BUTTE COUNTY ASSOCIATION OF GOVERNMENTS 6TH CYCLE REGIONAL HOUSING NEEDS PLAN

PUBLIC REVIEW DRAFT

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BUTTE COUNTY ASSOCIATION OF GOVERNMENTS
6TH CYCLE REGIONAL HOUSING NEEDS PLAN

EXECUTIVE SUMMARY

The Regional Housing Needs Allocation (RHNA) process is mandated by California law and requires all local jurisdictions to plan for their 'fair share' of housing units at all affordability levels. This Regional Housing Needs Plan (RHNP) is part of the Butte County Association of Governments' (BCAG) 6th Cycle RHNA, sometimes referred to as the "2020 update of the BCAG RHNP," covering the period from December 31, 2021, to June 15, 2030, and assigning housing need allocations to the Cities of Biggs, Chico, Gridley, Oroville, the Town of Paradise, and Butte County.

The RHNA process consists of several key steps. First, the California Department of Housing and Community Development (HCD) allocates a specified number of housing units to the region, segmented into four income affordability levels: very low-income, low-income, moderate-income, and above moderate-income. For this 6th Cycle RHNA, the BCAG region received an allocation of 15,506 units: 6,703 units to accommodate regular growth and an additional 8,803 units to rebuild those lost in the 2018 Camp Fire. The next step is typically facilitated by the region's council of governments, in this case, BCAG, which develops a methodology to allocate units by income level to each jurisdiction within the region and incorporates the approved methodology into an RHNP. When the RHNP is complete, local jurisdictions must plan to accommodate the development of their respective allocation of units in each income group through the Housing Element of their General Plans, as required by State law.

The California Government Code requires the RHNA methodology to further five specific objectives and incorporate a series of factors. These objectives and factors primarily serve to further fair housing goals and overcome historical income segregation patterns across the state by directing new units in relatively job-rich and high-amenity areas within each region.

This Regional Housing Needs Plan (RHNP) summarizes BCAG's RHNA process, describing the planning process, methodologies, and outcomes. **Table 1** shows the final RHNA allocation across jurisdictions in Butte County, using the State-approved allocation methodology that incorporates the required objectives and factors.

TABLE 1   FINAL BUTTE COUNTY JURISDICTIONAL ALLOCATION BY INCOME TIER

Jurisdiction	Affordability Tier				Total
	Very Low	Low	Moderate	Above Moderate	
City of Biggs	36	1	12	32	81
City of Chico	1,101	507	770	1,110	3,488
City of Gridley	118	41	30	156	345
City of Oroville	171	6	73	375	625
Town of Paradise	383	374	1,319	5,103	7,179
Unincorporated	272	361	998	2,157	3,788
County Total	**2,081**	**1,290**	**3,202**	**8,933**	**15,506**

1. INTRODUCTION

1.1 OVERVIEW OF CALIFORNIA STATE LAW, REGULATORY REQUIREMENTS, AND THE RHNA PROCESS

State law requires that all regional governing bodies, counties, and cities work with the California Department of Housing and Community Development (HCD) to participate in the Regional Housing Needs Allocation (RHNA) process. A central goal of the RHNA process is to meet the housing needs of people at all income levels through effective planning at the State, regional, and local levels. Councils of governments, like the Butte County Association of Governments (BCAG), play a fundamental role in the process.

The following describes the RHNA process and the respective duties at the State, regional, and local levels for the BCAG region:

1. *HCD Provides a Regional Determination*

   HCD calculates the regional housing needs assessment, segmented into four income affordability tiers, to accommodate regular growth in the region. The determination is largely based on regional projections of new household growth from the California Department of Finance (DOF) and consultation with the local council of governments, in this case, BCAG. In addition to the regular growth allocation, for the 6th RHNA Cycle, HCD provided a fire rebuild allocation to the BCAG region in recognition of the units lost in the 2018 Camp Fire. These units are also segmented by income tier, based on the affordability levels of the actual units destroyed.

2. *Regional Government Develops Allocation Methodology*

   Once HCD provides its determination of regional housing needs, the council of governments works in coordination with its member jurisdictions to develop a methodology for allocating the housing needs amongst the region's jurisdictions by income level.

3. *Local Jurisdictions Adopt Housing Element Policies based on RHNA Allocations*

   Once local jurisdictions receive their allocation of units, they must update the Housing Element of their General Plans to accommodate their respective allocations over the eight-year RHNA cycle. When each Housing Element is complete, it is submitted to HCD for certification and confirmation that it meets all legal requirements and will accommodate the assigned RHNA.

1.2 RHNA FACTORS AND OBJECTIVES

The role of BCAG and other regional planning agencies in the RHNA, as described in California Government Code Section 65584.04 is to, "develop, in consultation with the department [HCD], a proposed methodology for distributing the existing and projected regional housing needs to cities…and counties within the region…" While BCAG is ultimately responsible for shaping the overall methodology used to allocate the regional housing needs determination and can use considerable discretion when doing so, the allocation methodology must further specific objectives and consider specific factors established by State law.

