



TO: PLANNING COMMISSION

FROM: Marie Demers, Housing Manager (879-6303, marie.demers@chicoca.gov)
Brendan Vieg, Community Development Director (879-6806, brendan.vieg@chicoca.gov)
Housing Tools, Housing Element Consultant

RE: Housing Element Update (2022 – 2030)

SUMMARY

At its June 2, 2022 meeting, the Planning Commission voted to continue the public hearing regarding the Draft 2022 Housing Element to its June 16, 2022 meeting to increase public participation and provide an opportunity for additional community and Commission comment and recommendations for inclusion into the document. To facilitate the Commission's discussion, attached are:

- The June 2, 2022, Commission staff report for background and context (**Attachment A**); and
- A summary of the Draft 2022 Housing Element policy framework (Goals, Policies, and Actions), as well as specific Actions that address issues raised at the Planning Commission's June 2, 2022 meeting (**Attachment B**).

Recommendation:

The Community Development Director recommends that the Planning Commission:

- 1) Continue the public hearing regarding the Draft 2022 Housing Element; and
- 2) Adopt a resolution recommending that the City Council determine that adoption of the Draft Housing Element is exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act Guidelines, hold a public hearing to consider and adopt the Draft 2022 Housing Element, and authorize submittal of the Housing Element to the California Department of Housing and Community Development (**Attachment to the June 2, 2022 Staff Report**) with the following additional recommendations:
 - a. Direct City staff and the Consultant to carefully review consistency of the Adequate Sites Inventory found in the Housing Element text with Appendix B, which is a Sites Inventory Form required by the California Department of Housing and Community Development.
 - b. Remove three sites from the Adequate Sites Inventory that have been found to have certain constraints and add two new sites that are more appropriate based on State qualification criteria.
 - c. Add a new Action to the Housing Element directing the amendment of Table LU-2 of the General Plan and Section 19.52.080(D)(1) of the Municipal Code to clarify that all residential and commercial zoning districts with the -COS zoning overlay benefit from higher allowable residential densities, not just sites with mixed use designations.

As part of the continuation of the June 2, 2022 meeting, Planning Commission Chair Scott requested that individual Commission members provide staff with any proposed Goals, Policies, and Actions for the full Commission's consideration at the June 16th meeting. **Attachment C** includes recommendations received prior to distribution of the agenda report.

Following public input and Commission discussion, the Commission may also provide additional recommendations for Council's consideration.

PUBLIC CONTACT

All comment letters regarding the Draft Housing Element received to date are provided as **Attachment D**.

DISTRIBUTION

PC Distribution / CDD Director Vieg / Housing Manager Demers

External

Chicohousingelement.com; email stakeholder list

ATTACHMENT

- A. 06/02/22 Staff Report
- B. Draft Housing Element Goals, Policies and Actions Matrix
- C. Proposed Individual Planning Commission Policy Recommendations
- D. Comment Letters Received



File: GPA 22-02

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RE: Housing Element Update (2022 – 2030)

SUMMARY

State law requires each jurisdiction to update its Housing Element (one of the nine required elements of a General Plan) every eight years with specific deadlines established by the California Department of Housing and Community Development (HCD). The City of Chico is required to submit its updated Housing Element to the State for certification in June 2022. The Housing Element provides an analysis of a community's housing needs for all income levels, along with strategies and actions for responding to those needs. Unlike other elements in the General Plan, the Housing Element is required to be updated every eight years, which allows it to be more responsive to a rapidly changing housing market. The Housing Element is considered the primary policy document to guide the development, rehabilitation, and preservation of housing for all economic segments of the City's population. California law also specifies that in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for and do not unduly constrain housing development. It also establishes that each city and county accommodate its fair share of affordable and market rate housing. The Draft Housing Element is available for review at: www.chicohousingelement.com

Recommendation:

The Community Development Director recommends that the Planning Commission:

- 1) Hold a public hearing regarding the Draft 2022 Housing Element; and
- 2) Adopt a resolution recommending that the City Council determine that adoption of the Draft Housing Element is exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act Guidelines, hold a public hearing to consider and adopt the Draft 2022 Housing Element, and authorize submittal of the Housing Element to the California Department of Housing and Community Development (**Attachment A**).

BACKGROUND

New State Legislation

There are several new housing laws and HCD review requirements that have been instituted since the last Housing Element update was completed in 2014. These additional factors include:

- 1) New laws limiting a jurisdictions' ability to restrict the development of Accessory Dwelling Units (ADUs), including mandating streamlined, ministerial approval of ADUs

with defined conditions and for the purpose of the Housing Element, and clarifying that a local agency may identify an ADU or Junior ADU (JADU) as an adequate site to satisfy the Regional Housing Needs Allocation (RHNA). AB 671 specifically requires that a Housing Element include a plan to incentivize and promote the creation of ADUs that can offer affordable rents for very low, low and moderate income households.

- 2) Any new Housing Element, adopted after January 1, 2021, must contain an Assessment of Fair Housing that includes actions that promote and affirmatively further fair housing opportunities through the community as required through AB 686.
- 3) Another law outlines the need for “No Net Loss” (SB 166), that requires jurisdictions to have a program to assess their ability to maintain adequate sites to accommodate their unmet Regional Housing Needs Allocation by income category at all times throughout the planning period, and to take any necessary actions to maintain an adequate site inventory.
- 4) In addition, several new laws require jurisdictions to establish a strategy to plan for and facilitate the development of housing over the planning period by providing an inventory of land adequately zoned or planned to be zoned for housing and programs to implement the strategy. These laws modified the content of the site inventory, including new analyses for capacity calculations, infrastructure requirements, suitability of non-vacant sites, size of site and density requirements, location requirements, sites identified in the previous Housing Element and rezone program requirements, among others.
- 5) A number of laws pertaining to Emergency Shelters, Low Barrier Navigation Centers, Transitional Housing and Supportive Housing. These laws are intended to reduce or remove governmental constraints to the development of these types of special needs housing.

Regional Housing Needs Allocation

State law requires regions to plan for housing needs based on future growth projections through the Regional Housing Needs Allocation (RHNA) process. HCD allocates a numeric RHNA goal to regional planning organizations. Butte County’s regional planning organization, the Butte County Association of Governments or BCAG, then coordinated with and provided each Butte County jurisdiction with its “fair share” RHNA goal. The RHNA goals identify housing units needed to accommodate growth during the planning period for each of four different income levels: Very Low (includes Extremely Low), Low, Moderate and Above Moderate. State law requires communities to employ planning and funding mechanisms that enable them to achieve the RHNA goals, including the Adequate Sites Inventory (page 241 of the Housing Element) to ensure that there is an adequate supply of appropriately zoned land within its jurisdiction to accommodate its RHNA.

HCD Courtesy Review and Formal Certification

The project team coordinated an informal pre-review of several key components of the Draft Housing Element with HCD staff and incorporated changes to address comments received. Following City submittal of the adopted Draft Housing Element to the State, HCD has up to 90 days to review and issue a formal certification.

DISCUSSION

A Housing Element is a long-range policy and planning document. It analyzes housing needs, assesses constraints to the production of housing, and inventories the resources available to support housing production. It then establishes a Housing Program which consists of a series of Goals, Policies and Actions to focus the City's policy and planning efforts over the next eight years. The Housing Element does not implement the City's Zoning Ordinance, Development Standards or Building Code for specific properties, development proposals, or housing projects. Those activities are managed through the City's Community Development Department which has established review and approval processes that are outlined in the City's Municipal Code.

The Housing Element lays out strategies to address the needs of community residents that are not typically met by the private market, including low-income households, seniors, homeless individuals, and people with disabilities. The City does not directly build or own housing, but facilitates production by guiding zoning policies, coordinating with community partners, and in the case of affordable housing, by partnering with developers, lenders, and nonprofits on funding opportunities.

Housing Element Content

This Housing Element update covers the eight-year period from June 2022 to June 2030. It complies with State legislation adopted since 2014 pertaining to required components of a Housing Element and the requisite analysis. Key Housing Element components address the following issues:

- Analysis of all economic segments of the community in the planning process;
- Review of the progress and effectiveness of the previous Housing Element;
- Assessment of housing needs, including those of special needs populations, such as seniors, individuals experiencing homelessness, female-headed households, large households, and persons with disabilities (Affirmatively Furthering Fair Housing);
- Assessment of fair housing issues and trends, contributing factors to these issues and trends, as well as the local jurisdiction's fair housing enforcement and capacity;
- Identification of units at risk of conversion from restricted rents to market rents;
- Inventory of 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;
- Description of available financial and energy efficiency resources;
- Identification of governmental and non-governmental constraints to housing production; and
- Provision of a housing program with goals, policies, and actions that are consistent with the General Plan and that address housing needs, constraints, and available resources, including any fair housing issues that have been identified. The housing program must include a timeline of actions during the planning period.

Summary of Key Issues

Affirmatively Furthering Fair Housing

With the passage of AB 686 in 2018, state and local public agencies are required to affirmatively further fair housing through deliberate actions to explicitly address, combat, and relieve disparities resulting from past and current patterns of segregation to foster more inclusive communities. The Assessment of Fair Housing considers the elements and factors that cause, increase, contribute to, maintain, or perpetuate segregation, racially or ethnically concentrated areas of poverty, significant disparities in access to opportunity, and disproportionate housing needs. The assessment includes identification and analysis of patterns and trends, local data and knowledge, other relevant factors, and a summary of issues. The sections that address the requirements and finding of affirmatively furthering fair housing can be under the following: outreach (pages 25-31), assessment of fair housing (pages 66-193), site inventory (pages 240-262), identification of contributing factors (pages 316-323), and goals, policies, and actions (pages 48-54).

Housing Needs Assessment

This section begins on page 65 of the Housing Element and explores a variety of factors that influence the availability and affordability of housing in Chico. Several key take-aways from the Housing Needs Assessment include:

Population Growth (pages 193-194)

The Chico population jumped from 92,286 to 110,326 in just one year, from 2018 to 2019, due largely to the influx of Camp Fire survivors. This population growth has impacted housing availability and affordability in a number of ways, decreasing vacancies, pushing up prices, and forcing residents to pay a greater portion of their income to housing costs.

Low Vacancies (pages 201-202, 209-210)

The rental vacancy rate is the percentage of rental units that are vacant and available for rent. A “normal” vacancy rate that provides adequate housing opportunities is typically around 5%. The vacancy rate for Chico was never higher than 3.3% from 2018 through 2021, was 0% at affordable complexes, and was as low as 2.0% in other rental complexes in 2018 immediately following the Camp Fire.

Rapid Increase in Home Prices (page 212-213)

The median home price in Chico rose from \$343,600 to \$380,000 from 2018 to 2019, and further increased to \$410,000 in 2020.

High Rent Burdens (pages 214-216)

About one in four Chico renters earn less than \$20,000 per year. Over one-third of all Chico renters pay more than half of their income to housing costs.

Resource Inventory

Chapter 5 describes the availability of land and financing necessary to produce a variety of housing types to meet the needs described in the Housing Needs Assessment. It includes an Adequate Sites Inventory that identifies land within the city that can be developed to meet housing production targets (RHNA) over the next 7.5 years as established by the State and the Butte County Association of Governments. The inventory shows that there is adequate appropriately zoned land within the City to exceed housing production targets for the Housing Element planning period of 2022-2030, as shown in Table 1 below (page 251).

Table 1: RHNA and Sites Inventory

Income Level	RHNA	Sites Inventory	Surplus (Deficit)
Lower Income (Very Low and Low Income)	1,608	2,815	1,207
Moderate Income	770	882	112
Above Moderate Income	1,110	1,136	26
Total	3,488	4,833	1,345

Constraints Analysis

Chapter 6 analyzes how government regulations and market conditions affect housing construction in Chico. The first section describes how Chico's General Plan, Zoning Code, Building Code, and permitting process and fees impact housing production. Key findings from this chapter include:

- The City of Chico has expanded opportunities to develop a wide range of housing types through the 2030 General Plan adoption in 2011, the comprehensive zoning code update in 2017, zoning code amendments to encourage production of ADUs from 2018-2020, and modifications to the permit fee schedule in 2018.
- To further reduce government constraints, actions have been incorporated into the Chapter 3 Housing Program to conform with State law and allow greater flexibility in the number of units built within a project, the types of structures that can be built to house and assist people experiencing homelessness, and encourage rental of ADUs to lower income households.
- The high costs of land, construction materials, and labor are major obstacles to the construction of affordable housing in Chico, and these costs have increased significantly over the past few years.

Housing Program

Chapter 3 describes the Goals, Policies and Actions that Chico will undertake over the next eight years to address the community's housing needs. These constitute the City's "Housing Program." The information used to develop the Housing Program were:

- The needs identified through the feedback received from community members who participated in the surveys and community meetings, the Needs Assessment that analyzed qualitative and quantitative data, and the Assessment of Fair Housing.
- The identification of both governmental and non-governmental constraints in the Constraints Analysis
- The resources available to support the production and rehabilitation of housing within Chico including land, funding and energy conservation opportunities
- An analysis of progress on the 2014-2022 Housing Element and the lessons learned during that time period
- Requirements for programs stemming from laws adopted since 20014 which impact the development of the Housing Element

Goals are broad statements of the community's vision and values for itself and are not time dependent. Goals indicate the direction in which the community desires to proceed in providing healthy, safe, sustainable and affordable housing for all of its residents. Policies are the commitment that the City is making to achieve the related goal or vision and a statement of its

operational philosophy around housing. Actions are the specific actions or activities that will carry out the related policies and move the community toward its goals in a measurable and concrete way over time. The proposed Goals of the Housing Element and the number of Policies and Actions within each Goal are as follows:

Goal 1: Improve fair housing choice and equitable access to opportunity (7 Policies, 18 Actions)

Goal 2: Increase collaboration with other governmental entities and organizations in Butte County to address the long-term impacts to housing from the Camp Fire and other subsequent fires/natural disasters (1 Policy, 1 Action)

Goal 3: Support production of housing that is affordable to low-income households (3 Policies, 9 Actions)

Goal 4: Promote construction of a wide range of housing types (2 Policies, 4 Actions)

Goal 5: Encourage the creation of housing for people with special needs, including youth, seniors, those with disabilities and those experiencing homelessness (2 Policies, 5 Actions)

Goal 6: Improve, rehabilitate and revitalize existing homes and neighborhoods (4 Policies, 8 Actions)

Goal 7: Increase home ownership (1 Policy, 1 Action)

Goal 8: Remove governmental constraints to the development of housing, emergency shelters and low barrier navigation centers (1 Policy, 3 Actions)

Goal 9: Encourage energy efficiency in housing (1 Policy, 2 Actions)

Chapter 3 (pages 46-64) details the full menu of Goals, Policies and Actions. It also describes how steps were taken to ensure that the Housing Element is consistent with the City's General Plan, the process for ensuring continued consistency, and a reasonable expectation of the maximum number of housing units that will be produced and rehabilitated during this Housing Element cycle.

