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**Butte County Planning Commission**

**AGENDA REPORT**

**Draft Butte County Housing Element Public Workshop**

August 11, 2022

**To:** Butte County Planning Commission  
**From:** Mark Michelena, Senior Planner  
**Subject:** **Draft Butte County Housing Element Public Workshop**

**I. RECOMMENDATION**

The Department of Development Services recommends the Planning Commission receive and provide input on the Draft Housing Element.

**II. EXECUTIVE SUMMARY**

The Draft Housing Element document is an update of the current 2014 Butte County General Plan Housing Element. Housing Elements are required to be updated every eight years. The Housing Element is one of the seven required elements, and it is the only element that must be reviewed by the State for compliance to assure that each jurisdiction is doing its part to help meet the State's housing goals.

This update to the Housing Element is to address housing needs of the residents of the Unincorporated Area of Butte County through June 30, 2030. The Housing Element consists of two documents, the *Policy Document*, (Attachment A), which presents the goals, policies and actions, and the *Housing Needs Assessment*, (Attachment B), which analyzes the needs of residents of the Unincorporated Area through the eight-year planning period. The Policy Document establishes policies and program to help Butte County meet the needs identified in the Housing Needs Assessment. An appendix to the Housing Needs Assessment includes the Rebuild Sites in the Camp Fire and North Complex Fire – Impacted Communities (Attachment C).

At this Workshop, PlaceWorks Consulting (the lead consultant for the County's Housing Element and General Plan 2040 Update) will provide a presentation and overview on the Draft Housing Element Update, including topics regarding public outreach, Regional Housing Needs Allocation (RHNA) and Sites Inventory Capacity, Housing Element Actions/Statutory Revisions, and Project Schedule.

### **III. PROJECT DESCRIPTION**

The Draft Housing Element consists of 1) Policy Document, and 2) Housing Needs Assessment. This Policy Document presents the goals, policies, and actions that will guide Butte County's efforts in housing production, rehabilitation, and preservation over the next eight-year Housing Element planning period. The Housing Needs Assessment reviews the County's progress in implementing the 2014 Housing Element and analyzes the current and projected housing needs of the residents of the Unincorporated Area of Butte County. This Policy Document responds to the findings of the Housing Needs Assessment by providing an updated set of policies and actions that are designed to help the County achieve its stated Housing Element goals.

#### Public Notice

During the preparation of the Draft Housing Element, public input was actively encouraged in a variety of ways. The Draft Housing Element was posted to the County's Development Services website:

<http://www.buttecounty.net/dds/generalplanupdate>

An email was sent to all individuals and organizations that have expressed interest and a display ad was published in all local newspapers.

Per Government Code Section 65585, the Draft Housing Element was made available for public comment for 30 days, from June 4, 2022 to July 5, 2022. The draft was made available on the County's website and was noticed in accordance with state and county law. Additional direct noticing was sent to local housing advocate groups, and individuals and organizations that have previously requested notices related to the Housing Element. Public comment was received, and an additional 10 business days was allowed to consider and incorporate public comments into the draft revision before submitting to Department of Housing and Community Development (HCD) on July 21, 2022. The draft will remain available for public review and comment during the HCD review period. Additional noticing of the draft and final Housing Element will be made available in Hmong as well as in English, in response to public feedback (Action A-6.3).

During the public comment period, staff received six letters providing feedback on the Draft Public Housing Element. The comment letters are included as Attachment D.

## Outreach and Public Participation

The Draft Housing Element, as part of General Plan 2040 Update, started in August 2021. As part of this process, PlaceWorks consulting and County Staff held public outreach meetings to gather information and comments to assist with preparing the updated element. Outreach focused specifically on the Housing Element included the following:

- Individual Stakeholder Consultations (between September and December 2021).
- Workshop (October 13, 2021)
- Planning Commission Study Session (October 28, 2021)
- Board of Supervisors Study Session (November 9, 2021)
- Stakeholder Meeting (November 17, 2021)

Additional public outreach, including the Housing Element, included the following:

- Upper Ridge Community Plan Workshops (January 27, 2021, May 5, 2021, May 26, 2021 and June 15, 2021)
- GP Update 2040 Community Workshops (June 29, 2021, September 21, 2021 and September 29, 2021)
- Environmental Justice Stakeholder Meeting (July 27, 2021)
- GP Pop-Up Events (October 22-24, 2021 and April 2 & 3, 2022)