Objectives

California Government Code identifies five objectives that adopted allocation methodologies must "further." These objectives are copied from Section 65584(d) of the Government Code:

1. *Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.*

2. *Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the California Air Resources Board pursuant to Section 65080.*

3. *Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.*

4. *Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.*

5. *Affirmatively furthering fair housing, which for the purposes of this process means 'taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means 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.'*

Section 4, *Methodology,* of this report details how these objectives are furthered by BCAG's adopted methodology for the 6th Cycle RHNA.

Factors

While the Government Code's objectives are goals for the methodology to achieve, factors are specific considerations that must be evaluated when developing the allocation methodology and incorporated in the adopted methodology, where appropriate. There are 15 factors the methodology must consider, outlined in Government Code Section 65584.04(e) and summarized herein. The full text appearing in the Government Code is provided in Appendix 1:

1. Lack of capacity for sewer or water service due to decisions outside jurisdiction's control

2. Availability of land suitable for urban development

3. Lands protected from urban development under existing federal or state programs

4. County policies to preserve prime agricultural land

5. Distribution of household growth in the Regional Transportation Plan (RTP) and opportunities to maximize use of transit and existing transportation infrastructure

6. Jurisdictional agreements to direct growth toward incorporated areas

7. Loss of deed-restricted affordable units

8. Housing needs of farmworkers

9. Housing needs generated by a university within the jurisdiction

10. Existing and projected jobs and housing relationship, particularly low-wage jobs and affordable housing

11. Households paying more than 30 percent and more than 50 percent of their income in rent

12. The rate of overcrowding

13. Housing needs of individuals and families experiencing homelessness

14. Units lost during a state of emergency that have yet to be replaced

15. The region's greenhouse gas targets

Items 11 through 15, and the clause in item 10 calling for special consideration of the balance between low-wage jobs and affordable housing, are new requirements for the 6th Cycle RHNA. All other required factors have been carried forward from the 5th Cycle RHNA.

LOCAL JURISDICTION SURVEY ON FACTORS

Government Code Section 65584.04(b) stipulates that BCAG must survey all member jurisdictions for information regarding the required factors, specifically to "…review and compile information that will allow the development of a methodology based upon the issues, strategies, and actions that are included, as available, in an Analysis of Impediments to Fair Housing Choice or an Assessment of Fair Housing…" prepared for any jurisdictions in the region. BCAG and its RHNP consultant, PlaceWorks, conducted a survey of all six member jurisdictions from June 2 to June 10, 2020. The results of the survey are included in Appendix 6.

1.3   ORGANIZATION OF THIS REPORT

The following sections of this report describe the 6th Cycle RHNA process specific to Butte County:

- Section 1 provides an overview of State law, RHNA factors and objectives, and the organization of this report.

- Section 2 details the process by which HCD calculated the 6th Cycle regional housing needs determination for Butte County.

- Section 3 details BCAG's oversight of the methodology development and public engagement.

- Section 4 details the adopted methodology with which BCAG is allocating the assigned units, segmented by income tier, among each member jurisdiction, including the Cities of Biggs, Chico, Gridley, and Oroville; the Town of Paradise; and Butte County.

2. REGIONAL HOUSING NEEDS DETERMINATION

The final BCAG regional housing needs determination for the 6th Cycle RHNA is 15,506 units, which includes 6,703 units for regular growth and 8,803 units as a fire rebuild allocation. As is typical, the determination includes an allocation of units by affordability tier. BCAG's basic allocation is based on growth anticipated over the eight-year RHNA Cycle and is referred to herein as the 'regular growth' allocation. The fire rebuild allocation is unique to the region during the 6th Cycle RHNA process, and stems from the November 2018 Camp Fire, which destroyed over 14,500 homes in the Town of Paradise and unincorporated Butte County. The region's allocation of units by income tier for both regular growth and fire rebuild is detailed in **Table 2**.

TABLE 2   BCAG REGIONAL INCOME TIER ALLOCATION

Income Level	Regular Growth		Fire Rebuild		All Units Combined	
	Unit Percent	Unit Total	Unit Percent	Unit Total	Unit Percent	Unit Total
Very low	26.4%	1,771	3.5%	310	13.4%	2,081
Low	14.6%	980	3.5%	310	8.3%	1,290
Moderate	15.8%	1,060	24.3%	2,142	20.7%	3,202
Above Moderate	43.1%	2,892	68.6%	6,041	57.6%	8,933
Total	100%	6,703	100%	8,803	100%	15,506

Note: Due to rounding, percentages may not total precisely.

BCAG's RHNA process began with an extensive, six-month consultation between HCD and BCAG staff, from December 2019 through May 2020, covering the methodology, data sources, and timeline for HCD's determination of the regional housing need. The full text of HCD's final determination to BCAG is provided in Appendix 2.

