services Housing & Neighborhood Services	2010-2011	The Municipal Code Update includes this provision, and was updated in November 2012. See Chico Municipal Code 19.62.	Action Met Expectations: The Housing Density Bonus ordinance was amended to be consistent with State Law.	Complete
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.	Low and Moderate Income Housing Fund	Housing & Neighborhood Services Housing Authority of the County of Butte	2010-2012	The Chico Redevelopment Agency used Low and Moderate Income Housing Funds to complete 314 units from 2009 through 2013.	Action Exceeded Expectations: 273 units were completed through 2013, exceeding the Action goal by 143 units.	Modify to use HOME funds
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.	Low and Moderate Income Housing Fund	Housing & Neighborhood Services	Annually	An annual review with the City Council was completed each year from 2009 through 2013.	Action Met Expectations: A thorough City Council review was completed each year.	Continue
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.	Low and Moderate Income Housing Fund	Housing & Neighborhood Services	2010-2011	Completed, published and distributed. Updated in 2011 and 2013. Website has not been developed due to budget and staff reductions.	Action Fell Short of Expectations: The Guide was published in 2011, and updated and published in 2013. The website was not created.	Continue to update and make available on the internet

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/ Modify/Delete
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.	General Fund	Planning Services Housing & Neighborhood Services	Ongoing	This has been incorporated into the annual Housing Element review with City Council, an annual housing market report, community meetings and Council meetings.	Action Met Expectations.	Continue
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.	Low and Moderate Income Housing Fund	Housing & Neighborhood Services	2011-2014	The Housing Trust Fund, named the North Valley Housing Trust, has been established in partnership with the North Valley Community Foundation, CDFI 3CORE and a network of local nonprofits. The Trust is currently soliciting investments for a COIN application in March 2014, and subsequent application to the State Local Housing Trust Fund Program, if it is available.	Action Met Expectations: The Housing Trust Fund has been established and is raising funds.	Continue to support
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; alternatives to building on-site; types of effective incentives.	Low and Moderate Income Housing Fund	Housing & Neighborhood Services	2011-2012	City Staff has researched Inclusionary Zoning options and issued a Request for Proposals to analyze economic feasibility of these options. City Staff selected a firm to complete this analysis and present findings to City Council. Presentation to Council was delayed for most of 2013 as City Staff awaited findings from Inclusionary litigation in other communities.	Action Fell Short of Expectations: an Inclusionary Zoning policy has not yet been considered by City Council.	Continue
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.	Low and Moderate Income Housing Fund	Housing & Neighborhood Services	2012-2013	The City has not pursued this program since RDA dissolution eliminated the proposed funding source. This program will be considered again as part of the upcoming Housing Element Update and either included or eliminated.	Action Fell Short of Expectations: An Employer Assisted Housing Program has not been implemented.	Continue

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
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.	General Fund Low and Moderate Income Housing Fund	Housing & Neighborhood Services	Ongoing	No new development plans within Special Planning Areas have been proposed to date. However, as directed by the Housing Element, and now also by the City's General Plan Land Use Element and Municipal Code, master planning in the City's five Special Planning Areas will require the inclusion of affordable housing units as they go through the entitlement process.	No Action Yet Required: No Special Planning Area developments have yet applied for entitlements.	Continue
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.	General Fund Private Development	Planning Services	2010-2012	The City's proposed Sphere of Influence (SOI) was expanded with adoption of the Chico 2030 General Plan. An "official" SOI update has not been initiated as the City's existing SOI and City limits have significant land available to meet the City's near-term and mid-term housing needs.	No Action Yet Required: No Sphere of Influence expansion has been necessary.	Complete. The City approved a larger proposed SOI as part of adoption of the Chico 2030 General Plan. A SOI amendment will be pursued with Butte LAFCo at a time when the City believes it is prudent to pursue development in that expanded area.
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.	General Fund	Planning Services	2010-2011	In 2010, City staff inventoried housing opportunities in the Transit Corridor Overlay, which will be updated annually. In the updated General Plan, development along the Corridor Opportunity Sites has been incentivized with policy language, and there is also directive language requiring meeting densities in the "mid-point" of the density range to promote higher densities. Following the lead of the updated General Plan, the Municipal Code update expands the City's "transit corridor" overlay to include three additional underdeveloped corridors. Many of the parcels along these corridors have been given mixed use designations or the designation allows some form of mixed use, and again there is a requirement to meet a midpoint in the required density range. See Municipal Code 19.52.080 (Corridor Opportunity Site overlay zone).	Action Met Expectations: the Corridor Opportunity Site overlay has been implemented together with updated General Plan designations and zoning.	Modify to continue inventory of housing opportunities