Between September 2021 and March 2022, Butte County reached out to nine stakeholder groups. Of these, six responded and consultations were conducted with stakeholders to offer the opportunity for each to provide one-on-one input. The following stakeholders were interviewed:

- Housing Authority of the County of Butte – September 22, 2021, and December 29, 2021
- Habitat for Humanity of Butte County – September 24, 2021
- Butte County Behavioral Health – October 5, 2021
- Community Action Agency of Butte County – October 15, 2021
- Community Housing Improvement Program (CHIP) – October 21, 2021
- Guillon, Inc. – October 25, 2021
- Legal Services of Northern California – March 1, 2022

Additional information on public participation is provided under the Housing Needs Assessment, Section I, Introduction.

## Demographic and Economic Trends

A great amount of change has taken place in the County's demographics since the adoption of the last Housing Element in 2014. The population and number of households in the Unincorporated Area decreased from 2010 through 2021 by approximately 29 percent, from 83,758 to 59,414

residents. Much of the decrease can likely be attributed to the loss of homes in the 2018 Camp Fire and 2020 North Complex Fire, pushing displaced residents into incorporated cities, or out of Butte County entirely.

The median household income for a family of four in 2019 for Butte County, for both incorporated and unincorporated areas, was \$52,537. According to the United States Department of Housing and Urban Development (HUD) 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data set, in 2017, approximately 11 percent of households fell into the extremely low-income category. Approximately 40 percent of households in the Unincorporated Area were at or below the low-income level. Approximately 79 percent of all households in the Unincorporated Area earning 30 percent or less of the area median income (AMI, defined as 70,700 for a family of four in 2021) spent more than 30 percent of their income on housing costs, with 89 percent of these households experiencing severe housing cost burdens.

For the evaluation of housing affordability, housing needs, and eligibility for housing assistance, income levels are defined by guidelines adopted each year by the California Department of Housing and Community Development (HCD). For all of Butte County, the area median income for a family of four in 2021 was \$70,700.

HCD has defined the following income categories for Butte County, based on the median income for a household of four persons:

- Extremely low income: 30 percent of median income and below (\$0–\$26,500)
- Very low income: 31 to 50 percent of median income (\$26,501–\$35,350)
- Low income: 51 to 80 percent of median income (\$35,351–\$56,550)
- Moderate income: 81 to 120 percent of median income (\$56,551–\$84,850)
- Above-moderate income: 121 percent or more of median income (\$84,851+)

#### Regional Housing Needs Allocation (RHNA)

The 2020 Regional Housing Needs Plan was prepared by Butte County Association of Governments (BCAG) and approved by the BCAG Board of Directors on December 10, 2020. Butte County's share of the 2022 to 2030 RHNA planning period is 3,788 units for the unincorporated areas, which includes 1,966 units allocated for rebuild efforts. The fire rebuild allocation does not represent the full estimate of units lost during the Camp Fire, only those expected to be rebuilt during the projection period. The allocation was determined by using data from the Department of Finance to determine the type of housing units that were lost and proportionately assigning a housing unit type to the units BCAG expects to be rebuilt. Those units were then categorized by affordability levels into an income category. Only the Unincorporated Area of Butte County and Town of Paradise received a fire rebuild allocation as a result of the 2018 Camp Fire.

The types of units that will be accommodated range from Very Low to Above Moderate-Income Categories and total 3,788 units:

- Very Low/Extremely Low – 272 Units
- Low – 361 Units
- Moderate – 998 Units
- Above Moderate – 2,157 Units

Local governments can employ a variety of strategies to meet RHNA housing production goals, as provided in California Government Code Section 65583(c)(1), including vacant land zoned for residential uses, development of accessory dwelling units (ADUs), and the potential for redevelopment of underutilized sites. As described in the Inventory of Land Suitable for Residential Development section that follows, Butte County has vacant land zoned for residential development at a range of densities to exceed the RHNA for all income categories.

### Resources and Sites Inventory

Suitable areas for development for all income ranges have been identified through the Resources and Site Inventory contained in the Housing Needs Assessment. Two areas that have been identified for development include the North Chico Specific Plan Village Core and the Rio d' Oro Specific Plan, which is located south and west of Oroville. Other areas suitable for development have also been identified throughout the County by the Sites Inventory.