The 6,703-unit regular growth allocation was calculated by HCD using American Community Survey (ACS) estimates of the current Butte County population in residential housing (not living in group quarters, such as dorms) and projections of population and household growth developed by the DOF for the eight-year RHNA period (2022 through 2030), adjusted based on the following ACS indicators of current unmet housing need: vacancy rates, overcrowding rates, replacement need for decommissioned housing, and cost burden rates of households paying greater than 30 and 50 percent of household income toward housing.

HCD then segmented the assessed regional need into four income affordability tiers based on ACS data on household income and the area median income (AMI) of the region, which is currently $48,433. The income affordability tiers are calculated, using the following percentages of Butte County's AMI:

- Very Low Income: 0–50 percent of AMI

- Low Income: 51–80 percent of AMI

- Moderate Income: 81–120 percent of AMI

- Above-Moderate Income: over 120 percent of AMI

The fire rebuild allocation included in the regional determination represents the number of units lost in the Camp Fire that might be rebuilt during the eight-year RHNA cycle, based on HCD's consultation process with BCAG. The affordability tiers assigned to the fire rebuild units are based on the actual income-affordability levels of the units that were lost in the Camp Fire. Table 2 summarizes Butte County's total regional allocation of units in each affordability tier for both the fire rebuild units and the regular growth units.

In 2020, just as this RHNP was being completed, the region experienced another deadly and destructive wildfire season, which included the Bear Fire that destroyed more than 1,500 homes. Because these units are not accounted for in the current RHNA determination, they are also not considered in the allocation methodology described in Section 4 of this RHNP.

3. 6TH CYCLE RHNA OVERSIGHT AND OUTREACH

The 6th Cycle RHNA methodology for the BCAG region was informed by input from stakeholders and developed in close coordination with the BCAG Planning Directors Group (PDG), with guidance and oversight from the BCAG Board of Directors and consultation with HCD.

3.1   STAKEHOLDER OUTREACH

BCAG staff, in consultation with member jurisdictions, identified stakeholders to engage in the 6th Cycle RHNA. On May 19, 2020, BCAG held an RHNP Stakeholder Workshop to review the process and goals of the RHNA and engage in a thoughtful discussion of the factors to be incorporated in the RHNA methodology. At the direction of the PDG, BCAG consultants held additional conversations with representatives from the California State University Chico North State Planning and Development Collective to closely review the factors for affirmatively furthering fair housing, discussed in section 4.1 of this document.

3.2   PLANNING DIRECTORS GROUP

The BCAG PDG, composed of senior planning staff from all six member jurisdictions, served as the technical advisory group for the 6th Cycle RHNA. The PDG held five meetings to review data and draft materials and provide critical input on the RHNA methodology, offering valuable insights and feedback to inform the RHNA through direct communications with BCAG staff and consultants throughout its development. In June 2020, PDG members also participated in the member survey included in Appendix 6. PDG's guidance was particularly instrumental in addressing data gaps resulting from the drastic impact of the Camp Fire to the region, which is not reflected in data sources typically used in the RHNA process.

3.3   BCAG BOARD OF DIRECTORS

The BCAG Board of Directors is composed of one elected representative from each of the four member cities and the Town of Paradise, as well as all the County's five Supervisors. As the governing body of BCAG, the Board is responsible for all policy decisions and served to approve the draft and final RHNA methodology. The Board of Directors was engaged throughout the methodology development, representing the interests of constituents and working collaboratively to achieve an equitable and mutually agreeable methodology that fulfills all legal requirements.

3.4   HCD REVIEW

Pursuant to California Government Code Section 65584.04(i), HCD is required to review draft RHNA methodologies to determine whether the methodology furthers the statutory objectives described in Government Code Section 65584(d). On August 10, 2020, BCAG submitted the draft methodology for 60-day review by HCD. On October 9, 2020, HCD responded, finding that the draft BCAG RHNA Methodology furthers

the five statutory objectives of RHNA conditional upon one revision: to include an allocation of at least one low-income unit for the City of Biggs. This revision meets the California Government Code Section 65584(d)(1) requirement that each jurisdiction receive an allocation of at least one unit for low- and very low-income households.

HCD's review also includes a detailed analysis of how the draft methodology furthers each of the statutory objectives. Regarding objective 2, HCD noted an openness to increasing the weighting of the methodology factors (described in Section 4.1). The complete review from HCD is provided as Appendix 3.

In response to HCD's findings, the draft methodology was revised to reallocate one low-income unit from the City of Chico to the City of Biggs, and to reallocate one very low-income unit from the City of Biggs to the City of Chico, which ensures that each jurisdiction's total allocation is not impacted by the revision and that the region continues to meet its affordability requirements for each income tier.