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
H.3.2.1	<p>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.</p>	General Fund	Planning Services	2010-2014	An inventory was completed in 2010 and will be continually updated.	Action Met Expectations: Inventory has been completed and updated.	Continue
H.3.2.2	<p>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 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.</p>	General Fund	Planning Services	Ongoing	Completed as incorporated into the 2030 General Plan and the Municipal Code Update. See Municipal Code 19.52.080 (Corridor Opportunity Site zoning overlay), 19.62 (Density Bonus), 19.28 (Planned Development), 19.32 (Development Agreements), 19.70-7 (Parking Reductions for Multi-family and Senior Housing).	Action Met Expectations: Implemented through the 2030 General Plan and Municipal Code Update.	Complete

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
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.	General Fund	Planning Services	Ongoing	New General Plan policy for the Special Planning Areas (where master plans and Specific Plans are required for development) requires a mix a housing units, as well as the provision of affordable housing. See Municipal Code 19.36. In addition, the General Plan directs that the City's adopted neighborhood plans and specific plans be utilized to further guide development in those areas.	Action Met Expectations: New General Plan and Municipal Code Update facilitate the Action.	Complete
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.	General Fund	Planning Services	Ongoing	The first project within a Traditional Neighborhood Development Code subdivision was an RDA-assisted 90-unit affordable rental project that completed construction in 2011. A courthouse is now under development as well, and commercial proposals are being considered. These trends indicate that the Meriam Park Traditional Neighborhood Development will move forward with other residential construction in the coming years. See Municipal Code Division VI, 19.80-19.96.	Action Met Expectations: TND code has been implemented and applied to a residential development.	Complete
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.	General Fund	Planning Services	2010-2011	The Municipal Code allows and promotes design flexibility through the Planned Development process (19.28). In addition, greater flexibility has been integrated into the Code through the Municipal Code Update as discussed previously. Further, the City's Design Guidelines, adopted in 2009, provide a range of design options for a variety of residential and non-residential projects.	Action Met Expectations: Planned Development process, Code Update and Design Guidelines have been implemented.	Complete
H.3.3.4	Implement mechanisms that promote mixed residential-commercial development in commercial corridors served by transit.	General Fund	Planning Services Housing & Neighborhood Services	2010-2011	All of the parcels along the City's commercial corridors have been given mixed use designations or the designation allows some form of mixed use. The Municipal Code Update includes supporting mixed use zoning districts. In addition, there are City incentives that support mixed use projects (see status of H.2.1.1). Three RDA-funded, affordable projects have been recently completed or are under construction on transit corridors, totaling 178 units. See Municipal Code 19.42 (Residential Mixed Use designation) and 19.52.080 (Corridor Opportunity Site overlay zone).	Action Met Expectations: Code Update has been implemented and applied to three affordable housing projects on transit corridors.	Complete