### Housing Element Goals, Policies, and Actions

Each element of in the County's General Plan contains a series of goals, policies, and actions. Policies and actions are at the same level of importance and are all intended to implement goals. In most cases, goals have both implementing policies and actions. However, it is also possible for a goal to be implemented exclusively through policies or actions. The following provides a description of goals, policies and actions and explains the relationship between them:

- A **goal** is a description of the general desired result that the County seeks to create through the implementation of its General Plan.
- A **policy** is a specific statement that guides decision-making as the County works to achieve a goal. Such policies, once adopted, represent statements of County regulation. A policy is on-going and requires no further implementation. The General Plan's policies set out the standards that will be used by County staff, the Planning Commission and Board of Supervisors in their review of land development projects and in decision-making about County actions.
- An **action** is an implementation measure, procedure, or technique intended to help achieve a specified goal. The County must take additional steps to implement each action in the General Plan. An action is something that can and will be completed.

The Draft Butte County Housing Element includes the following 7 Goals:

**Goal H-1:** Provide for the County's regional share of new housing for all income groups and future residents as identified in the Housing Needs Assessment.

**Goal H-2:** Encourage the provision of affordable housing in the Unincorporated Area.

**Goal H-3:** Partner with property owners to preserve and rehabilitate the existing supply of housing.

**Goal H-4:** Collaborate with existing service providers to meet the special housing needs of homeless persons, elderly, large families, disabled persons, and farmworkers.

**Goal H-5:** Facilitate rebuilding of communities impacted by wildfires.

**Goal H-6:** Ensure equal housing opportunity.

**Goal H-7:** Promote energy conservation.

#### Draft Butte County Housing Element Policies

The Draft Housing Element contains 34 policies. Policies, as stated above, are statements that assist decision-making to achieve the Housing Element's Goals and are used by County staff, along with the Planning Commission and Board of Supervisors in their review and decision in land development projects. The Policies are identified in the Housing Element, Goals, Policies and Programs section of the Housing Element (Attachment A)

#### Draft Housing Element Actions

The Housing Element's Actions assist in implementing the Goals and Policies in the Housing Element. The Draft Housing Element includes 35 Actions:

- 6 existing Actions from the 2014 Housing Element were retained and not modified
- 16 existing Actions from the 2014 Housing Element have been modified
- 13 new Actions have been included

The 13 new actions were included to address changes and requirements in State Law and public comments received. These Actions are summarized in the following:

- H-A2.1 - Development Streamlining: Establish policy or procedure and other guidance to streamline the approval process and standards for eligible projects, as set forth under Government Code Section 65913.4.
- H-A2.6 - Support Affordable Housing Development: Expand opportunities for affordable low-income and workforce housing.
- H-A2.7 - Update Density Bonus: Comply with changes in California's density bonus law as set forth under Government Code Section 65915 (as revised).

- H-A2-8 - Accessory Dwelling Units: Promote accessory dwelling units as an affordable housing option.
- H-A2.9 - First-Time Homebuyer and Mortgage Credit Certificate (CCC) Programs: Continue to participate in homebuyer assistance programs.
- H-A2.10 - Mobile Home Monitoring Program
- H-A3.3 - At-Risk Properties: Update list of subsidized rental properties and identify units at risk of converting to market rate.
- H-A4.1 - Development Standards for Special-Needs Housing: Remove barriers to housing for special-needs groups.
  - Transitional and Supportive Housing Units
  - Residential Care Facilities
  - Low-Barrier Navigation Centers
  - Employee/Farmworker Housing
- H-A5.1 - Rebuild Assistance: Ensure housing being rebuilt in communities impacted by, and at risk of, wildfires will serve a range of incomes and special needs groups.
- H-A5.2 - Emergency Energy Source Assistance: Reduce barriers for generators and other alternative energy sources in emergency situations.
- H-A5.3 - Fire Risk Reduction: Maintain information on organizations and programs that are available to landowners to assist in meeting defensible space goals.
- H-A6.1 - Improve Low Resource Areas to Opportunities
- H-A6.2 - Housing Choice Vouchers

#### IV. NEXT STEPS

The Draft Housing Element will be scheduled for a public hearing at the Planning Commission following review by the State Department of Housing and Community Development.