Following consideration of HCD's openness to and adjusted factor weighting, BCAG elected to maintain the factor weighting included in the draft methodology. During the process of developing the draft methodology, PDG members considered multiple factor-weighting alternatives. After careful consideration, members of the PDG supported a weighting of 10 percent for each of the five factors and a weighting of 50 percent for the base allocation (the baseline and factor weighting are discussed in detail in Section 4).

4. METHODOLOGY

This section provides a description of the adopted methodology to allocate housing units by income level among the BCAG member jurisdictions, the process for developing the methodology, and how the methodology addresses the statutory requirements for furthering the five RHNA objectives identified in Government Code Section 65584(d). The methodology consists of two primary components: the spatial allocation of units to each jurisdiction and the distribution of units by income tier. Following is an overview of the methodology for each component.

4.1   UNIT ALLOCATION METHODOLOGY

The unit allocation methodology applies five weighted factors to distribute the regular growth allocation across BCAG's six-member jurisdictions. The fire rebuild allocation is separately assigned to the jurisdictions that lost units in the Camp Fire (the Town of Paradise and unincorporated Butte County) based on the total rebuild units assigned and each jurisdiction's proportionate loss of units in the fire.

REGULAR GROWTH ALLOCATION

To distribute the regular growth allocation among the jurisdictions, the methodology starts with assigning a base allocation, which is the product of the jurisdictions' forecasted share of regular growth in the 2018–2040 BCAG Growth Forecast, provided in Appendix 5, and the regular growth allocation. The base allocation establishes a foundational allocation that recognizes the significant capacity differences between jurisdictions and provides for an allocation that is suitable for each jurisdiction's existing size. For example, the most populous city in the region, Chico, has approximately 57 times more housing units than the least populous city, Biggs. The 2018–2040 BCAG Growth Forecast reflects these differences and attributes 45 percent of anticipated regional housing growth to Chico and only 1.3 percent to Biggs. These projections represent a local housing unit increase of 31.2 percent in Biggs and only 18.7 percent in Chico, so Biggs (as an example) is still receiving a larger percentage of the base allocation than Chico relative to its current housing total. The base allocation is shown in **Table 3**.

TABLE 3   BASE ALLOCATION

Jurisdiction	Jurisdictional Percent of Regional Growth in 2018–2040 Growth Forecast	Base Allocation
Biggs	1.3%	87
Chico	45.0%	3,016
Gridley	5.4%	362
Oroville	9.7%	650
Paradise	5.6%	376
County Unincorporated	33.0%	2,212
Total	**100%**	**6,703**

Allocation Factors

Using the base allocation as a foundation, the draft methodology adjusts each jurisdiction's regular growth allocation using five weighted factors.

In preparation for choosing the allocation factors, BCAG collected and analyzed more than 20 data layers, including:

- Jobs and jobs-housing balance
- Opportunities and constraints to development in each jurisdiction
- Preserved and protected land
- Designated agricultural land
- The distribution of household growth in the RTP (the base allocation)
- Cost-burdened households
- Overcrowding
- Homelessness
- Loss of housing units from the Camp Fire
- Wildfire risk
- Flood and erosion hazards
- Protected and/or sensitive environmental lands
- Vehicle miles traveled
- Transit connectivity
- Affordable housing stock
- HCD/Tax Credit Allocation Committee (TCAC) Opportunity Maps
- Childhood poverty status

After thoughtful consideration of all factors, the BCAG Board, with support from the PDG, agreed to use Transit Connectivity, Jobs, Wildfire Risk, Agriculture and Forest Land Preserves, and a combined HCD/TCAC Opportunity Maps and Childhood Poverty Status measure of opportunity as the factors to adjust the base allocation. Each of these measures is shown in **Table 4** and described in more detail herein.

TABLE 4   PROPOSED FACTORS AND SCALED SCORES

Jurisdiction	Transit Connectivity	Jobs	Wildfire Risk	Agriculture and Forest Land Preserves	Opportunity		
					HCD/TCAC Opportunity Map	Percent of Children Living Above the Poverty Level	Combined HCD/TCAC and Childhood Poverty
Biggs	0.57	0.50	1.50	1.43	0.86	0.83	0.78
Chico	1.50	1.50	1.48	1.24	1.50	1.21	1.50
Gridley	0.65	0.54	1.50	1.34	0.87	1.16	1.02
Oroville	1.07	0.76	1.46	1.32	0.79	0.50	0.50
Paradise	0.78	0.58	0.50	1.50	0.57	1.50	1.05
Unincorporated County	0.50	0.74	1.06	0.50	0.50	1.27	0.84

Transit Connectivity

Availability of transit service is a key consideration in siting housing because transit allows residents to access jobs and services without generating vehicle trips. The Transit Connectivity factor is based on the Transit Connectivity Score prepared by AllTransit for each incorporated jurisdiction and the County as a whole. The Transit Connectivity Score is a measure of how connected the average household member is to the availability of a transit ride and accessibility to jobs using transit. More information on the Transit Connectivity score and how it is developed is available in the AllTransit Methods document. BCAG consultants used the incorporated jurisdictions' and County-wide scores to derive a transit connectivity score for the unincorporated County.