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
H.3.4.1	Amend the City's Design Review Manual to provide a more predictable and transparent entitlement process.	General Fund	Planning Services	2009-2010	The City's Design Guidelines Manual was adopted in 2009.	Action Met Expectations: the Design Guidelines Manual was updated.	Complete
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.	General Fund	Planning Services	2010-2011	New higher density land use designations and Opportunity Site and Fraternity and Sorority overlay zones have been applied to the South Campus area that increases residential densities, increases non-residential intensities, and promotes mixed use. This has been incorporated into the 2030 General Plan and Municipal Code Update. See Municipal Code 19.52.080 (Corridor Opportunity Site overlay zone) and 19.52.090 (Fraternity and Sorority overlay zone).	Action Met Expectations: land use designations, zoning districts and overlay zones have been implemented.	Complete
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).	General Fund	Planning Services	2010-2014	One- and two- bedroom apartments are allowed in SPAs, mixed-use land use designations, and the Municipal Code density bonus provision. Recent 90-unit and 50-unit affordable family developments include a portion of smaller units, most targeted for special needs Extremely Low Income households. The City will continue to look for opportunities to fund projects for special needs populations with small households, such as senior housing, SROs, supportive housing and transitional housing.	Action Met Expectations: small units for special needs populations have been incorporated into City-funded projects, and allowed in SPAs and mixed-use land use designations.	Continue
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.	General Fund CDBG	Capital Projects General Services	Ongoing	Capital Facilities and General Services Plans have been coordinated with land use plans and development growth throughout the Housing Element period.	Action Met Expectations: infrastructure has been appropriately built and planned to meet residential growth needs.	Continue

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
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 for the request for reasonable accommodation: it will be used by an individual with a disability protected under fair housing laws; it is necessary to make housing available to an individual with a disability protected under fair housing laws; it would not impose an undue financial or administrative burden on the City; and it would not require fundamental alteration in the nature of the City's land use and zoning program.	General Fund	Planning Services	2009-2010	The Municipal Code update included the addition of a new section entitled "Accommodations for persons with disabilities" that allows the Public Works Director to approve modifications to development standards in order to accommodate improvements that provide access for persons with disabilities (see CMC 19.60.130).	Action Fell Short of Expectations: the City has incorporated policy and procedures into it's Municipal Code to allow modifications to development standards in order to provide reasonable accommodations. However, State HCD has required that the policy more explicitly allow "modifications or exceptions to the regulations, standards and practices for the siting, development and use of housing or housing related facilities that would eliminate regulatory barriers and provide an Individual with a Disability equal opportunity to housing of his or her choice."	Will amend the Municipal Code to meet State HCD requirements.
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.	General Fund	Housing & Neighborhood Services	2010-2012	The City has worked with the Local Child Care Planning Council of Butte County and Butte County Office of Education to identify opportunities to incorporate childcare into affordable housing. The City continues to provide CDBG funding for a child care and development center at the Esplanade House, a housing facility with supportive services for homeless families. Due to funding and economic constraints, no new childcare centers have been built into housing during the housing element period.	Action Met Expectations: mechanisms were identified and existing child care incorporated into housing was supported.	Continue
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.	General Fund	Housing & Neighborhood Services	2009-2010	The inventory and brochure were completed in 2010 in coordination with Independent Living Services of Northern California. The brochure was distributed to the City Building Department, architects and builders.	Action Met Expectations: the brochure was published and distributed, and the inventory is maintained.	Continue to maintain inventory and coordinate with ILSNC.

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
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 to organizations and individuals interested in development of elderly housing. Promote programs that allow seniors to age in place.	City-funded Staff HUD Section 202 LMIHF other state, RDA and federal programs	Housing & Neighborhood Services Planning Services Redevelopment Agency	Ongoing	The City's Housing Rehabilitation Program and Accessibility Program have assisted 67 seniors maintain their housing during the Housing Element period. The City continually works with senior housing and services providers to make housing available to seniors, including provision of operating grants with CDBG funds.	Action Met Expectations: through Housing Rehabilitation Program, Accessibility Program and CDBG operating grants.	Continue
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.	HOME, CDBG	Housing & Neighborhood Services	Ongoing	In 2009 and 2010, expanded program capacity and improved program performance. The City assisted 211 households with TBRA during the Housing Element period.	Action Met Expectations: the TBRA program was improved and expanded.	Continue
H.4.6.1	Amend zoning code to allow emergency shelters as a permitted use in the ML district without discretionary review (SB 2 Compliance).	General Fund	Planning Services	2009-2010	City Planning staff has determined that the City's zoning code is in compliance with SB 2 and actually does not require amendment, as previously thought. Emergency shelters are a permitted use in the Public/Quasi-Public (PQ) zoning district, and adequate undeveloped land close to services lies within this zoning district.	Action Met Expectations: City is in compliance with SB 2.	Complete
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.	General Fund	Planning Services	2009-2010	The Municipal Code update included definitions in the "Definitions" section directly from the SB 2 legislation for transitional and supportive housing (see CMC, Title 19, Chapter 19.04, Definitions).	Action Fell Short of Expectations: incorporated transitional and supportive housing as residential uses in the Municipal Code. However, State HCD has required that these housing types are explicitly listed as permitted uses for all residential zoning districts, subject to only the same restrictions placed on other permitted residential uses. Transitional Housing and Supportive Housing will be included as categories in the Allowed Land Uses tables in CMC Chapters 19.42 and 19.44.	Will amend the Municipal Code to meet State HCD requirements.
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.	City-funded staff LIHTC LMIHF other state and federal programs as available	Planning Services Housing & Neighborhood Services	Ongoing	City staff has pursued opportunities in coordination with potential developers. No SROs have been built during the Housing Element period. With the elimination of the Redevelopment Agency, new funding sources will need to be identified for production of new housing.	Action Fell Short of Expectations: No SROs have been built during the Housing Element period.	Continue