Community Input Summary

As stated throughout the Draft Housing Element, two significant events (the 2018 Camp Fire and the COVID-19 Pandemic) have impacted Chico's housing demand and cost, as well as the development of this Housing Element. These events informed a number of Actions in the Plan, many of which arose through the community input process. Below is a list of the Actions included in the Draft Housing Element which were informed by the community input process:

1. The Camp Fire had a significant impact on housing displacement and housing choice. Given the ongoing risk posed by wildfire in communities to the east of Chico, as demonstrated by the North Complex Fire in 2020 and the Dixie Fire in 2021, intergovernmental collaboration on housing issues in Butte County is needed.

This input is to be addressed through:

Goal 2, Action 2.1.1: "Participate in collaborative discussions with other government entities in Butte County and share relevant data and findings from the City of Chico Housing Element and other studies."

Goal 1, Action FH-1.2.1: "Administer Community Development Block Grant Disaster Recovery (CDBG-DR) Multifamily Housing Program funds in response to the 2018 Camp

Fire. As of December 2021, there are 393 low-income, CDBG-DR funded units proposed in Chico.”

Goal 1, Action FH-1.2.2: “Continue to participate in the Camp Fire Collaborative, a long-term recovery group, and the Butte County Continuum of Care, a multi-agency planning body. Coordinate with member organizations that serve Camp Fire survivors, people who are low-income, and people experiencing homelessness to address unmet needs to achieve long-term recovery.”

2. There continues to be a significant shortage of affordable rental units which limits the housing options for the lowest-income households, including seniors, persons with disabilities and those experiencing homelessness.

This input is to be addressed through:

Goal 3, Action 3.1.1: “Leverage federal and state funding to produce and preserve 2,000 units of affordable rental housing by 2030.”

Goal 3, Action 3.3.1: “Update the City’s Density Bonus ordinance to increase the allowable density bonus for affordable housing from 35% to 80%, per AB 2345.”

Goal 3, Action 3.3.2: “Highlight the incentives to build affordable housing found in the City’s Land Use Element policies by publishing them on the City’s webpage and sharing them with interested parties who approach the City with an interest in developing affordable housing.”

3. There is public interest in maximizing the use of available in-fill land through the construction of smaller units such as ADUs and taking advantage of higher densities in Corridor Opportunity Zones and Downtown.

This input is to be addressed through:

Goal 3, Action 3.2.3: “Continue the City’s information and outreach efforts on the benefits of smaller units and the development process for such units, including Accessory Dwelling Units (ADUs) and micro-housing (tiny homes).”

Goal 3, Action 3.3.3: “Explore funding sources that can be used to subsidize the cost of construction for ADUs that offer affordable rents for very-low, low- or moderate-income households, with recorded regulatory restrictions on rents. If determined feasible, implement a subsidy program.”

Goal 4, Action 4.2.1 “Implement the Corridor Opportunity Site Overlay through the use of incentives and flexibility in development.”

Goal 4, Action 4.2.3 “Implement the Downtown Element policy framework to support higher density residential development Downtown.”

4. Preserving and creating affordable housing options for seniors is a high priority and should include considerations for aging in place and proximity to services.

This input is to be addressed through:

Goal 5, Action 5.1.1 “Expedite project processing and reduce regulatory barriers to the development of specialized housing by working cooperatively with non-profit, charitable and educational organizations.”

Goal 5, Action 5.1.2 “Encourage the development of a variety of housing options for seniors, those with disabilities and people experiencing homelessness by partnering with developers on the funding of these units.”

Goal 6, Action 6.3.1 “Continue the City’s program that connects low-income owner-occupied units to City sewer.”

GENERAL PLAN CONSISTENCY

The Draft Housing Element provides programs designed to meet the City’s housing needs through 2030. The Goals, Policies, and Actions in the Housing Element support and compliment the Goals, Policies, and Actions found throughout the Chico 2030 General Plan. The policy framework reinforces the overall direction of the General Plan through consistency with the following General Plan Goals and Policies:

Goal LU-1: Reinforce the City’s compact urban form.

Policy LU-2.1: Maintain an adequate land supply to support projected housing and jobs needs for the community.

Goal LU-3: Enhance existing neighborhoods.

Goal LU-4: Promote compatible infill development.

Goal SUS-4: Promote green development.

Goal CD-4: Maintain and enhance the character of Chico’s diverse neighborhoods.

Policies and programs in the Housing Element must be internally consistent within the element and with other elements of the General Plan, such as the examples provided above. The Draft Housing Element policy framework compliments the overall direction of the General Plan by promoting a compact form, encouraging the efficient use of land resources through good design and infill development, and promoting energy efficiency and the reduction of non-renewable energy and resource consumption. The Housing Element acknowledges that providing affordable housing for all income groups is an important community goal and benefit.

REQUIRED FINDINGS FOR APPROVAL

Environmental Review

This project is exempt from further environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act Guidelines (General Exemption). The City of Chico has determined that this project is exempt from CEQA as it can be seen with certainty that there is no possibility that the proposed update to the City of Chico Housing Element would have a significant effect on the environment as no changes to land use, density, policies and program, or other changes that would result in an impact to the physical environment would occur with adoption of the Housing Element. Therefore, the project is exempt pursuant to CEQA Guidelines Section 15061(b)(3).

General Plan Amendment Findings

Pursuant to Chico Municipal Code Section 19.060.050.A, an amendment to the General Plan may be approved only if the following applicable findings are made:

The proposed (General Plan) amendment is internally consistent with the General Plan.

See General Plan Consistency section above.

If the proposed amendment is to a specific plan, neighborhood plan or area plan, it is consistent with the General Plan; and

The General Plan amendments do not affect any specific plan, neighborhood plan or area plan.

The site is physically suitable, including access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints, for the proposed land use or development.

No specific land uses or development are proposed with the General Plan amendments, and the amendments would not allow development where it was previously disallowed. Future development proposals would be subject to evaluations of physical site suitability on a case by case basis, as those proposals are brought forward in the form of a development application to the City.

PUBLIC CONTACT

A detailed description of the public outreach process is found on pages 8 through 13 of the Draft Housing Element. Development of the Draft Housing Element was supported by a regular email newsletter with a contact list of 550 recipients, a website (available for translation into Spanish via a toggle at the top of the webpage) to keep residents informed about project progress, flyers announcing workshops and focus group meetings (translated into Spanish), and public display ads in the local newspaper. Further, the Project Team conducted a focus group for low-income housing residents on January 13, 2021 via Zoom to receive input from residents on the location, design and management of affordable housing. Two community workshops were held on February 10 and August 11, 2021. These meetings were held on the virtual meeting Zoom platform due to COVID-19. Live Spanish interpretation was provided, and Zoom Live Transcripts were provided for those who are deaf or hard of hearing. The purpose of the workshops were to solicit input on housing needs, review previous Housing Element Goals, Policies and Actions, and recommend new actions to address unmet needs.

The Draft Housing Element was initially made available for public review on May 12, 2022 and an email newsletter was sent to the stakeholder list highlighting the Commission's consideration of the Draft Housing Element. A notice for the Commission's June 2, 2022, meeting was published in the *Chico Enterprise-Record*, and an email newsletter was sent to the stakeholder list highlighting Commission's consideration of the Draft. As of the date of this report no comments have been received in response to the public notice.

The City's efforts to engage its residents in the Housing Element update process through the use of technology were highlighted in the October 2021 edition of "Western City" an online magazine of The League of California Cities: <https://www.westerncity.com/article/elk-grove-and-chico-use-technology-increase-public-engagement-important-housing-decisions>.

DISTRIBUTION

PC Distribution / CDD Director Vieg / Housing Manager Demers

External

[Chicohousingelement.com](https://www.chicohousingelement.com); email stakeholder list

ATTACHMENT

A. Resolution

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RESOLUTION NO. 22-03

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CHICO
RECOMMENDING THAT CITY COUNCIL ADOPT AND AUTHORIZE SUBMITTAL
OF THE 2022 HOUSING ELEMENT TO THE CALIFORNIA STATE DEPARTMENT
OF HOUSING AND COMMUNITY DEVELOPMENT (GPA 22-02)**

WHEREAS, safe and affordable housing for all persons is a goal of the City of Chico (the “City”); and

WHEREAS, the Housing Element of the General Plan provides an opportunity for the City to demonstrate how this goal will be achieved; and

WHEREAS, the City is required by State law to prepare a Housing Element which provides information, policies, and programs to encourage the development of housing to meet the needs of all of the City’s residents in conformance with State laws and regulations; and

WHEREAS, it has been determined that preparation and adoption of the 2022 Housing Element is exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Section 15061(b)(3); and

WHEREAS, the Planning Commission conducted a public hearing on the Draft 2022 Housing Element on June 2, 2022.

NOW, THEREFORE, BE IT RESOLVED THAT THE PLANNING COMMISSION RECOMMENDS THAT THE CITY COUNCIL OF THE CITY OF CHICO:

1. Concur that preparation and adoption of the 2022 Housing Element is exempt from environmental review as set forth in Exhibit I;
2. Hold a public hearing to consider and adopt the Draft 2022 Housing Element; and

1 3. Authorize staff to submit the Draft 2022 Housing Element to the State Department of
2 Housing and Community Development for a review of up to 90 days.

3 THE FOREGOING RESOLUTION WAS ADOPTED at a meeting of the Planning
4 Commission of the City of Chico held on June 2, 2022, by the following vote:

5 AYES:

6 NOES:

7 ABSENT:

8 ABSTAIN:

9 DISQUALIFIED:

10 ATTEST:

APPROVED AS TO FORM



Vincent C.Ewing, City Attorney*

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13 _____
Bruce Ambo
14 Planning Commission Secretary

*Pursuant to the Charter of the City of
Chico, Section 906(E)

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**-DRAFT-
NOTICE OF EXEMPTION**

CEQA: California Environmental Quality Act

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

 County Clerk
155 Nelson Street
Oroville, CA 95965

From: City of Chico
411 Main St.
Chico, CA 95928

Project Title: **City of Chico 2022-2030 Housing Element Update:** State law required that localities update their General Plan Housing Elements every eight years. The City of Chico is updating its Housing Element to account for the 2022-2030 period.

Project Location - Specific: City-wide
- **City:** Chico
- **County:** Butte

Description of Nature, Purpose, and Beneficiaries of Project:

Update of the City's 2022-2030 Housing Element to comply with State law.

Name of Public Agency Approving Project: City of Chico

Name of Person or Agency Carrying Out Project: City of Chico

- Ministerial (Sec. 21080 (b) (1); 15268);
- Declared Emergency (Sec. 21080 (b) (3); 15269 (a));
- Emergency Project (Sec. 21080 (b) (4); 15269 (b) (c));
- General Exemption. Type and Section Number: Section 15061(b)(3).
- Statutory Exemption. Code Number:

Reasons why project is exempt:

The City of Chico City Council has determined that this project is exempt from CEQA as it can be seen with certainty that there is no possibility that the proposed update to the City of Chico Housing Element would have a significant effect on the environment as no changes to land use, density, policies and program, or other changes that would result in an impact to the physical environment would occur with adoption of the Housing Element. Therefore, the project is exempt pursuant to CEQA Guidelines Section 15061(b)(3).

Lead Agency Contact Person: Brendan Vieg, Community Development Director
Area Code/Telephone/Extension: (530) 879-6806

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature:	Date	Title
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Signed by Lead Agency Date Received for Filing At OPR:

To facilitate the Planning Commission’s discussion, this attachment includes a summary of the Draft 2022 Housing Element policy framework (Goals, Policies, and Actions), as well as specific Actions that address issues raised at the Planning Commission’s June 2, 2022 meeting.

Actions that Address Planning Commission Issues Raised at its June 2, 2022 Meeting

The City of Chico Planning Commission held a public hearing on June 2nd, 2022 to consider recommendation of the Housing Element to the City Council for adoption. The Planning Commission voted to continue the item to the June 16th meeting in order to provide more time to digest the document and develop any potential recommendations for modification.

Several themes were discussed by Planning Commissioners and the public in the meeting. In an effort to facilitate a more focused and productive discussion at the June 16th, 2022 meeting, the relevant Actions that are part of the Chapter 3 Housing Program of the Housing Element have been highlighted in the table below.

For ease of reference, the themes discussed and the Actions that address them are identified as follows:

RHNA Production— How can we ensure that the City is making significant progress in addressing the Regional Housing Needs Assessment housing production goals?

Action 3.3.1, Action 3.3.6, Action 4.1.1, Action 4.2.1, Action 4.2.3

Urban Core— How can we promote higher densities for residential development in the urban core?

Action 3.3.6, Action 4.2.2

Smart Growth— How can we promote smart growth so that housing is within walking distance of transit, retail, jobs, and other services?

Action 3.3.1, Action 3.3.3, Action 3.3.4, Action 3.3.6, Action 4.2.1, Action 4.2.2, Action 4.2.3

Areas of Opportunity— How can we encourage affordable housing development in areas of opportunity with access to good schools, jobs, parks, and high quality infrastructure?

Action 1.6.1, Action 3.3.3, Action 3.3.4, Action 4.2.3

Moderate-Income— How can we encourage the development of housing affordable to moderate or middle income households?

Action 3.3.3, Action 3.3.4

There are, of course, Goals, Policies, and Actions throughout the General Plan that address many of these themes.

	Theme(s)	Action	Potential Impact	Constraints
	RHNA Production Smart Growth	Action 3.3.1: Update the City's Density Bonus ordinance to increase the allowable density bonus for affordable housing from 35% to 50% per AB 2345. Projects with all units restricted to affordable rents will be eligible for a density bonus of up to 80%.	<ul style="list-style-type: none"> • Incentivize the development of affordable housing throughout the city. • Promote greater densities in strategic locations to encourage smart growth. 	Does not provide funding for affordable housing, which is dependent on a number of externally controlled factors.
	RHNA Production Urban Core Smart Growth	Action 3.3.6: The City will amend the Residential and Commercial Land Use Tables in the City's Municipal Code to add a footnote which states that for the residential and commercial zoning districts where the allowable density is 20 or 22 dwelling units per acre, multi-family units are permitted to develop up to 30 dwelling units per acre if a minimum of 15% of the units are deed restricted housing affordable to low-incomes at or below 80% of AMI.	<ul style="list-style-type: none"> • Incentivize the production of more affordable housing in more areas of the city. • Increase densities in commercial zoning districts in the urban core. • Increase densities and affordability mix in commercial zoning districts near site amenities such as transit, retail and jobs. 	<ul style="list-style-type: none"> • Some 100% affordable housing projects serving families prefer densities at less than 30 du/ac, but could be an incentive to mixed-income projects and projects serving seniors, younger people, or special needs populations.
	RHNA Production	Action 4.1.1: Develop and implement a formal ongoing Unit Production Evaluation pursuant to Government Code section 65863 (No Net Loss law) and maintain an inventory of vacant and underutilized parcels that could potentially be developed with housing.	<ul style="list-style-type: none"> • Ensure that progress toward meeting RHNA goals is tracked. • Provide city staff and elected officials the opportunity to make modifications during the HE planning period in order to ensure an adequate supply of land for RHNA. • Consider vacant and underutilized parcels for housing development. 	<ul style="list-style-type: none"> • Does not provide any funding for the development of housing, but is a process to strategically implement housing development plans.