Jobs

The availability of jobs in a community is an important consideration in siting housing, since residents need access to jobs for economic reasons, and the proximity of jobs to residents minimizes travel time and vehicle miles traveled (VMT). Current regional job count data is sourced from the California Employment Development Department (EDD). The distribution of jobs per jurisdiction was determined using each jurisdiction's proportion of regional jobs from the latest available (2017) Longitudinal Employer-Household Dynamics (LEHD) OnTheMap estimates. Because this distribution predated the 2018 Camp Fire, the jurisdictional jobs distribution was then adjusted to account for the fire impact and calculate the resulting Jobs Factor.

Wildfire Risk

The 2018 Camp Fire was the deadliest wildfire in the state's history and destroyed more than 14,000 homes in Butte County. The Wildfire Risk Factor uses 2020 CalFire measures of high- and very high-wildfire risk and geographic information system (GIS) analysis to determine what percentage of each jurisdiction's land is not at a high- or very-high risk of wildfire. The intent of this factor is to prioritize the construction of homes in jurisdictions with a lower risk of wildfire.

Agriculture and Forest Land Preserves

Agriculture is Butte County's number one industry; in 2018, it produced more than $680 million worth of farming products. The region has a deep commitment to protecting its agriculture lands. In addition, the region has two national forests preserved from development. The methodology used GIS analysis to determine the percentage of land in each jurisdiction not designated for agriculture or preserved as part of a national forest. The resulting percentage of land available for development makes up the Agriculture and Forest Land Preserves Factor.

Opportunity

BCAG and member jurisdictions considered both HCD/TCAC Opportunity Maps and Percent of Children Living Above the Poverty Level as potential factors to support the equitable distribution of housing units.

- The HCD/TCAC Opportunity Maps calculate opportunity scores at the census block group level using 21 indicators: Income, Adult Educational Attainment, Labor Force Participation, Job Proximity, Median Home Value, 12 environmental health/pollution indicators, 4th Grade Math Proficiency, 4th Grade Reading Proficiency, High School Graduation Rate, and Students Living Above the Federal Poverty Level.

- The Percent of Children Living Above Poverty Level measure uses 2013–2018 ACS data prepared by the U.S. Census Bureau. This measure was considered because it has been recognized as a strong indicator for evaluating the level of economic stability and opportunity for families with children in a population. In addition, childhood poverty status has implications for positive life outcomes, as recognized by the similar Students Living Above Poverty Level indicator in the HCD/TCAC Opportunity measure.

BCAG determined that a combination of these two indicators would be the best measure of economic opportunity, because neither of them seemed to represent conditions in Butte County on its own. For example, the Town of Paradise, which scored second lowest in the County using the TCAC/HCD measure, is generally recognized as offering greater opportunity than many other jurisdictions in the county; this fact is illustrated by the Percent of Children Living Above Poverty indicator.

Factor Normalization

Each of these five selected factors is normalized on a scale of 0.5 to 1.5. The normalized scale serves to support ease of computation and comparison of factors among each other, and the range of the scale (0.5 to 1.5) is large enough to impact the distribution of housing units by adjusting them up (any score between 1 and 1.5) or down (any score between 0.5 and 1) from the base allocation, but not so large that the base allocation becomes insignificant. All factors are configured so that higher scores indicate that the jurisdiction is more favorable to support housing as far as that factor is concerned, while lower scores indicate less-favorable conditions for housing. For example, jurisdictions with better transit connectivity receive higher scores for the Transit Connectivity factor and jurisdictions with high-fire risk receive a lower score for the Wildfire Risk factor resulting in more housing units assigned to jurisdictions with better transit connectivity and lower risk of wildfire.

For the Opportunity factor, which consists of two inputs, BCAG and its member jurisdictions agreed to add the normalized (0.5 to 1.5) scores of the two measures and re-normalize the sum to create a new, combined measure of opportunity. The combination addresses concentrations of poverty and maximizes access to opportunity, as measured by HCD/TCAC.

Factor Weighting

Following selection of the factors, the draft methodology assigns weights to each. These weights establish what percentage of the total allocation will be distributed based on that factor. Each of the factors advance important priorities in the BCAG region and were therefore assigned an equal weight of 10 percent each so that 50 percent of the allocation is determined by the five factors. The remaining 50 percent of units are allocated in accordance with the Regional Growth Forecast and the base allocation. This supports consistency with the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS), as well as member jurisdiction General Plans and favors a more balanced distribution of growth, rather than concentrating a vast majority in the City of Chico. All weights are summarized below.

- Combined TCAC/HCD Opportunity and Childhood Poverty Status Factor: 10-percent weight

- Transit Connectivity: 10-percent weight

- Number of Jobs: 10-percent weight

- Wildfire Risk: 10-percent weight

- Agriculture and Forest Land Preserves: 10-percent weight

- Base Allocation: 50-percent weight

Table 5 shows the resulting factor-adjusted allocations for each jurisdiction.