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/ Modify/Delete
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.	General Fund	Planning Services Housing & Neighborhood Services	Annually	City Housing staff met annually with Chico Campus Housing Department to discuss student housing plans and explore partnership possibilities.	Action Met Expectations: City has coordinated plans with Chico State.	Continue
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; and 2) identify, prioritize and schedule improvement of infrastructure in targeted neighborhoods that will encourage desired residential infill development and/or redevelopment.	Apply for state infill grants as NOFAs are released.	Planning Services Housing & Neighborhood Services	Ongoing	City staff has secured funding to assess and redevelop a key brownfield site within the Southwest Chico Neighborhood Plan area. In addition, RDA monies have been utilized for priority projects identified in the City's three neighborhood plan areas.	Action Met Expectations: City has cleaned up a brownfield site and funded homeownership projects in older, central city neighborhoods.	Continue
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 non-profit organizations. Allow owners to redevelop their properties at higher densities as an incentive to maintain affordability covenants.	LMIHF/ HOME/ CDBG	Housing & Neighborhood Services	Annually	The list of at-risk developments was updated regularly during the Housing Element period. One of these projects, Trans Pacific Gardens, was acquired, the HUD contract was extended, and affordability was preserved. Acquisition of these 149 units included substantial rehabilitation, including solar hot water, new windows and new Energy Star appliances for greater energy efficiency.	Action Exceeded Expectations: The list of at-risk developments was updated, and one at-risk development extended its affordability contract and received significant rehabilitation.	Continue
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.	General Fund	Planning Services	Ongoing	The Municipal Code implements Infill Residential Flag Lot Standards (19.76.180).	Action Met Expectations: the Infill Residential Flag Lot Standards were implemented.	Complete
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.	LMIHF/ HOME/ CDBG	Housing & Neighborhood Services	2011-2012	This program was not implemented due to City funding and staffing reductions.	Action Fell Short of Expectations: program was not implemented.	Eliminate
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.	HOME/ CDBG	Housing & Neighborhood Services	Ongoing	The City's Housing Rehabilitation Program has assisted 41 households during the housing element period. An additional 22 households within the Nitrate Compliance areas of the city were connected to city sewer through the CDBG grant program.	Action Met Expectations: the Housing Rehabilitation Program and the Sewer Nitrate Compliance program improved the City's housing stock.	Continue