	<p>RHNA Production Smart Growth</p>	<p>Action 4.2.1: Implement the Corridor Opportunity Site Overlay through the use of incentives found in the City’s Land Use Element and flexibility in development.</p>	<ul style="list-style-type: none"> • Encourage higher density residential development near existing infrastructure and services. • Incentivize residential development on urban infill sites. 	<ul style="list-style-type: none"> • Does not provide funding for affordable housing, which is dependent on a number of externally controlled factors. • Dependent on developer initiative and market demand.
	<p>RHNA Production Smart Growth Areas of Opportunity</p>	<p>Action 4.2.3: Continue to implement the Traditional Neighborhood Development (TND) regulations found in the City’s Municipal Code that promote higher density, vertical and horizontal mixed use, and greater flexibility in meeting parking requirements.</p>	<ul style="list-style-type: none"> • Incentivize mixed uses and smart growth. • Incentivize a mix of residential types within neighborhoods. • Incentivize higher densities. 	<ul style="list-style-type: none"> • The extent of the TND district is limited. • Dependent on developer initiative and market demand.
	<p>Urban Core RHNA Production Smart Growth</p>	<p>Action 3.3.6: The City will amend the Residential and Commercial Land Use Tables in the City’s Municipal Code to add a footnote which states that for the residential and commercial zoning districts where the allowable density is 20 or 22 dwelling units per acre, multi-family units are permitted to develop up to 30 dwelling units per acre if a minimum of 15% of the units are deed restricted housing affordable to low-incomes at or below 80% of AMI.</p>	<ul style="list-style-type: none"> • Incentivize the production of more affordable housing in more areas of the city. • Increase densities in commercial zoning districts in the urban core. • Increase densities and affordability mix in commercial zoning districts near site amenities such as transit, retail and jobs. 	<ul style="list-style-type: none"> • Some 100% affordable housing projects serving families prefer densities at less than 30 du/ac, but could be an incentive to mixed-income projects and projects serving seniors, younger people, or special needs populations.
	<p>Urban Core Smart Growth</p>	<p>Action 4.2.2: Implement the Downtown Element policy framework to support higher density, mixed-use residential development in Downtown.</p>	<ul style="list-style-type: none"> • Incentivize residential development in the urban core to maximize use of existing resources. 	<ul style="list-style-type: none"> • Dependent on property owner and developer initiative. • Infill constraints include smaller parcels, older infrastructure, potential environmental

			<ul style="list-style-type: none"> • Encourage higher density residential development near existing infrastructure and services. 	<p>contamination, neighborhood resistance.</p>
	<p>Smart Growth RHNA Production</p>	<p>Action 3.3.1: Update the City’s Density Bonus ordinance to increase the allowable density bonus for affordable housing from 35% to 50% per AB 2345. Projects with all units restricted to affordable rents will be eligible for a density bonus of up to 80%.</p>	<ul style="list-style-type: none"> • Incentivize the development of affordable housing throughout the city. • Promote greater densities in strategic locations to encourage smart growth. 	<ul style="list-style-type: none"> • Does not provide funding for affordable housing, which is dependent on a number of externally controlled factors.
	<p>Smart Growth Moderate-Income Areas of Opportunity</p>	<p>Action 3.3.3: Explore funding sources that can be used to subsidize the cost of construction of ADUs for those that offer affordable rents for very-low, low-, or moderate-income households with recorded regulatory restrictions on rents.</p>	<ul style="list-style-type: none"> • Provide low and moderate income affordable housing within existing urbanized areas of the city. • Locate affordable housing within high quality, lower-density residential neighborhoods. • Promote infill development that does not require urban expansion. 	<ul style="list-style-type: none"> • Limited federal and state funding for ADUs. • Dependent on property owner initiative.
	<p>Smart Growth Areas of Opportunity</p>	<p>Action 3.3.4: Explore landlord interest in the use of ADUs for low-income rentals, and the use of Housing Choice Vouchers (Section 8) to supplement rents.</p>	<ul style="list-style-type: none"> • Provide low and moderate income affordable housing within existing urbanized areas of the city. • Locate affordable housing within high quality, lower-density residential neighborhoods. • Promote infill development that does not require urban expansion. • Leverage existing Section 8 resources. 	<ul style="list-style-type: none"> • Dependent on property owner and tenant initiative.

<p>Smart Growth RHNA Production Urban Core</p>	<p>Action 3.3.6: The City will amend the Residential and Commercial Land Use Tables in the City’s Municipal Code to add a footnote which states that for the residential and commercial zoning districts where the allowable density is 20 or 22 dwelling units per acre, multi-family units are permitted to develop up to 30 dwelling units per acre if a minimum of 15% of the units are deed restricted housing affordable to low-incomes at or below 80% of AMI.</p>	<ul style="list-style-type: none"> • Incentivize the production of more affordable housing in more areas of the city. • Increase densities in commercial zoning districts in the urban core. • Increase densities and affordability mix in commercial zoning districts near site amenities such as transit, retail and jobs. 	<ul style="list-style-type: none"> • Some 100% affordable housing projects serving families prefer densities at less than 30 du/ac, but could be an incentive to mixed-income projects and projects serving seniors, younger people, or special needs populations.
<p>Smart Growth RHNA Production</p>	<p>Action 4.2.1: Implement the Corridor Opportunity Site Overlay through the use of incentives found in the City’s Land Use Element and flexibility in development.</p>	<ul style="list-style-type: none"> • Encourage higher density residential development near existing infrastructure and services. • Incentivize residential development on urban infill sites. 	<ul style="list-style-type: none"> • Does not provide funding for affordable housing, which is dependent on a number of externally controlled factors. • Dependent on developer initiative and market demand.
<p>Smart Growth Urban Core</p>	<p>Action 4.2.2: Implement the Downtown Element policy framework to support higher density, mixed-use residential development in Downtown.</p>	<ul style="list-style-type: none"> • Incentivize residential development in the urban core to maximize use of existing resources. • Encourage higher density residential development near existing infrastructure and services. 	<ul style="list-style-type: none"> • Dependent on property owner and developer initiative. • Infill constraints include smaller parcels, older infrastructure, potential environmental contamination, neighborhood resistance.
<p>Smart Growth Areas of Opportunity RHNA Production</p>	<p>Action 4.2.3: Continue to implement the Traditional Neighborhood Development (TND) regulations found in the City’s Municipal Code that promote higher density, vertical and</p>	<ul style="list-style-type: none"> • Incentivize mixed uses and smart growth. • Incentivize a mix of residential types within neighborhoods. • Incentivize higher densities. 	<ul style="list-style-type: none"> • The extent of the TND district is limited. • Dependent on developer initiative and market demand.

		horizontal mixed use, and greater flexibility in meeting parking requirements.		
	Areas of Opportunity	Action 1.6.1: Use State/Federal grant funds available to the City to support infrastructure needs for planned affordable housing projects. To the extent feasible, prioritize projects in areas with high job proximity and high economic, education, and environmental outcomes.	<ul style="list-style-type: none"> • Leverage federal and state grant funds to access tax credits that prioritize projects in High Opportunity areas. 	<ul style="list-style-type: none"> • Federal and state grant funds for infrastructure supporting housing are limited. • Dependent on availability of sites in Opportunity Areas and property owner willingness to sell. •
	Areas of Opportunity Moderate-Income Smart Growth	Action 3.3.3: Explore funding sources that can be used to subsidize the cost of construction of ADUs for those that offer affordable rents for very-low, low-, or moderate-income households with recorded regulatory restrictions on rents.	<ul style="list-style-type: none"> • Provide low and moderate income affordable housing within existing urbanized areas of the city. • Locate affordable housing within high quality, lower-density residential neighborhoods. • Promote infill development that does not require urban expansion. 	<ul style="list-style-type: none"> • Limited federal and state funding for ADUs. • Dependent on property owner initiative.
	Areas of Opportunity Smart Growth Moderate-Income	Action 3.3.4: Explore landlord interest in the use of ADUs for low-income rentals, and the use of Housing Choice Vouchers (Section 8) to supplement rents.	<ul style="list-style-type: none"> • Provide low and moderate income affordable housing within existing urbanized areas of the city. • Locate affordable housing within high quality, lower-density residential neighborhoods. • Promote infill development that does not require urban expansion. • Leverage existing Section 8 resources. 	<ul style="list-style-type: none"> • Dependent on property owner and tenant initiative.
	Areas of Opportunity Smart Growth	Action 4.2.3: Continue to implement the Traditional	<ul style="list-style-type: none"> • Incentivize mixed uses and smart growth. 	<ul style="list-style-type: none"> • The extent of the TND district is limited.

	RHNA Production	Neighborhood Development (TND) regulations found in the City’s Municipal Code that promote higher density, vertical and horizontal mixed use, and greater flexibility in meeting parking requirements.	<ul style="list-style-type: none"> • Incentivize a mix of residential types within neighborhoods. • Incentivize higher densities. 	Dependent on developer initiative and market demand.
	Moderate-Income Areas of Opportunity Smart Growth	Action 3.3.3: Explore funding sources that can be used to subsidize the cost of construction of ADUs for those that offer affordable rents for very-low, low-, or moderate-income households with recorded regulatory restrictions on rents.	<ul style="list-style-type: none"> • Provide low and moderate income affordable housing within existing urbanized areas of the city. • Locate affordable housing within high quality, lower-density residential neighborhoods. • Promote infill development that does not require urban expansion. 	<ul style="list-style-type: none"> • Limited federal and state funding for ADUs. • Dependent on property owner initiative.
	Moderate-Income Areas of Opportunity Smart Growth	Action 3.3.4: Explore landlord interest in the use of ADUs for low-income rentals, and the use of Housing Choice Vouchers (Section 8) to supplement rents.	<ul style="list-style-type: none"> • Provide low and moderate income affordable housing within existing urbanized areas of the city. • Locate affordable housing within high quality, lower-density residential neighborhoods. • Promote infill development that does not require urban expansion. • Leverage existing Section 8 resources. 	<ul style="list-style-type: none"> • Dependent on property owner and tenant initiative.

Draft Housing Element Housing Program

The “Housing Program” within the City’s Housing Element (Chapter 3), consists of a set of Goals, Policies and Actions. The charts below summarize the major content contained in Chapter 3 from pages 48-63. These pages in the Housing Element document should be referenced to find a greater level of detail on how the actions are to be funded, the responsible parties and timelines for implementation. In the far-left column under each Goal, is a description of why the Goal and its accompanying Policies and Actions are included, and how they contribute to the City’s efforts to support the production of or access to housing. The middle column lists Policies that are related to the Goal. The far right column lists actions that are related to each Policy. New State legislation that impacts or mandates any of the Goals, Policies or Actions is shown in **boldface type**.

Goal 1: Improve fair housing choice and equitable access to opportunity (pages 48-54)		
<p><i>The Policies and Actions within this Goal were developed to address the findings of the Assessment of Fair Housing, which is mandated by AB 686. Local public agencies are now required to take deliberate action to explicitly address, combat and relieves disparities resulting from past and current patterns of segregation to foster more inclusive communities. These actions support the City’s efforts to ensure that all members of the community have equity in housing choice and access.</i></p>	<p>Policy 1.1: Move toward more balanced and integrated living patterns by addressing disproportionate housing needs including displacement risk for renter households with overpayment, renter households with housing problems as defined by HUD, and households with overcrowding.</p>	<p>Action 1.1.1: Assist Habitat for Humanity of Butte county’s single-family self-help project on Wisconsin and Boucher Streets in Census Tract 13. Five estimated units will be made available to low-income households.</p>
		<p>Action 1.1.2: Support affordable housing developments, as described in Action 3.1.1, in high resource areas.</p>
	<p>Policy 1.2: Move toward more balanced and integrated living patterns by addressing the impacts of the 2018 Camp Fire in eastern Butte county on disproportionate housing needs including displacement risk in the city of Chico.</p>	<p>Action 1.2.1: Administer Community Development Block Grant Disaster Recovery (CDBG-DR) Multifamily Housing Program funds in response to the 2018 Camp Fire. As of December 2021, there are 399 low-income, CDBG-DR funded units proposed in Chico.</p>
		<p>Action 1.2.2: Continue to participate in the Camp Fire Collaborative, a long-term recovery group, and the Butte County Homeless Continuum of Care, a multi-agency planning body. Coordinate with member organizations that serve Camp Fire survivors, people who are low-income, and people experiencing homelessness to address unmet needs achieve long-term recovery.</p>

	<p>Policy 1.3: Increase fair housing enforcement and outreach capacity by reaching stakeholders such as lenders, realtors, people of color, and people who speak Hmong and Spanish, as well as diversifying outreach materials and methods.</p>	<p>Action 1.3.1: Expand existing fair housing workshops to include an annual Legal Services of Northern California-led workshop for the Sierra North Valley Realtors Association and lenders (banks, brokerage firms) on fair housing in lending regarding people with low-incomes and people of color.</p> <p>Action 1.3.2: Coordinate with the Hispanic Resource Council of Northern California, the Hmong Cultural Center of Butte County, and other organizations as applicable, to disseminate fair housing education and outreach materials provided by the city to people of color and people who speak Spanish or Hmong.</p> <p>Action 1.3.3: Update the city’s fair housing webpage annually and publish fair housing education information in both English and Spanish on the city’s webpage, to social media to the extent possible, and to the city’s stakeholder email contact list.</p> <p>Action 1.3.4: Collaborate with Legal Services of Northern California (LSNC) to update the “Fair Housing and You: Your Rights and Responsibilities” 2011 booklet written by LSNC for community use.</p> <p>Action 1.3.5: Diversify outreach methods by preparing a press release for news outlets for the four annual fair housing workshops hosted by Legal Services of Northern California and North Valley Property Owners Association with funding from the city.</p>
	<p>Policy 1.4: Move toward more balanced and integrated living patterns by addressing racially and ethnically concentrated areas of poverty (R/ECAP), concentrations of poverty, and concentrations of people of color.</p>	<p>Action 1.4.1: To the extent feasible, invest Community Development Block Grant (CDBG) funds in public facility and infrastructure projects that improve quality of life for residents, and prioritize resources for displacement risk areas and areas of high segregation and poverty.</p> <p>Action 1.4.2: Perform a Housing Conditions Survey in the recently annexed Chapman/Mulberry neighborhoods and to the extent feasible, use findings to inform future investments</p>