TABLE 5   BASE ALLOCATION AND FACTOR ADJUSTMENT

Jurisdiction	Base Allocation	Factor-Adjusted Allocation	Net Change
Biggs	87	81	(6)
Chico	3,016	3,488	472
Gridley	362	345	(17)
Oroville	650	625	(25)
Paradise	376	342	(34)
Unincorporated	2,212	1,822	(390)
Total	6,703	6,703	—

FIRE REBUILD ALLOCATION

Once the regular growth allocation has been distributed to each jurisdiction, the fire rebuild allocation is added to reach the total allocation for all jurisdictions. As described previously, this step simply distributes the units explicitly assigned by HCD as fire rebuild units to the two jurisdictions that lost housing units in the Camp Fire, based on each jurisdiction's proportion of total housing units lost. Table 6 shows the combination of the factor-adjusted regular growth allocation with the fire rebuild allocation to create the cumulative total allocation.

TABLE 6   FIRE REBUILD AND FINAL ALLOCATION

Jurisdiction	Factor-Adjusted Allocation	Fire Allocation	Total Allocation
Biggs	81	—	81
Chico	3,488	—	3,488
Gridley	345	—	345
Oroville	625	—	625
Paradise	342	6,837	7,179
Unincorporated	1,822	1,966	3,788
Total	6,703	8,803	15,506

4.2   INCOME ALLOCATION METHODOLOGY

The regional housing allocation provided by HCD includes both a total number of housing units and a distribution of those units across four affordability tiers: very low-income, low-income, moderate-income, and above-moderate income. Once the overall allocation for each jurisdiction is set, each jurisdiction's housing unit allocation must be distributed among the four income tiers and the sum allocation in each income tier across all jurisdictions must equal the total amount set by HCD for the entire region. The BCAG regional income tier allocation from HCD is separated into two categories: regular growth and fire rebuild units, which are shown in **Table 7**.

TABLE 7   BCAG REGIONAL INCOME TIER ALLOCATION

Income Level	Regular Growth		Fire Rebuild		All Units Combined	
	Unit Percent	Unit Total	Unit Percent	Unit Total	Unit Percent	Unit Total
Very low	26.4%	1,771	3.5%	310	13.4%	2,081
Low	14.6%	980	3.5%	310	8.3%	1,290
Moderate	15.8%	1,060	24.3%	2,142	20.7%	3,202
Above Moderate	43.1%	2,892	68.6%	6,041	57.6%	8,933
Total	100%	6,703	100.00%	8,803	100%	15,506

Note: Due to rounding, percentages may not total precisely.

REGULAR GROWTH INCOME DISTRIBUTION

The approved methodology uses the following process to distribute the regular growth units by income tier to each jurisdiction. Each numbered step is accompanied by a bulleted description of the justification and relevant background to that step, where appropriate.

1. Determine the current distribution of household income tiers for each jurisdiction.

   » This step uses data from the 2013–2018 ACS. Though this data predates the 2018 Camp Fire, it was agreed upon by PDG members as the best-available measure of household incomes.

2. Calculate the number of units to allocate to each municipality by income tier, such that they make proportional progress toward an equal distribution of income tiers over the long-term.

   » The region aims to achieve an equal housing unit income distribution across all jurisdictions; however, the level of change needed is too extreme to reasonably achieve over the eight-year RHNA cycle. Instead, the methodology calculates the increase in units for each income tier needed to have each community match HCD's assigned income tier allocation by the horizon year 2040 and then adjust each municipality's income distribution on a straight-line basis for the eight-year period of the RHNA.

   » BCAG's member agencies agree that the unincorporated County should not increase its share of low- and very low-income units, and that those units should instead be concentrated in better resourced, incorporated jurisdictions.

   » Based on the ACS data gathered in step 1, the City of Biggs has already met its share of low-income units needed to achieve an equal distribution by 2040. This would suggest that Biggs should receive a low-income allocation of zero. However, Government Code stipulates that all jurisdictions must receive an allocation of one or more units in both the low- and very low-income tiers, so Biggs is assigned one unit in the low-income tier.

3. Review each jurisdictions' combined allocation of low- and very low-income units to ensure that the combined percentage is less than or equal to the percentage assigned to it in the 5th Cycle. This requires reallocation for Biggs, Chico, Gridley, and Paradise.

   » This step is in accordance with a practice followed in BCAG's 5th Cycle RHNA. The combined percentage of low- and very low-income units in the 5th Cycle RHNA were between 37.8 and 45.4 percent of units for all jurisdictions.

4. As a final step, the methodology makes adjustments to ensure that each jurisdiction's sum allocation across income tiers equals the jurisdiction's total regional allocation and that the county-wide allocation in each income tier is equal to the amount set by HCD. Note that this process also results in revised combined allocations of low- and very low-income units to Biggs, Chico, Gridley, and Paradise, whose percentages are greater than the percentages assigned in the 5th Cycle.