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
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.	CDBG/ LMIHF	Building & Development Services; Planning Services; Housing & Neighborhood Services	2011-2014	The City completed a Housing Conditions Inventory in 2012 that identified areas within the City's oldest neighborhoods that have the greatest needs for housing rehabilitation and infrastructure improvement.	Action Met Expectations: a Housing Conditions Inventory was completed.	Modify to use the Housing Conditions Inventory in planning and budgeting.
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.	LMIHF	Housing & Neighborhood Services	2010-2012	Lots have been assembled for development. Construction of associated infrastructure improvements are underway. The City is in the process of refining the development concept and finding a suitable developer.	Action Met Expectations: the demonstration project is underway.	Continue
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.	LMIHF/ HOME	Housing & Neighborhood Services	Ongoing	City staff continued to assist low and moderate income first-time homebuyers in 2010 with the Mortgage Subsidy Program. However, the program was ceased in 2011 due to RDA dissolution.	Action Fell Short of Expectations: the Mortgage Subsidy Program ceased operations in 2011.	Modify to focus on low-income buyers through the HOME program.
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.	State HCD CalHFA/ LMIHF	Housing & Neighborhood Services; Nonprofits	2011-2012	Since 2009, City partnered with CHIP to complete 19 self-help homes, and with Habitat for Humanity to complete 11 self-help homes.	Action Met Expectations: self-help subdivisions were funded and completed.	Continue
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.	CDBG/ HOME	Local nonprofits, property management organizations, Chico RDA and the Community Housing and Credit Counseling Center (CHCCC)	Ongoing	Throughout the Housing Element period, the City funded the Community Housing and Credit Counseling Center to provide homebuyer education counseling and workshops. The City assisted 1,200 households through this program during the Housing Element period.	Action Met Expectations: the Community Housing and Credit Counseling Center assisted Chico households.	Continue

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
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.	LMIHF	Housing & Neighborhood Services; Nonprofits	Ongoing	The City received a Catalyst Grant from HCD for the Meriam Park subdivision. These funds are being used to acquire land within Meriam Park for an initial land trust asset of four single-family lots. The City will own the land and lease it to median-income home buyers, with affordability preserved in perpetuity through shared appreciation.	Action Met Expectations: a land trust program has been initiated.	Continue
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.	General Fund	Planning Services	2009-2014	Information was collected from PG&E and is distributed to builders on an ongoing basis at the Planning and Building Department counters.	Action Met Expectations: information collected and disseminated.	Continue
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.	General Fund	Planning Services	2009-2014	The 2030 General Plan directs revisions to the Municipal Code to allow deviations from normal development standards such as height limits, setbacks, or screening when doing so is necessary to allow the efficient use of renewable energy devices. This was completed as part of the Municipal Code Update (CMC, Title 19, Chapter 19.60.070.E.6). In addition, the City's Design Guidelines Manual promotes passive solar design principles (e.g., building materials, high-albedo roofs, eaves, window placement, landscaping, and building orientation).	Action Met Expectations: regulations revised to promote energy conservation and renewable energy systems.	Complete
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.	General Fund	Planning Services; Housing & Neighborhood Services	2009-2014	Began coordination of owner-occupied rehabilitation program with a Community Action Agency weatherization program that received federal stimulus funds. In addition, three existing affordable rental developments have upgraded to solar power. During the Housing Element period, three new self-help subdivisions totaling 25 homes incorporated solar photovoltaics in partnership with Grid Alternatives, at no cost to the home owners. The 2030 General Plan commits the City to explore implementation of a City-sponsored clean energy program to provide low-interest loans to property owners for the installation of energy efficiency improvements or renewable energy devices.	Action Met Expectations: weatherization and energy-efficiency projects were expanded.	Continue

7. HOUSING ELEMENT



2009-2014 Housing Element Program Goal		Funding Source	Responsible Agency/ Dept.	Time Frame	Accomplishments	Effectiveness	Continue/Modify/Delete
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.	CDBG/ HOME/ LMIHF	Housing & Neighborhood Services	2009-2014	The newly adopted General Plan directs the incorporation of green building materials and techniques in projects financed by the City. Green building systems and materials have been incorporated into all City- and RDA-financed housing projects, including: solar photovoltaics, efficient tankless hot water systems, ample bike parking, drought-tolerant landscaping, and low-VOC paints and carpets.	Action Met Expectations: green building was incorporated into City-funded projects.	Continue
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.	Federal Dept. of Energy PG&E	Housing & Neighborhood Services	2009-2010	An MOU with Community Action Agency was executed in 2011.	Action Met Expectations: weatherization coordination was improved and expanded.	Continue