		<p>of CDBG and other City funds in identified neighborhoods in need of rehabilitation.</p>
		<p>Action 1.4.3: Provide information and referrals to the Butte Community Action Agency’s weatherization program. The city will post a link to the program on its website and refer residents to the program if they inquire about weatherization options.</p>
		<p>Action 1.4.4: Encourage residents from areas of high segregation and poverty (Census Tracts 3 and 13) to apply to serve on boards, committees, task forces, and other local government decision-making bodies. Outreach efforts may include but are not limited to, connecting with community organizations in these areas, posting physical flyers, hosting community meetings, and sharing social media posts and email blasts.</p>
	<p>Policy 1.5: Move toward more balanced and integrated living patterns by addressing accessible housing needs for people with disabilities</p>	<p>Action 1.5.1: Continue updating inventory of accessible housing units as they are developed. Expand the list of organizations who receive the inventory from Disability Action Center to also include the Camp Fire Collaborative (serves Camp Fire survivors), Far Northern Regional Center (serves people with developmental disabilities), Housing Authority of the County of Butte (serves people with low incomes), Passages (serves older adults and their caregivers), and other organizations as applicable.</p>
		<p>Action 1.5.2: As part of the city’s annual planning activities in relation to the U.S. Department of Housing and Urban Development (HUD) funding, host an annual community workshop in January. At this workshop engage with attendees on accessibility and disabilities needs, receive input from the community, and share resources such as the inventory of accessible housing units.</p>

	<p>Policy 1.6: Move toward more balanced and integrated living patterns by addressing disparities in access to opportunity in relation to economic, education, and environmental outcomes, and job proximity.</p>	<p>Action 1.6.1: Use State/Federal grant funds available to the City to support infrastructure needs for planned affordable housing projects. To the extent feasible, prioritize projects in areas with high job proximity and high economic, education, and environmental outcomes.</p> <p>Action 1.6.2: Assist in disseminating information about tobacco/second-hand smoke education provided by the Butte County Public Health and California Health Collaborative to help improve environmental health outcomes. Methods of dissemination may include, but are not limited to, website and email outreach.</p>
	<p>Policy 1.7: Move toward more balanced and integrated living patterns by evaluating and addressing racially and ethnically concentrated areas of poverty, concentrations of high segregation and poverty, and concentrations of affluence.</p>	<p>Action 1.7.1: Continue to use the HCD AFFH Data Resources and Mapping Tool to biennially evaluate racially and ethnically concentrated areas of poverty and concentrations of high segregation and poverty in the city. This evaluation will inform the city’s community development and housing work as well as the site inventory in the next Housing Element Update. The HCD AFFH Data Resources and Mapping Tool can be found at: https://affh-data-resources-cahcd.hub.arcgis.com/</p>

<p>Goal 2: Increase collaboration with other governmental entities and organizations in Butte county to address the long-term impacts to housing from the Camp Fire and other subsequent fires/natural disasters (page 54)</p>		
<p><i>This Goal, Policy and Action was developed in response to community input that residents wish to see collaboration among local governments to address the long-term impacts to housing from the Camp Fire and other natural disasters.</i></p>	<p>Policy 2.1: Support and promote discussions on housing issues throughout Butte county.</p>	<p>Action 2.1.1: Participate in collaborative discussions with other governmental entities and appropriate organizations in Butte county and share relevant data and findings from the City of Chico Housing Element, and other housing studies.</p>

<p>Goal 3: Support production of housing that is affordable to low-income households (pages 54-57)</p>		
<p>Per California Government Code, Section 65583, subdivisions (c) (1-7) and (10), each Housing Element must include programs to assist in the development of housing to accommodate extremely-low, very-low, low- and moderate-income households, including special needs populations. Guidance from HCD on AB 686 also requires that jurisdictions take actions to locate affordable housing in higher resource areas whenever possible. AB 671 requires that Housing Elements include a program that incentivizes the production of ADUs that can be offered at affordable rents to very low-, low- and moderate-income households. These actions address the fact that housing for lower-income households requires subsidies and incentives to produce.</p>	<p>Policy 3.1: Leverage federal and state programs, as well as City resources, to produce affordable housing. Consideration of affordable housing in higher resource areas will be prioritized, per AB 686.</p>	<p>Action 3.1.1: Leverage federal and state funding to produce 548 units of affordable rental housing by 2030.</p>
	<p>Policy 3.2: Foster community awareness of housing issues, production, and resources.</p>	<p>Action 3.2.1: Annually complete a Housing Element review and provide to City Council and the State Department of Housing and Community Development.</p>
		<p>Action 3.2.2: Update the Affordable Housing Resource Guide as new projects are developed.</p>
	<p>Policy 3.3: Provide incentives to affordable housing developers and property owners that increase the production of affordable units.</p>	<p>Action 3.2.3: Continue the City’s information and outreach efforts on the benefits of smaller residential units and the development process for such units, including Accessory Dwelling Units (ADUs) and micro-housing (structures on permanent foundations).</p>
<p>Action 3.3.1: Update the City’s Density Bonus ordinance to increase the allowable density bonus for affordable housing from 35% to 50% per AB 2345. Projects with all units restricted to affordable rents will be eligible for a density bonus of up to 80%.</p>		
		<p>Action 3.3.2: Highlight existing City incentives found in the City’s Land Use Element to affordable housing developers by publishing them on the City’s webpage and sharing them with</p>

		<p>interested parties who approach the City with an interest in developing affordable housing.</p>
		<p>Action 3.3.3: Explore funding sources that can be used to subsidize the cost of construction of ADUs for those that offer affordable rents for very-low, low-, or moderate-income households with recorded regulatory restrictions on rents. If determined feasible, implement a subsidy program with a goal to assist at least two households per year. (Per AB 671)</p>
		<p>Action 3.3.4: Explore landlord interest in the use of ADUs for low-income rentals, and the use of Housing Choice Vouchers (Section 8) to supplement rents. Provide information on the City’s website and at the Community Development counter to help potential landlords access Section 8 resources from the Housing Authority of the County of Butte. These will include a handout on the Section 8 program that can be provided to landowners who pull building permits for ADUs, a phone number to call to be placed on the vacant unit list maintained by the Housing Authority, and website links for the Housing Authority and HUD.</p>
		<p>Action 3.3.5: Explore funding sources that can be used to update the City’s portfolio of pre-approved ADU building plans to ensure they are compliant with the new California Building Code standards. Specific updates to the California Building Code have not been finalized but are forthcoming and may result in the current pre-approved ADU plans becoming non-compliant.</p>
		<p>Action 3.3.6: The City will amend the Residential and Commercial Land Use Tables in the City’s Municipal Code to add a footnote which states that for the residential and commercial zoning districts where the allowable density is 20 or 22 dwelling units per acre, multi-family units are permitted to develop up to 30 dwelling units per acre if a minimum of 15% of the units are deed restricted housing affordable to low-incomes at or below 80% of AMI.</p>

Goal 4: Promote construction of a wide range of housing types (pages 57-58)		
<p>Per California Government Code, Section 65583, subdivisions (c) (1-7) and (10), each Housing Element must include programs to provide adequate sites, including incentives for mixed use/nonvacant sites. The actions in this Goal are intended to support and promote higher density, mixed-use housing. The first action also specifically addresses the “No Net Loss” requirements of California Government Code Section 65863. This is intended to ensure development opportunities remain available throughout the planning period to accommodate a jurisdiction’s regional housing needs allocation (RHNA), especially for lower- and moderate-income households. These actions are intended to provide zoning and policy incentives to address the need for higher-density housing in the urban core, and to ensure the City maintains an inventory of land appropriately zoned to accommodate its share of RHNA.</p>	<p>Policy 4.1: Enable sufficient housing construction to meet future needs.</p>	<p>Action 4.1.1: Develop and implement a formal ongoing Unit Production Evaluation pursuant to Government Code section 65863 (No Net Loss law) and maintain an inventory of vacant and underutilized parcels that could potentially be developed with housing. The Unit Production Evaluation will track the number of extremely low-, very low-, moderate- and above moderate-income units constructed to calculate the City’s remaining unmet Regional Housing Needs Allocation (RHNA). It will also track the number of units built on the identified sites of the Site Inventory to determine the remaining site capacity by income category. If sites identified in the Housing Element Sites Inventory to meet RHNA are developed with non-residential uses during the Housing Element planning period, the Unit Production Evaluation will include a plan to replace those sites, which may involve identification of new residentially-zoned sites, rezoning of non-residential sites, and/or annexation of new sites. The evaluation procedure will be updated annually and when sites identified in the Housing Element to meet RHNA are approved for development.</p>
	<p>Policy 4.2: Promote a mix of dwelling types and sizes throughout the City.</p>	<p>Action 4.2.1: Implement the Corridor Opportunity Site Overlay through the use of incentives found in the City’s Land Use Element and flexibility in development.</p>
		<p>Action 4.2.2: Implement the Downtown Element policy framework to support higher density, mixed-use residential development in Downtown.</p>
		<p>Action 4.2.3: Continue to implement the Traditional Neighborhood Development (TND) regulations found in the City’s Municipal Code that promote higher density, vertical and horizontal mixed use, and greater flexibility in meeting parking requirements.</p>

Goal 5: Encourage the creation of housing for people with special needs, including youth, seniors, and those with disabilities and people experiencing homelessness (pages 58-59)		
<p>Per California Government Code, Section 65583, subdivisions (c) (1-7) and (10), each Housing Element must include programs to assist in the development of housing to accommodate special needs populations. These actions are intended to provide funding and incentives needed for special needs housing.</p>	<p>Policy 5.1: Assist in the provision of housing for youth, seniors, people with disabilities and those experiencing homelessness.</p>	<p>Action 5.1.1: Expedite project processing and reduce regulatory barriers to the development of specialized housing by working cooperatively with non-profit, charitable, and educational organizations, as described in the Land Use Element, Action LU-2.3.1.</p>
		<p>Action 5.1.2: Encourage the development of a variety of housing options for seniors, youth, those with disabilities and people experiencing homelessness by partnering with developers on the funding of these units.</p>
		<p>Action 5.1.3: Continue Tenant Based Rental Assistance (TBRA) to serve an estimated 120 households at risk of homelessness by providing deposit and monthly rental assistance for up to 24 months.</p>
		<p>Action 5.1.4: Explore the feasibility of Single Room Occupancy (SRO) or other small unit developments, especially through the conversion of motels/hotels which are vacant or underutilized and assist in identifying potential funding resources.</p>
	<p>Policy 5.2: Continue to work with Chico State University to address the housing needs of students.</p>	<p>Action 5.2.1: Encourage Chico State University to continue to engage and involve the community in campus housing plans.</p>

Goal 6: Improve, rehabilitate and revitalize existing homes and neighborhoods (pages 59-61)		
<p>Per California Government Code, Section 65583, subdivisions (c) (1-7) and (10), each Housing Element must include programs to conserve and improve the condition of the existing affordable housing stock, and a program to preserve units</p>	<p>Policy 6.1: Maintain and enhance the character and affordable nature of Chico’s older neighborhoods.</p>	<p>Action 6.1.1: Continue to support planning at the neighborhood scale by engaging with neighborhood groups as appropriate and reviewing developments for compatibility with adopted neighborhood plans.</p>
		<p>Action 6.1.2: Conduct a housing conditions survey in the recently annexed Chapman/Mulberry neighborhood to inform future Housing Element Actions.</p>

<p><i>at-risk of conversion from affordable to market-rate rents. These actions are intended to support the maintenance of the existing affordable housing stock.</i></p>	<p>Policy 6.2: Minimize the loss of existing assisted units because of conversion to market-rate units or physical deterioration.</p>	<p>Action 6.2.1: Maintain the City’s ongoing evaluation for affordable units at risk of conversion to market rate due to expiring covenants. While there are not any projects with expiring covenants through 2030 (all have additional local covenants or have contracts that were recently extended), the City will continue to evaluate and track units on an annual basis, and whenever needed, will communicate with property owners regarding their noticing requirements to tenants under Government Code Section 65863.10, and will develop a proactive plan to preserve affordable rents at these properties.</p>
		<p>Action 6.2.2: : Provide funding to support the rehabilitation of existing multi-family affordable housing projects with City affordability covenants.</p>
	<p>Policy 6.3: Support and guide the rehabilitation of and reinvestment in existing residential buildings.</p>	<p>Action 6.3.1: Continue the City’s program that connects low-income owner-occupied units to City sewer primarily in Nitrate Compliance Areas.</p>
		<p>Action 6.3.2: Research funding opportunities to connect residential units located in Disadvantaged Communities within Nitrate Compliance Areas to City sewer. If determined feasible, implement a program to assist households to connect.</p>
		<p>Action 6.3.3: As funding is available, 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.</p>
	<p>Policy 6.4: Use the City’s Code Enforcement Division to facilitate neighborhood improvements.</p>	<p>Action 6.4.1: Continue the City’s Code Enforcement efforts to preserve existing neighborhoods.</p>

Goal 7: Increase home ownership (page 62)		
<i>This action is intended to support entry into home ownership for lower income households, who need substantial subsidies to do so.</i>	Policy 7.1: Expand homeownership opportunities for first-time homebuyers.	Action 7.1.1: Pursue resources to offer self-help housing to low-income first-time homebuyers by partnering with organizations such as Community Housing Improvement Program and Habitat for Humanity.

Goal 8: Remove governmental constraints to the development of housing, emergency shelters and low barrier navigation centers (pages 62-63)		
<i>These actions are necessary for the City to comply with State laws. AB 139 requires that local codes can only require parking for the staff at emergency shelters, that the Housing Element assess the need for emergency shelters based on the capacity necessary to accommodate the most recent Point in Time, and that the zone or zones identified in the jurisdiction's code where Emergency Shelters are allowed by right have sufficient capacity to accommodate the need identified. AB 101 requires that Low Barrier Navigation Centers, as defined in the law, be allowed by right in areas zoned for mixed uses and nonresidential zones permitting multi-family uses.</i>	Policy 8.1: Ensure the Chico Municipal Code is consistent with State legislation pertaining to emergency shelters and low barrier navigation centers.	Action 8.1.1: Amend the Chico Municipal Code regarding Emergency Shelters to require parking only for staff working at the shelter and not the guests of the shelter, per AB 139 .
		Action 8.1.2: Amend the Chico Municipal Code to state that Low Barrier Navigation Centers, as defined by AB 101 , are allowed by right in areas zoned for mixed use and non-residential zones permitting multi-family uses. This amendment will expire on January 1, 2027, when the State statute expires.
		Action 8.1.3: In order to meet the shelter capacity requirements of AB 139 , amend the Chico Municipal Code to identify another zoning district, in addition to the Quasi-Public (PQ) zoning district, where Emergency Shelters are allowed by right.