The final distribution of units across all income tiers is shown in **Table 8**.

TABLE 8   INCOME DISTRIBUTIONS BY JURISDICTION

Jurisdiction	Very Low		Low		Moderate		Above Moderate		Total Housing Units
	%	Housing Units	%	Housing Units	%	Housing Units	%	Housing Units	
City of Biggs	44.4%	36	1.2%	1	14.8%	12	39.5%	32	81
City of Chico	31.6%	1,101	14.5%	507	22.1%	770	31.8%	1,110	3,488
City of Gridley	34.2 %	118	11.9%	41	8.7%	30	45.2%	156	345
City of Oroville	27.4%	171	1.0%	6	11.7%	73	60.0%	375	625
Town of Paradise	21.3%	73	18.7%	64	9.4%	32	50.6%	173	342
Unincorporated	14.9%	272	19.8%	361	7.8%	143	57.4%	1,046	1,822
County Total	26.4%	1,771	14.6%	980	15.8%	1,060	43.1%	2,892	6,703
HCD Requirement	26.4%	1,771	14.6%	980	15.8%	1,060	43.1%	2,892	6,703

FIRE REBUILD ALLOCATION INCOME DISTRIBUTION

To distribute the fire rebuild units by income tier between the Town of Paradise and the County, the methodology assigns a rebuild share proportionate with the actual loss of units in each jurisdiction by income tier. This distribution is shown in **Table 9**.

TABLE 9   FIRE REBUILD ALLOCATION INCOME DISTRIBUTION

Jurisdiction	Very Low		Low		Moderate		Above Moderate		Total Housing Units
	%	Housing Units	%	Housing Units	%	Housing Units	%	Housing Units	
Town of Paradise	3.5%	310	3.5%	310	14.6%	1,287	56.0%	4,930	6,838
Unincorporated	0.0%	—	0.0%	0	9.7%	855	12.6%	1,111	1,965
County Total	3.5%	310	3.5%	310	24.3%	2,142	68.6%	6,041	8,803

TOTAL ALLOCATION BY INCOME TIER

As a final step, the jurisdictional allocation by income tier for regular growth and fire rebuild are combined, yielding the total allocation for each jurisdiction in each income tier, shown in **Table 10**. The final row in **Table 10** shows the overall HCD requirement for comparison.

TABLE 10 TOTAL ALLOCATION BY INCOME TIER

Jurisdiction	Very Low		Low		Moderate		Above Moderate		Total
	%	Housing Units	%	Housing Units	%	Housing Units	%	Housing Units	Housing Units
City of Biggs	44.4%	36	1.2%	1	14.8%	12	39.5%	32	81
City of Chico	31.6%	1,101	14.5%	507	22.1%	770	31.8%	1,110	3,488
City of Gridley	34.2%	118	11.9%	41	8.7%	30	45.2%	156	344
City of Oroville	27.4%	171	1.0%	6	11.7%	73	60.0%	375	625
Town of Paradise	5.3%	383	5.2%	374	18.4%	1,319	71.1%	5,103	7,179
Unincorporated	7.2%	272	9.5%	361	26.3%	998	56.9%	2,157	3,788
County Total	13.4%	2,081	8.3%	1,290	20.7%	3,202	57.6%	8,933	15,506
Overall HCD Requirement	13.4%	2,081	8.3%	1,290	20.7%	3,202	57.6%	8,933	15,506

4.3 STATUTORY OBJECTIVES

In compliance with California law, the final methodology furthers all statutory objectives, as outlined herein.

Objective 1. *Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.*

As described above, the methodology for allocating units in each income tier supports a redistribution of units, such that the jurisdictions that currently have a lesser share of low- and very low-income units receive a larger allocation. The methodology allocates units in all four income tiers to each of the region's six jurisdictions.

Objective 2. *Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the California Air Resources Board pursuant to Government Code Section 65080.*

The methodology places the preponderance of units in incorporated, urbanized municipalities to support infill and socioeconomic equity. Moreover, two of the factors used in the methodology prioritize transit connectivity and proximity to jobs to encourage efficient development patterns and support efforts to minimize VMT and greenhouse gas (GHG) emissions. The methodology's incorporation of the Growth Forecast used in the RTP further supports consistency of the methodology with planning efforts to achieve regional GHG emission-reduction targets. Additionally, the Agriculture and Forest Land Preserves factor prioritizes locating housing in areas not preserved or dedicated to agricultural uses or open space.

Objective 3. *Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.*

A typical target relationship between jobs and housing is between 1.3 and 1.6 jobs for every one housing unit. No jurisdiction in the BCAG region has achieved this balance. Two jurisdictions (Paradise and Oroville) have an excess of jobs, although these estimates do not account for the Camp Fire so the number of jobs in Paradise has likely decreased. All other jurisdictions have an oversupply of housing units compared to jobs, as depicted in **Table 11**.