Goal 9: Encourage energy efficiency in housing (page 63)		
<p><i>These actions are intended to align the Housing Element with the City's Climate Action Plan update</i></p>	<p>Policy 9.1: 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.</p>	<p>Action 9.1.1: Effectively implement the California Building Code (CALGreen) through staff training to achieve improved energy efficiency and reduce waste.</p>
		<p>Action 9.1.2: Consistent with the City's adopted Climate Action Plan Update, expand the City's Residential Energy Conservation Ordinance that requires installation of cost-effective energy efficiency measures of any residential property that is sold, exchanged, or transferred in the city of Chico, to also include residences that are permitted for substantial rehabilitation (more than 50% of existing floor area).</p>

Bryce Goldstein, June 8 2022

Recommendations to Staff

I would like to recommend the following changes and additions to goals, policies, and actions within the Housing Program of the 2022 Housing Element.

Changes to Goal 1: Improve fair housing choice and equitable access to opportunity

- **New action 1.7.2:** *For the purpose of furthering fair housing, ensure enough adequately zoned sites are available for very low and low income housing located in areas with high median household incomes including census block 8, outside of low-opportunity census blocks, low-density neighborhoods, and other areas that are currently and historically income and race exclusive.*

Changes to Goal 3: Support production of housing that is affordable to low-income households

New Policy 3.4: *Increase the number of sites where low income housing may feasibly be built.*

- **New Action 3.4.1:** *Increase the number of sites that can support low-income housing by upzoning vacant parcels in the City's core neighborhoods and along transit lines to R4 or RMU/CMU, and by expanding the Corridor Opportunity Site (COS) overlay to include parcels on local transit routes as well as all parcels within one half mile of the Downtown Transit Center.*
- **New action 3.4.2:** *Redevelop City-owned parking lots within Central City Opportunity Sites into affordable housing.*
- **Renew previous housing element Action Number H.2.4.2 as an Action 3.4.3:** *"Develop a range of Mixed Income / Inclusionary Zoning options for Council consideration". [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]*

Changes to Goal 4: Promote construction of a wide range of housing types

Changes to Policy 4.1: "Enable sufficient housing construction to meet future needs."

- **New action 4.1.2:** *Promote housing construction by reducing and allowing flexibility in minimum parking requirements.*

Changes to Policy 4.2: "Promote a mix of dwelling types and sizes throughout the City"

- **Modify Action 4.2.1:** Implement the Corridor Opportunity Site Overlay through the use of incentives found in the City's Land Use Element and flexibility in development. *Increase locations with the COS overlay to include the core areas of Chico and State-designated Transit Priority Areas and Major Transit Stops. Expand COS to include all parcels served by local transit routes, as well as all parcels within one half mile of the Transit Center. Modify COS overlay code to specify that all residential uses are eligible for the density bonus. Expand residential mixed use land use within COS zoning. Remove or reduce parking minimums within COS overlays. Remove uses not aligned with goals of corridor opportunity sites including gas stations from COS overlay zones.*
- **Modify Action 4.2.2:** Implement the Downtown Element policy framework to support higher density, mixed-use residential development in Downtown. *Remove all parking requirements within the Downtown Opportunity Site. Explore unbundling residential parking by requiring downtown residents to purchase their own parking spaces/permits.*
- **Modify Action 4.2.3:** Continue to implement the Traditional Neighborhood Development (TND) regulations found in the City's Municipal Code that promote higher density, vertical and horizontal mixed use, and greater flexibility in meeting parking requirements. *Rezone vacant sites and Special Planning Areas to TND.*
- **New action 4.2.4:** *Restructure development fees to be based on square footage instead of per-unit to incentivize development of a mix of housing sizes including smaller, naturally affordable units.*
- **New action 4.2.5:** *Increase R2 density back to what was previously allowed, 7.1 to 14 units per acre, to promote moderate density and moderate income housing.*
- **New action 4.2.6:** *Increase minimum and maximum density of R1, R2, R3, and R4 zoning categories.*
- **New Action 4.2.7:** *Allow missing middle housing types including plexes, bungalow courts, and shophouses in all existing residential zoning codes. Study potential policies and designs used by other cities including Sacramento, CA, Oakland, CA, and Portland, OR.*
- **New Action 4.2.8:** *Pursue form based coding for future zoning updates.*

Changes to Goal 5: Encourage the creation of housing for people with special needs, including youth, seniors, those with disabilities and those experiencing homelessness.

- **Modify action 5.1.4:** *Promote development of Single Room Occupancy (SRO) or other small unit developments by removing or reducing parking requirements and lowering*

development impact fees. Support the conversion of motels/hotels which are vacant or underutilized and assist in identifying potential funding resources.

Changes to Goal 6: Improve, rehabilitate and revitalize existing homes and neighborhoods

Changes to Policy 6.1: Maintain and enhance the character and affordable nature of Chico's older neighborhoods.

- **New action 6.1.3:** *Study impacts of short-term rentals on existing neighborhoods and potential displacement.*

New Policy 6.5: *Implement a rental registry to ensure code compliance, fair business practices, and fair share of taxes to local government.*

- **New Action 6.5.1:** *Work with Code Enforcement to implement a rental registry.*

Changes to Goal 9: Encourage energy efficiency in housing

New Policy 9.2: *Promote construction of naturally energy efficient building types including attached housing, infill, and smaller units.*

- **New Action 9.2.1:** *Incentivize infill development, multifamily housing, and small units through the actions outlined in Policy 4.2: Promote a mix of dwelling types and sizes throughout the City.*
- **New Action 9.2.2:** *Include supporting infill housing as a climate policy in City plans and documents.*

Other Recommendations for Staff

RHNA & Resource Inventory

- Identify enough sites to provide a Housing Supply Buffer of 25% for Very low, Low, and Moderate above realistic capacity. See policy and action recommendations for modifying zoning, overlays, and codes to ensure there are enough sites available.
- Review housing policies implemented in Sacramento that led to their prohousing designation by HCD and identify applicable best practices.
- Commit to a mid-cycle review of Housing Element, where if we are not on track to meet RHNA targets we can pursue adjustments including rezones, density bonuses, and streamlined approval processes.
- Present to the commission a map of all sites within a minimum of ½ mile of the downtown transit center and within ¼ mile of local transit routes or transit stops. This will assist us in determining policies/actions related to COS overlays and upzoning related to Transit Priority Areas and Major Transit Stops.

- Specific corridors to include (among others): 8th & 9th Streets, Nord Ave, and the Esplanade.

Document Format

- Add chapter number to page footers for ease of finding chapters in this large document.

From: [Susan Tchudi](#)
To: [Nicole Acain](#)
Subject: Letter for the Planning Commission on the Housing Element
Date: Monday, June 6, 2022 3:12:14 PM

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June 6, 2022

To the Planning Commission:

Thank you so much for the thorough and thoughtful discussion of the Housing Element document on Thursday night, June 2.

I want to reiterate and emphasize the comments I made at that meeting. I think the Housing Element draft is extremely limited in its scope. I appreciate the effort necessary to attend to the enormous need for affordable housing, but I think the document and the City should be more expansive and more imaginative in looking for possibilities for affordable housing.

First, I think the City needs a redevelopment plan. There are many places in Chico where there are tumbling down or unused or underused buildings that should be explored for redevelopment. In addition, the City should consider places where zoning could be changed to allow for housing. For example, there may be commercially zoned land that would perhaps be good for mixed use development. Also, in thinking about units per acre, perhaps the City should seriously consider building up not out. To meet the goal of density that is called for in the City General Plan and to reach the goals of the Climate Action Plan to cut greenhouse gas emissions, perhaps Chico should consider greater use of multi-level housing.

I also want to call attention to a statement made at the meeting. I'm not sure if it was Mike Sawley or Brendan Vieg who said that five pieces of land have been developed on plots that were *not* in the available sites inventory. This surely demonstrates that the Housing Element consultants were not given or did not use the full picture of what is available for housing. Moreover, Brendan Vieg admitted that the City-owned vacant land was not included in the available sites because someone determined they were not appropriate for housing.

In addition, to reiterate what I said at Thursday's meeting: I thought the public comment possibilities were highly circumscribed. I attended the public comment sessions, and there was little opportunity to do creative or visionary thinking about what we want the community to look like or to introduce topics not on the agenda.

I know the creation of the Housing Element is a huge undertaking. Given that it will shape the future of the City, it's extraordinarily important. So why does it seem so inadequate?

Susan Tchudi
10846 Nelson Bar Road
Yankee Hill
susantchudi@gmail.com
530-781-4122

From: [Marissa Maxey](#)
To: [Marie Demers](#)
Subject: Planning Commission Comment (Housing Element) Agenda Item 4.1
Date: Thursday, June 2, 2022 9:18:42 AM
Attachments: [image002.png](#)
[image004.png](#)
[image006.png](#)

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Good Morning Ms. Demers,

I hope this finds you well. Below is my comment for Agenda Item 4.1 (Housing Element Update 2022).

Thank You!

Good Evening Commissioners,

Congratulations on the Housing Element Update Draft! I am writing to express my gratitude at the inclusion of language that supports collaboration between the City of Chico, Butte County Public Health, and the California Health Collaborative (Policy 1.6, Action 1.6.2). Education and outreach on the impact of second-hand smoke in multi-family housing is an important step in improving environmental health outcomes for Chico residents. Shared ventilation, proximity to neighbors' doors and windows, and toxic smoke residue that sticks to paint and carpets means that second and third-hand smoke exposure is ubiquitous in multi-family dwellings without comprehensive smoke-free policies. Property managers who receive education on the issue can more effectively protect their tenants. Thank you for recognizing that health begins where we live, work, and play. We look forward to future discussions and partnership.

In Good Health,

*Marissa Maxey
Project Director
LEAD Project-California Health Collaborative*



Marissa Maxey (she/her)

Project Director

530-552-2033

mmaxey@healthcollaborative.org

www.healthcollaborative/LEAD

June 1, 2022

Marie Demers, Housing Manager
City of Chico
411 Main Street, 2nd Floor
Chico, CA 95927



cc: City Council Members, Planning Commission Members

Sent via email

RE: City of Chico Housing Element Public Review Draft

Dear Marie Demers,

On behalf of House Sacramento, thank you for allowing us the opportunity to provide feedback on the Draft 2022-2030 Housing Element for the City of Chico published online in May 2022 ("Housing Element").

House Sacramento is an organization formed to advocate for building inclusively affordable communities in the Greater Sacramento Region and North State. We formed to represent renters, young people, and other communities disproportionately harmed by NIMBYism and California's long standing culture of opposition to developing adequate housing supply.

We see the Housing Element as an opportunity to address regional inequities using housing and land use policy. As noted in the introduction, the Camp Fire created significant instability in the housing market. To the City's credit, we believe the City admirably responded in the immediate aftermath of the disaster. However, homelessness, rent burden, and home increases continue to burden Chico's most vulnerable residents. We believe a strong and ambitious housing element can contribute towards a more inclusive and affordable Chico.

We have identified the following key issues.

Issue #1: Assumed Density for Overlay Zones

A significant amount of the Adequate Sites Inventory uses high densities from the Corridor Opportunity Site (COS) overlay, with a stated assumed density of 30 units per acre and an allowed density of 70 units per acre. However, this is not supported by the City Ordinance regarding the COS overlay. According to Municipal Code Section 19.52.080 *Corridor Opportunity Site (-COS) overlay zone*, a Density of 70 units per acre is permissible if the underlying zoning is Residential Mixed Use and 60 units per acre for Office Mixed Use and Commercial Mixed Use. However, there is no indication in the municipal code that other underlying zoning permits densities greater than the base densities of the underlying use. The Adequate Sites Inventory relies on sites 4,5, and 6 with an underlying zoning of R2 which has a maximum density of 2 dwelling units per acre. It's not clear that these sites would be permissible for affordable housing at a density greater than 14 units per acre, which would not

be affordable for lower income households. Additionally, if the sites are required to be mixed use to allow these densities, they could not be included in the sites inventory because no affordable housing in Chico has historically been mixed use that we are aware of.

Additional explanation and analysis of the overlay zoning code is required for its inclusion. Additionally, we recommend clarifying the municipal code so it could also be of use for affordable housing developers to more easily identify permitted uses and density by zoning district.

Issue #2: Use of Low Density Zones for Lower Income Housing

The housing elements states the inclusion of lower density housing (generally less than 30 units per acre) in the City is justified because of historic development at less densities, as indicated in *Figure 40.1 Lower Density Analysis* with an average density of 22 units per acre. This analysis is deeply flawed and all sites with zoning less than 30 units per acre should not be permitted to be included within the sites inventory.

For example, Figure 40.1 points to Parkside Terrace as an example of project built at 14.5 units per acre over 6.21 acres. However, an analysis of Parkside Terrace reveals the site is only 3.99 acres (APN 002-180-146 and 002-180-147) and has a density of 22.6 units per acre.



Regardless, the average density of 22.9 units/acre shown in Figure 40.1 is approximately 23 units per acre, so its not clear why this was rounded down to 22 units per acre or why any base zoning with a density of less than 22.9 units per acre was included in the adequate sites

analysis (Sites 9, 10, 11, 12, 13, 14, and 15). In sum, the inclusion of site zoned R3 or for less than 30 units per acre should be excluded from the Adequete Sites Inventory for Low and Very Low Income Households.

Issue #3: Adequacy of Public Facilities, Services, and Infrastructure for Site Suitability Analysis

The Sites Analysis includes the inclusion of 4,833 units as part of the Housing Capacity (Figure 40.5), which is composed of 34 sites (Figures 40.2, 40.3, and 40.4).

According to Government Code Section 65583.2.b.5.B “Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development.” The City has a section that examines existing and planned utilities (p. 254), but this analysis only looks at the capacity of the entire municipal system and does not consider the deficient infrastructure that may exist serving the listed sites.

The City’s most recent Sanitary Sewer Master Plan Update dated June 2013 indicates significant capacity issues within certain areas of the City. This plan predates the significant population growth prior to the Campfire and certainly does not consider the potential housing growth as shown in the Sites Analysis. The Sanitary Sewer Master Plan Update indicates significant (Figure 6.2) and future deficiencies (Figure 6.3) and the need for new sewer infrastructure in the vicinity of Sites Analysis sites 2, 7, 9, 10, 14, 15, and 24. In particular, the 484 units included at sites 14 and 15 depend on Project P-8 (11th Avenue Sewer). According to the City of Chico Sewer System Management Plan dated July 2019 this project had still not been completed. The Housing Element needs to complete a more granular analysis comparing identified deficiencies within the utility system and compare them with the sites identified in the housing element. If the deficiency is not scheduled to be addressed within the planning period, the site should not be included.

The inclusion of 100% of these units towards the Site Analysis without additional documentation is not appropriate and undermines the credibility that the City analyzed any of the identified sites.

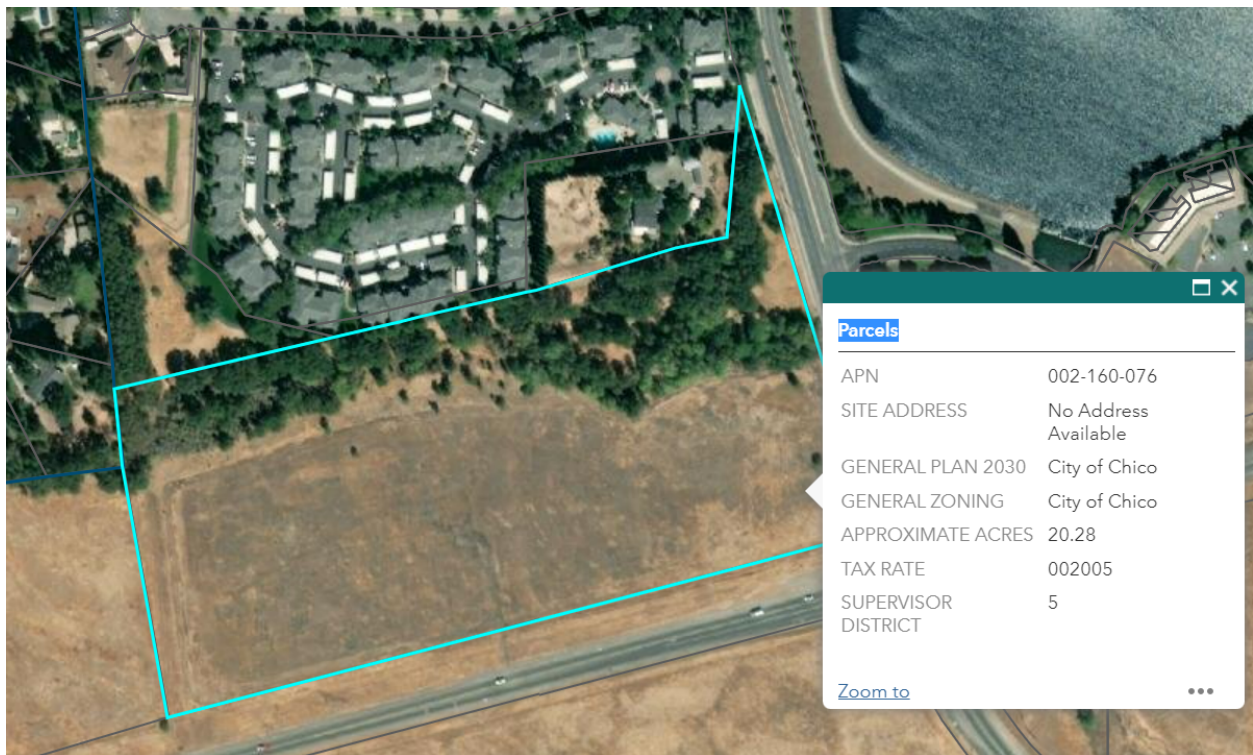
Issue #4: Adequacy of Environmental Constraints for Site Suitability Analysis

Government Code Section 65583.2.b.4 requires “A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction.” The Housing Element provides only a cursory review. It does not appear to consider which properties are located within FEMA identified flood plains. Sites 2, 7, 10, 17, 20, 24, and 26 all appear to be partially or fully within the 100 year flood plain.

Likewise, the Housing Element includes 303 project units associated with site 26 (“Stonegate”), but does not include any discussion regarding the known lawsuits and endangered species on the site that could prevent the project from ever being built, such as Butte County Meadowfoam, vernal pool fairy shrimp, and vernal pool tadpole shrimp. The project was approved by City Council in 2018 but has not started construction. The site appears to be subject to ongoing litigation (*Acqualliance; and Center for Biological Diversity v. US Fish and Wildlife; US Army Corps*). This lawsuit and the presence of endangered species draw significant concerns about the actual viability of the sites identified.

Holistically, these arguments point towards a bad faith effort by the City of Chico in their tabulation of their “Approved” units and draws into question what actual “analysis” was undertaken with the other sites not mentioned.

As one example, APN 002-160-076-000 (site 10) includes significant woodland and a 100 year floodplain. However, the sites analysis applies the assumed density of 22 units per acre across the entire acreage. Additionally, Figure 40.2 identifies the site as R3 zoning whereas Appendix 2 identifies the zoning as a combination of R3, R4. The zoning for all parcels should be checked for errors and the information presented in Appendix 2 and Figure 40.2 should be combined into a single table to allow the information to be readily checked.



Issue #5: Sites Used in Previous Planning Periods Housing Elements

The Housing Element clearly identifies which sites in previous housing elements (Appendix B), as required by Government Code Section 65583.2.c (AB 1397, 2017). These sites cannot be

applied towards the site analysis or are subject to mandatory rezoning. However, the Housing Element includes no action or timetable for this mandatory rezoning to take place.

Issue #6: Large Sites

As noted in the housing element, sites larger than 10 acres are not considered adequate to accommodate lower-income housing need unless it can be demonstrated that sites of equivalent size were successfully developed during the prior planning period or other evidence is provided that the site can be developed as lower-income housing.

The Housing Element makes reference to high demand for housing in Chico at large (p 247), but does not adequately demonstrate the feasibility of large sites greater than 10 acres including sites 4,7,8,10, 14, and 15, the largest of which is 23.94 acres (site 8). The Review of the Previous Housing Element does not include a sites analysis that lists the size of the projects developed, but our group is not aware of any affordable housing development greater than 5 acres that has recently been constructed in the City. Without further analysis, these sites greater than 10 acres cannot not be included within the Adequate Sites Inventory for Low and Very Low Incomes.

Issue #7: Probability of Development and Realistic Capacity

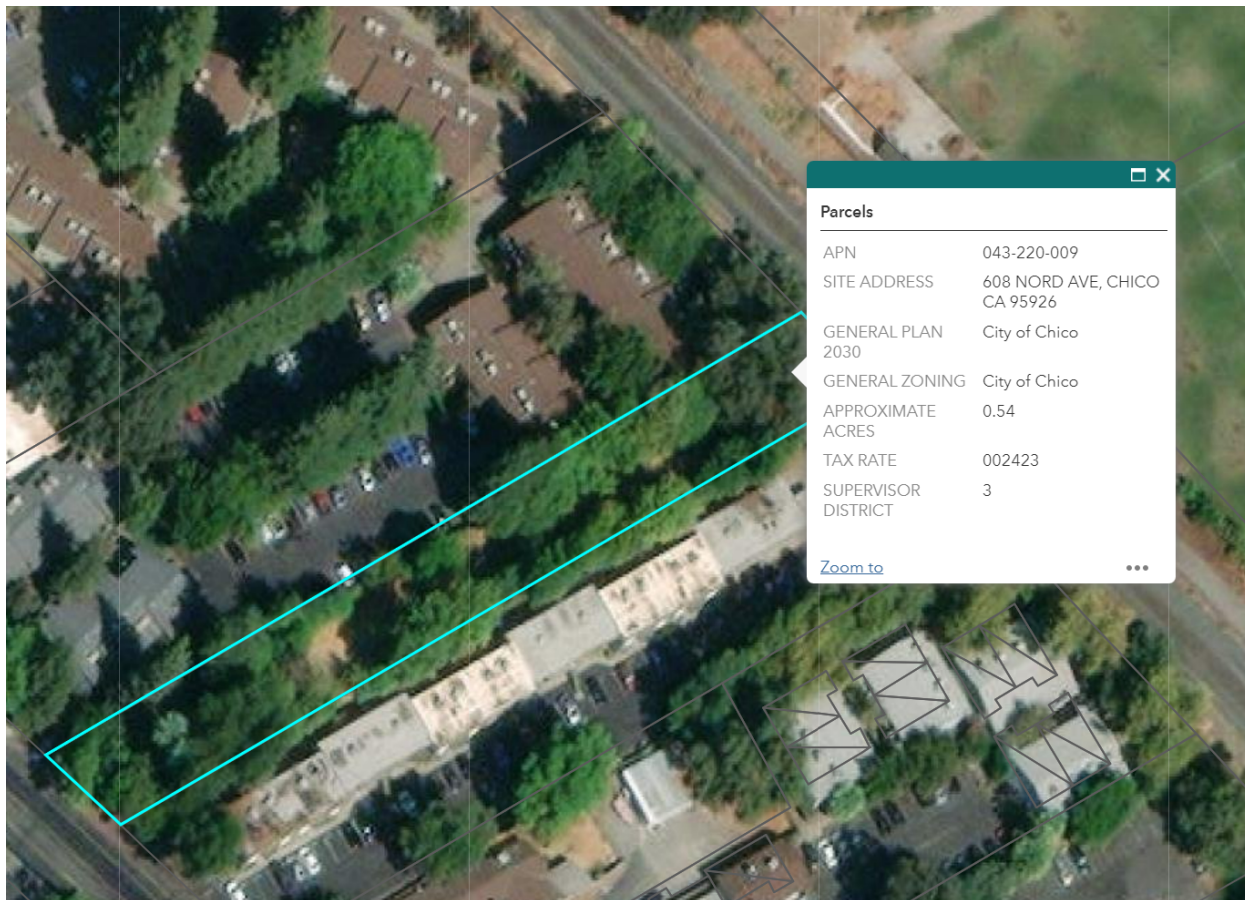
The Housing Element assumes sites identified in the Adequate Sites Analysis have a 100% probability of development, which includes sites that are not zoned residential. The Housing Element should use historical data, such as the sites from the previous housing element that were developed into housing to determine a probability of development for each zoning type. This information can produce an expected yield in new housing units proportional to the probability of development.

Issue #8: Lack of Sites for Emergency Shelters

We strongly support Goal 8 to “Remove governmental constraints to the development of housing, emergency shelters, and low barrier navigation centers.” The proposed Action 8.1.3 is too vague regarding which zones would specifically be modified to allow Emergency Shelters by-right. We recommend modifying this Action to propose a specific zone (or zones) where Emergency Shelters could be allowed by-right.

Issue #9: Odd Shaped Parcels Impossible to Develop in Adequate Sites Analysis

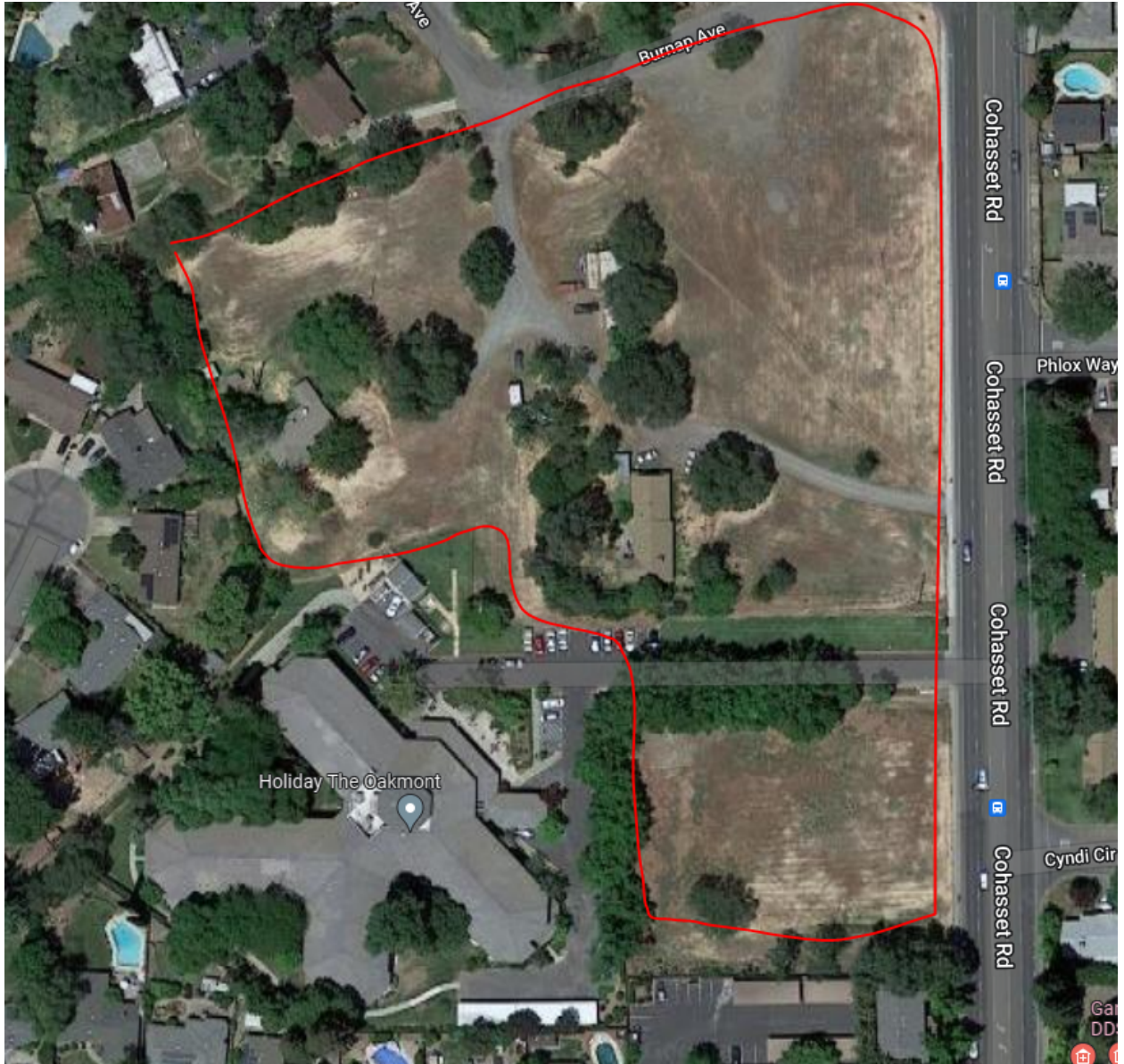
Some sites used in the Adequate Sites Analysis are odd shaped and unlikely, if not impossible, to be developed. The Housing Element must use justification to support the inclusion of such sites. For example, APN 043-220-009-000 appears to only be a few feet wide, yet the Housing Element identifies it as a location for 12 lower income units. Parcels that are not regularly shaped should be excluded from the Adequate Sites Analysis.