TABLE 11 JOBS TO HOUSING BALANCE

Jurisdiction	Total Jobs	Total Housing Units	Jobs-Housing Balance
Biggs	237	696	0.34
Chico	49,238	41,738	1.18
Gridley	2,252	2,540	0.89
Oroville	12,879	7,391	1.74
Paradise	4,226	1,766	2.39
County Unincorporated	11,869	31,991	0.37

The jobs-housing fit, or relationship of low-wage jobs to very low- and low-income households, shows similar but slightly different results. Looking only at existing low- and very low-income households and low-wage jobs located in the jurisdictions, Oroville (2.24 low-wage jobs to low-income households), Chico (2.13 low-wage jobs to low-income households), and Gridley (1.69 low-wage jobs to low-income households) show a need for more low- and very low-income housing in this respect.

The allocation methodology addresses these issues as follows:

1. The fire rebuild allocation addresses the pre-Camp Fire imbalance of jobs to housing units in Paradise by assigning a large number of units to that jurisdiction.

2. Oroville's higher number of jobs and better transit access, reflected in the Jobs and Transit Connectivity Factors, support the allocation of more housing units to Oroville. However, Oroville's low Opportunity Score suggests that fewer units should be assigned to it. Further, Oroville's existing low- and very low-income households as a percentage of total households in the city exceeds the regional average, so, in accordance with Objective 4, the city's percentage allocation of low- and very low-income households is less than the percentage allocation to other jurisdictions.

3. Gridley is just slightly outside of the preferred jobs-housing fit and is allocated a sufficient share of low- and very low-income housing units to encourage a shift to within the desired range.

4. Chico's significant allocation of housing units supports a better jobs-housing balance overall. Further, the City's proportionately large allocation of the region's low- and very low-income housing units supports an improved jobs-housing fit in Chico.

Objective 4. *Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.*

The methodology's distribution of housing units by income tier allocates a lower proportion of housing units by income category to jurisdictions whose existing share of units in that income tier is larger than the regional average. Similarly, the methodology allocates a greater proportion of units by income category to those jurisdictions whose existing share of units in that income tier is smaller than the regional average. As a result, all jurisdictions are assigned housing units by income tier at levels that would move their share of units by income tier closer to the regional average once constructed.

Objective 5. *Affirmatively furthering fair housing.*

BCAG addresses the objective of affirmatively furthering fair housing by including the HCD/TCAC Opportunity Analysis and Children Living in Poverty as factors in the methodology.

The methodology results in a concentration of housing units in the City of Chico, which offers by far the greatest opportunity in the county, as defined by the HCD/TCAC Opportunity Maps. Chico is one of only two jurisdictions in the county to achieve a positive score (13.14) when the TCAC/HCD Opportunity Map census block group data is aggregated on a jurisdictional scale. The only other jurisdiction to receive a positive score, the City of Gridley, scored only 0.22, and all other jurisdictions scored below zero. Thus, the placement of a preponderance of units in the City of Chico is a strong step toward affirmatively furthering fair housing in the BCAG region.

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Appendices

1. Excerpts from California Government Code Section 65584
2. Regional Allocation Determination Letter from HCD
3. RHNA Methodology Consistency Determination from HCD
4. Comments received on draft methodology and BCAG responses
5. Butte County Long-Term Regional Growth Forecasts 2018-2040
6. Affirmatively Furthering Fair Housing Survey Results
7. Public Outreach and Notices

APPENDIX 1

Excerpts from California Government Code Section 65584

APPENDIX 2

Regional Allocation Determination Letter from HCD

APPENDIX 3

RHNA Methodology Consistency Determination from HCD

APPENDIX 4

Comments received on Draft Methodology and BCAG responses

APPENDIX 5

Butte County Long-Term Regional Growth Forecasts 2018-2040

APPENDIX 6

Affirmatively Furthering Fair Housing Survey Results

APPENDIX 7
Public Outreach and Notices

Included:

Public Notices
- Press Release – BCAG RHNP 2020 Update Underway
- Press Release – Proposed Methodology
- Press Release – Final RHNP

Stakeholder Workshop Materials
- May 19, 2020 Stakeholder Workshop Presentation Slides

Planning Directors Relevant Meeting Materials
- April 23, 2020 – Meeting Agenda and Presentation Slides
- May 28, 2020 – Meeting Agenda, Memos, and Presentation Slides
- June 25, 2020 – Meeting Presentation Slides
- July 23, 2020 – Draft Methodology
- October 13, 2020 – TBD

BCAG Board of Directors Relevant Meeting Materials
- May 28, 2020 – Meeting Agenda Excerpt and Presentation Slides
- June 25, 2020 – Meeting Agenda Excerpt
- August 27, 2020 – Meeting Agenda Excerpt and Presentation Slides
- October 22, 2020 – TBD