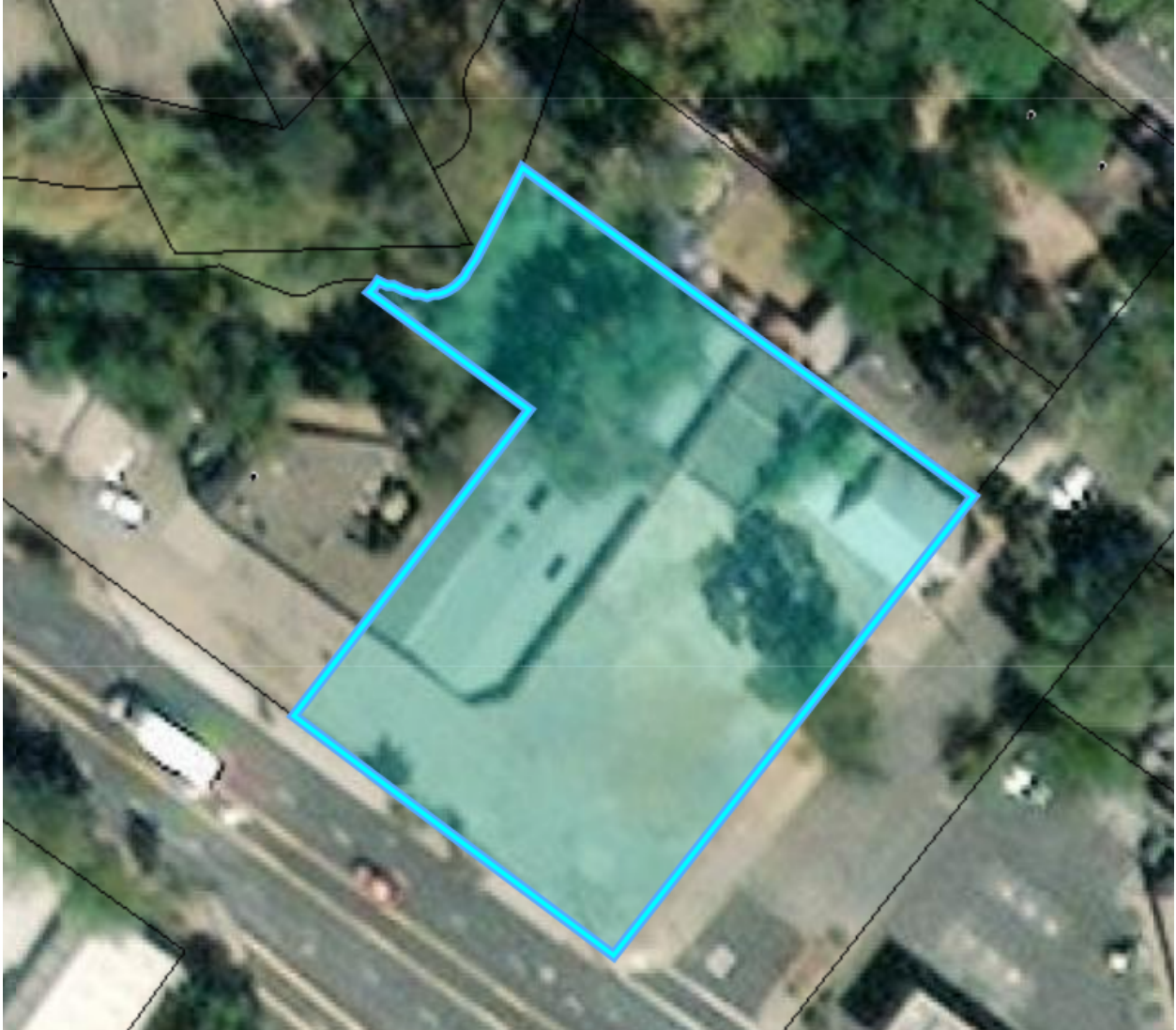
Issue #10: Vacant Sites

The Housing Element includes parcels that are known to not be vacant. This is particularly difficult to track by not including information regarding a sites current use in Figure 40.2 and only in Appendix 2 (and not including site numbers in Appendix 2).

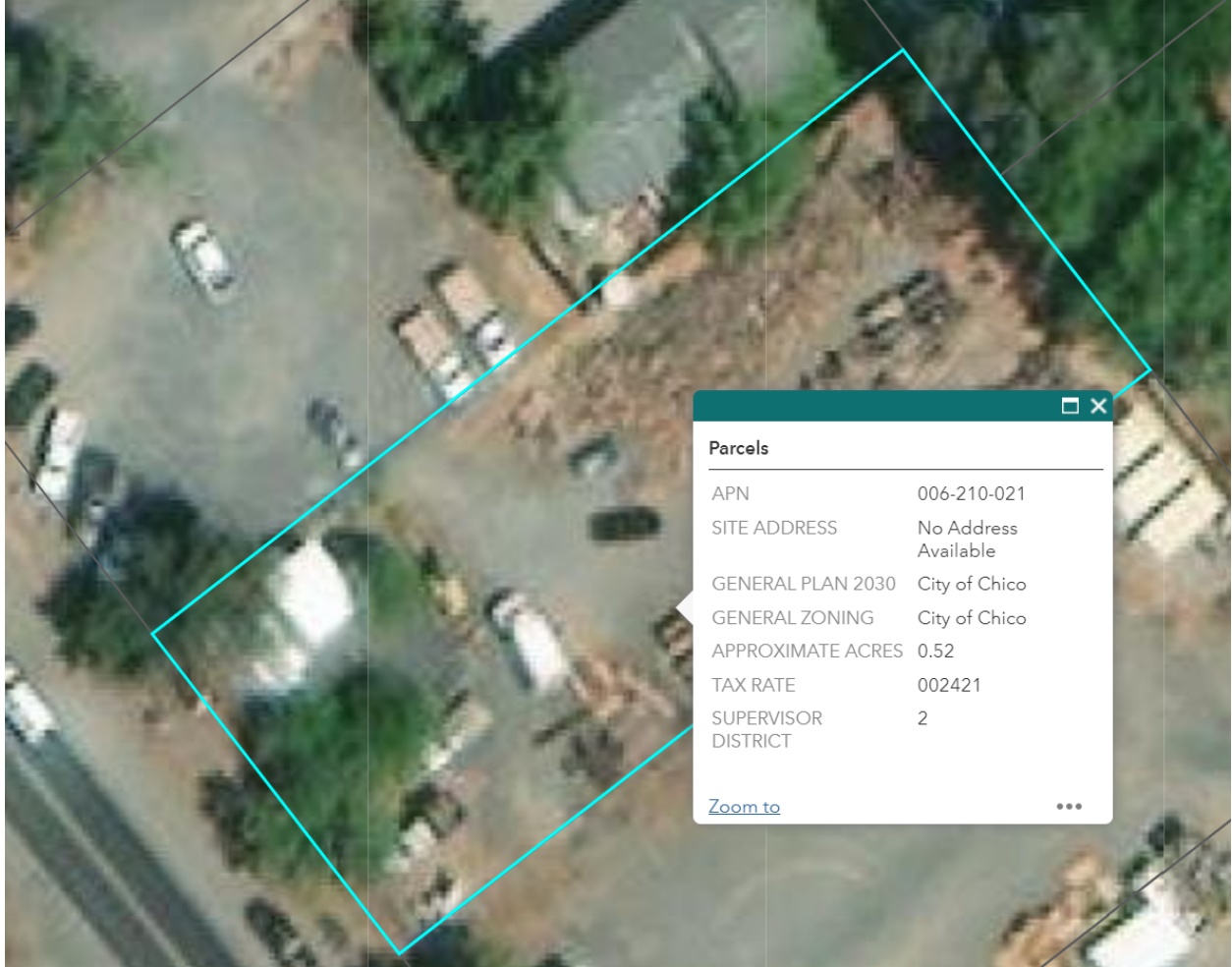
For example, site 9 (APN 007-120-053, 007-560-011, 007-560-012, and 007-560-013) are listed in Appendix 2 as vacant sites, but the site appears to have 2-3 single family homes on the site.



APN 005-102-018-000 also appears to be listed as vacant but has structures on it according to online imagery.

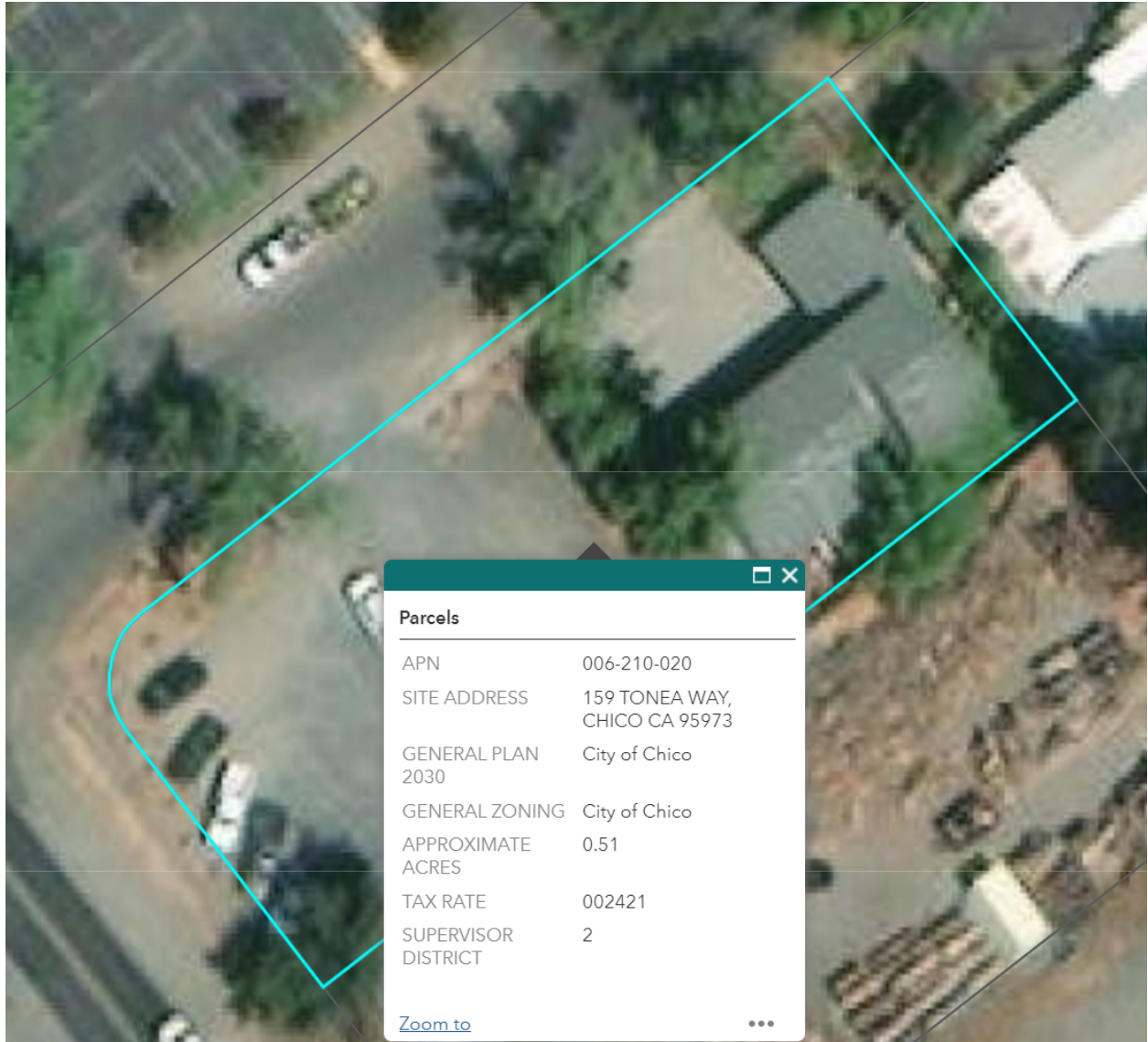


APN 006-210-021-000 is listed vacant but appears to have a current commercial use.



APN 006-210-020-000 is listed as vacant but appears to contain a mutlifamily property on the parcel.





APN 043-080-008-000 is listed as vacant but appears to be used by a current agricultural operation and contains a single family home.



APN 042-140-077 (Site 4) is proposed for 386 lower income units, yet the site is home to an existing single family home and agricultural use.








Issue #11: Conflicts with the General Plan Land Use Element

The adequate sites inventory includes multiple parcels with general plan designations that do not support the assumed densities. For example, Sites 4,5, and 6 have an assumed density of 30 units per acre yet their General Plan Designation is Medium Density Residential (MDR). According to the General Plan, this land use only allows a maximum density of 14 units per acre. Densities greater than 14 units per acre would require a General Plan Amendment, so it is inappropriate to include these parcel within the sites inventory.

3. LAND USE

TABLE LU-2: LAND USE DESIGNATIONS AND DEVELOPMENT STANDARDS

Land Use Image	Land Use Designation Description	Allowed Density (Dwelling Units/Acre)		Suggested Floor Area Ratio (FAR)	
		Minimum DU/AC	Maximum DU/AC	Minimum FAR	Maximum FAR
Residential Designations					
	Very Low Density Residential (VLDR) This designation can provide a smooth transition between the rural areas and more densely developed neighborhoods, or be in "pockets" of development in carefully selected locations.	0.2	2.0	N/A	N/A
	Low Density Residential (LDR) This designation represents the traditional single-family neighborhood with a majority of single-family detached homes and some duplexes. This is the predominant land use category of the City's existing neighborhoods.	2.1	7.0	N/A	N/A
	Medium Density Residential (MDR) This designation is generally characterized by duplexes, small apartment complexes, single-family attached homes such as town homes and condominiums, and single-family detached homes on small lots.	6.0	14.0	N/A	N/A
	Medium-High Density Residential (MHDR) This designation provides a transition between traditional single-family neighborhoods and high density residential, and major activity or job centers. Dwelling types may include townhouses, garden apartments, and other forms of multi-family housing.	14.1	22.0	N/A	N/A
	High Density Residential (HDR) This designation represents the most urban residential category. The predominant style of development is larger, multi-family housing complexes, including apartments and condominiums.	20.0	70.0	N/A	N/A

Recommendation #1: Housing Supply Buffer

We recommend implementing a buffer above the required RHNA targets to ensure the city can meet its RHNA objectives through the development pipeline. House Sacramento recommends a buffer of at least 25% on all income categories. This will also potentially reduce the need to rezone sites to be in compliance with the State No Net Loss Law.

Recommendation #2: Infill Housing as a Climate Policy

We strongly support the City's efforts to reduce Greenhouse Gas Emissions. We recommend adopting policies and program actions that facilitate housing which reduces per capita greenhouse gas emissions, especially those from transportation. In particular, we recommend a policy which supports the inclusion of infill housing throughout the City as a means of facilitating a lower carbon lifestyle for all residents.

Regards,

A handwritten signature in black ink, appearing to read "Ansel Lundberg". The signature is fluid and cursive, with the first name "Ansel" and last name "Lundberg" clearly distinguishable.

Ansel Lundberg
Co-Chair, House Sacramento
www.housesac.org

City of Chico Planning Commission
Community Development Department
411 Main Street, 2nd Floor
Chico, CA 95928

Subject: Preliminary Review of and Public Comment on the Housing Element Update (2022-2030)

Hello Chico Planning Commission Members,

Butte Environmental Council (BEC) is reviewing the Chico Housing Element draft and will make comments in support of environmental and socioeconomic sustainability, especially where revisions to the draft would better align with the goals, policies, and actions of the 2030 General Plan. Since the 2014 Housing Element was adopted, numerous state laws have changed the process, making it difficult to ascertain compliance. Jurisdictions around the state have had difficulty in meeting the new standards enforced by the CA Department of Housing and Community Development (HCD). Indeed, Chico City Staff received informal feedback requiring months of revision to this draft before it was released to the public.

Furthermore, the series of disasters has transformed conditions in Chico since both the 2030 General Plan and the 2014 Housing Element were adopted. Chico is currently experiencing an unprecedented influx of public subsidies for development of affordable housing. We are unlikely to see a comparable quantity of governmental support for low-income housing in the near future and the failure to adapt our policies now to achieve progress towards our community's goals will be felt for decades to come.

Due to timing constraints from the date the draft was released, the delay of releasing the sites inventory, and the date of this Planning Commission hearing, BEC was unfortunately unable to complete the full comments we intend to submit to the Chico City Council, so you are receiving our preliminary findings and draft public comment. The Commission should, however, play an instrumental role in interpreting consistency with the General Plan and incorporating community feedback. This single hearing held before all comments are received on the draft - the first invitation for the community to participate in the process since last September - probably does not do justice to that responsibility, and the Commission should consider ways to facilitate more community input before the draft is submitted to HCD.

Notwithstanding, we will present some points of analysis we have identified thus far, pending completion and board approval of BEC's comments and recommendations.

1. Chico does not normally permit sufficient densities to accommodate low-income housing.

On the day of the Camp Fire, Chico surpassed a population of 100,000, qualifying us in the eyes of HCD as a 'metropolitan' jurisdiction. This affected what is called the "Mullin density" which specifies how many dwelling units per acre (du/ac) must be allowed to automatically consider a site adequate for low-income housing. State law recognizes that developers rely on economies of scale to reduce the individual cost of housing units so that they may be provided at more affordable rates. Previously (and still, for the rest of Butte County) 20 du/ac was considered adequate. In Chico, since the population has reached the 100,000 threshold, the number is 30 du/ac. Very few jurisdictions opt out of Mullin densities. The analysis HCD requires to justify inclusion of sites for

low-income housing even though they prohibit development of Mullin densities should include something like land being especially low-cost for a metropolitan area. In Chico, this is not the case.

As you know, most multifamily development in Chico occurs on sites zoned R3, CMU, or OMU with normal maximums of 22 du/ac. There are only three R4 parcels (20-70 du/ac) in the city of Chico, only one of which is vacant, and that site appears in the [2018 Land Absorption Study](#) to have Butte County Meadowfoam on site. It is highly unlikely that this vacant parcel will be developed due to the environmental impacts development will cause.

The Housing Element Update draft proposes a density bonus of up to 30 du/ac applying to residential and commercial zoning districts permitting a maximum density of 20 or 22 du/ac, if 15% of the units are affordable to low-income households (Action 3.3.6). However, [HCD is clear](#) that density bonuses do not support the appropriateness of a zoning district for low-income housing. Additionally, it is suspect that developing an extra 3.5 market rate units on an acre is sufficient to incentivize 4.5 units rented at a loss to the developer. HCD recommends "incentives should be sufficient and available to make development feasible and more profitable than the underlying zoning."

2. The Sites Inventory in the draft does not discount the "likelihood of development."

AB1397 (2017), together with other recent laws, requires that cities no longer assume that all sites permitting multifamily housing will be developed within the planning period. Instead, the city should calculate a "likelihood of development" and discount the sites inventory based on that. The most straight-forward way to do this is to assume the same rate of development of low-income sites as occurred in the last planning period. In Chico, 449 low-income units were constructed in the last Housing Element cycle, while Chico estimated a low-income site capacity of 7,134 in 2014. This suggests that the draft sites inventory should be discounted by 93.7%. If we credit all development in the past planning period to include sites identified for low-income housing but which were built for higher income groups, we should still discount our sites capacity 72%.

While market conditions have changed in favor of more multifamily development, *the analysis of realistic capacity should not assume all sites will be developed and sites should be rezoned to make up the shortfall in capacity.*

3. The draft allocates nearly all sites for low-income housing along high-traffic arterial roads exposed to higher levels of noise and air pollution, mostly in areas of poor street connectivity, lacking in safe infrastructure for active transportation, and frequently in areas of poverty.

AB686 set a mandate on all public agencies in California to "affirmatively further fair housing" which is defined as "taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws."

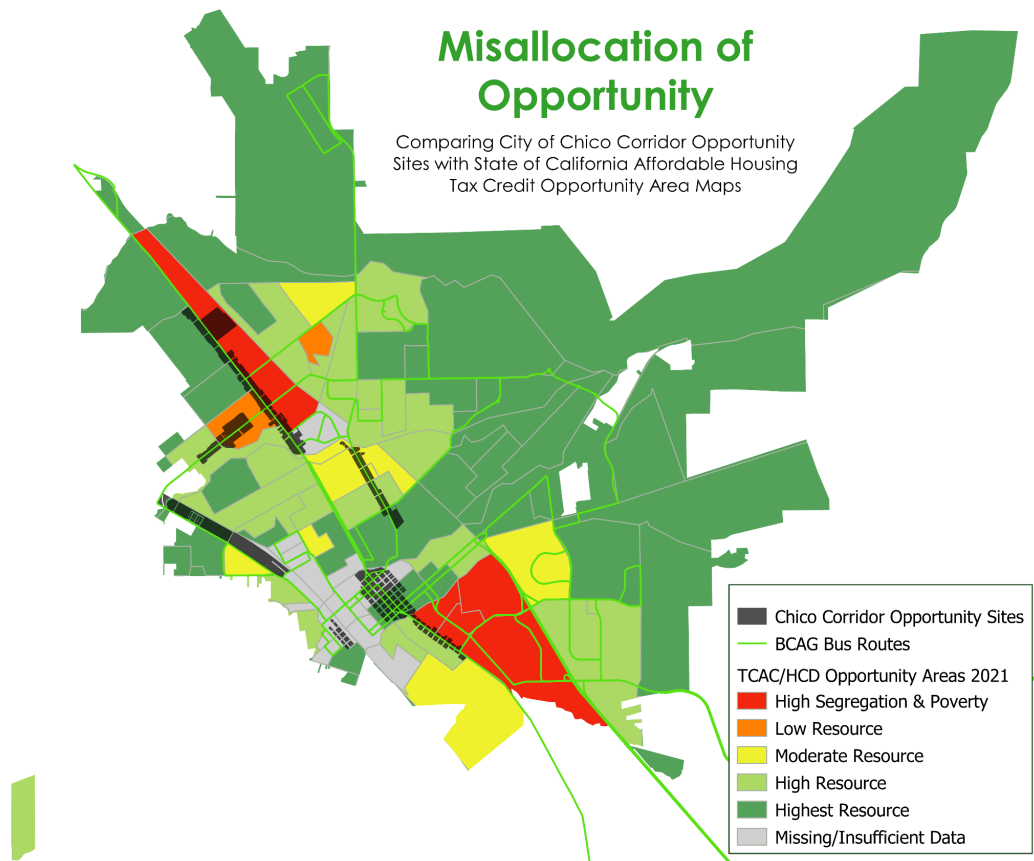
On account of the barrage of disaster relief subsidies, we can be confident that some quantity of low-income housing will be developed. Some of the current projects, like Creekside Place, built on

city-owned land alongside a greenway, and North Creek Crossings, part of the inclusionary program in the Meriam Park development agreement, are in high-quality environments. The majority of sites the city offers, however, are located in areas just as likely to be selected for a gas station. Perpetuating historic environmental injustice that led to the predominant concentration of multifamily housing in Chico along Highway 32 and the railroad tracks (including, by no coincidence, the former location of the Mechoopda Rancheria) a significant concentration of recent high-density developments line the railroad tracks.

Locating the preponderance of sites for low-income housing is materially inconsistent with the duty to affirmatively further fair housing. It also poses development constraints, as building housing on these sites will likely require environmental mitigation.

The lackluster results of the Corridor Opportunity Site zoning overlay (-COS), which sought to incentivize high-density redevelopment to improve underutilized transportation corridors, illustrates this issue. Some -COS sites have seen no new housing or only new housing near the minimum allowable densities. The majority of housing development within the -COS overlay has taken place along Walnut Street, which was not originally included in the program, which suggests the overlay may have been misallocated in the first place. The benefits of the overlay and the scarcity of the application, however, likely prompted an increase in land values that have made it difficult for affordable housing providers to acquire land on these sites. [This phenomenon has been documented elsewhere.](#)

In spite of the presence of underutilized land, and the best access to transit and employment the city of Chico offers, areas around Downtown are mostly exempted from the -COS overlay. This shows how transit is less of an indicator where the city applies the -COS overlay than poor environmental quality, which the city hoped would be ameliorated by new high-density development.



4. The draft conflicts with local goals, policy, and analysis by excluding the core of the city from the sites inventory.

HCD's Sites Inventory Guidebook recommends that cities first assess development potential in high-opportunity neighborhoods, however the zoning map of the City of Chico precludes consideration of sites in the high-opportunity neighborhoods near Bidwell Park and the city center. Many of these areas developed incrementally in the mid-twentieth century, providing dispersed multi-unit conversions of aged single-family homes and small apartment buildings that make up a large share of Chico's low-income housing today. In the 1990's, however, further growth in housing in neighborhoods like the Avenues and Southwest Chico was banned, precipitating the severity of today's housing crisis.

While the draft Housing Element claims development potential in high-resource areas "are already fully built out;" this ignores the city's own prior analysis and clear commitments made in the Chico 2030 General Plan supporting redevelopment and intensification in the city center. A sampling of these policies could include Goal LU-5 "Support development and redevelopment of the designated Opportunity Sites," Goal DT-2 "Strengthen Downtown with a variety of land uses, mixed-use developments, and redevelopment throughout Downtown," and Action H.3.2.3 "Implement the Downtown Element of the General Plan to support higher density residential development Downtown."

The statement of "fully built out" also contradicts the city's own findings in the 2018 Land Absorption Study stating downtown Chico has a "high likelihood of seeing redevelopment at higher densities and intensities than currently exist." That study mentions in particular city policy, which dates back at least to the 1976 General Plan, supporting redevelopment of city-owned parking lots with multifamily housing. It's been a long time coming, and the city is moving forward, in collaboration with Chico State University, with redevelopment of the city-owned parking lot adjacent to Lost Park in Downtown Chico. That site is, however, excluded from the low-income sites inventory, in spite of Policy 5.2 of the proposed draft, which states "Continue to work with Chico State University to address the housing needs of students."

"Fully built-out" reflects effective city policy as much as physical conditions. For example, a vacant lot on Memorial Drive sits within 300 ft of two different transit stops serving three routes. It also lies within a half-mile of the transit center, making it one of the only vacant sites in Butte County that qualifies as a "transit priority area" according to the state of California. It is zoned R2, allowing only 6-14 units per acre.

Supporting the placement of high-density affordable housing in the walkable core of the city is the most practical and efficient action the city can take to address our regional contribution to the climate crisis, the destructive impacts of urban sprawl, and the housing crisis which, like many

Attachment D

environmental problems, falls most acutely upon the poor. It is clearly the intention of the 2030 General Plan that we do so and the government subsidies available for housing development offer us a unique opportunity to collaborate with affordable housing providers to steer the development of Chico in a more equitable and sustainable direction.

We appreciate the opportunity to offer our input on the draft Housing Element and wish to thank city staff for being helpful as we continue to review the document.

Sincerely,

Addison Winslow, Housing and Land Use Analyst

Authorized by the Butte Environmental Council Board of Directors



From: [Housing Tools](#)
To: [Marie Demers](#)
Subject: Public Comment for Chico HE
Date: Tuesday, May 24, 2022 12:07:04 PM

ATTENTION: This message originated from outside **City of Chico**. Please exercise judgment before opening attachments, clicking on links, or replying. Please report any suspicious emails with the Phishing Alert Button in Outlook or forward the email to phishing@chicoca.gov

Hi Marie,

Please see the emailed public comment below for your records of the 2022 Housing Element Update.

- Jess

Housing Tools Staff
admin@housing-tools.com | 530.715.0744
www.housing-tools.com

----- Forwarded message -----

From: **Benjamin Greenleaf** <bgreenleaf2018@gmail.com>
Date: Tue, May 24, 2022 at 11:44 AM
Subject: Re: UPDATED: City of Chico Draft 2022-2030 Housing Element Now Available
To: Housing Tools <admin@housing-tools.com>

Give the people at Comanche creek the area to live in. Get names etc. and build apartments for them there and get them out of R.Vs. There is a lot of garbage.

The way some community members are being of service and helping is enabling the Meth user and Heroin users Those that are currently using, must go to another site for addicts and alcoholics.They need 6 months at the Salvation army. To even have a chance. Build townhouse apartments at the Comanche site and call the apartments, Comanche apartments. There is chico land by knudsens juice where the old drive used to be. Place R.V people there and tents until the Comanche apartments project is finished and ready to move in or out by the airport. If they don't comply, give gas to leave town or get arrested for trespassing.

I was a homeless kid in Chico in 1976.

Benjamin Greenleaf

On Mon, May 23, 2022 at 4:20 PM Housing Tools <admin@housing-tools.com> wrote:

Dear community member,

Live or work in Chico? The City is in the process of updating its Housing Element, which is a community plan for all types of housing for the next

eight years. **Visit the Housing Element website to review the draft document and additional resources:** www.chicohousingelement.com/resources

Please note: If you opened or downloaded the document before Friday May 20th, please revisit the website and download it again. Our team realized that Appendix B (the Sites Inventory) was missing from the first version that was posted.

Mark your calendars for upcoming Planning Commission and City Council meetings:

Planning Commission

421 Main Street, Chico
(City Council Chambers)
Thursday, June 2, 2022, at 6:00 pm

City Council

421 Main Street, Chico
(City Council Chambers)
Tuesday, June 21, 2022, at 6:00 pm

The public comment period opened on the day the draft document was posted on the Housing Element website (May 12th) and closes with the City Council Public Hearing on June 21st.

Any person may appear and be heard at the public hearings. Any person may submit written comments prior to the meetings. All written materials can be submitted in advance of the public hearings in one of three ways: 1) emailed to marie.demers@chicoca.gov 2). submitted in person to the City of Chico Community Development Department, 411 Main Street, Second Floor,; or 3). mailed to P.O. Box 3420, Chico, CA 95927. Written materials should refer to the 2022 Housing Element Update.

Housing Tools Staff

On behalf of the City of Chico

admin@housing-tools.com | 530.879.6300

www.chicohousingelement.com