

**Butte County General Plan 2030**  
**Board of Supervisors/Planning Commission Joint Study Session**  
**May 29, 2009**  
**Southside Community Center, Oroville, CA**  
**Housing Element (Meeting Series #6)**  
**Meeting Summary**

The Butte County Board of Supervisors and Planning Commission held a joint study session on Friday, May 29, 2009, the last meeting in Meeting Series #6 (Housing Element Update). The meeting was held at the Southside Community Center in Oroville. All five Planning Commissioners were present, including Chair Marin and Commissioners Becker, Moore, Nelson, and Wilson. All Supervisors were also present, including Chair Connelly and Supervisors Dolan, Kirk, Lambert, and Yamaguchi. Approximately 18 members of the public attended, including representatives from several Butte County housing service providers. Several members of the Butte County General Plan 2030 Citizens Advisory Committee were also in attendance. This summary is organized according to the study session agenda.

1. **Introductions** – Tim Snellings, Director, Butte County Development Services opened the meeting and welcomed the participants.
2. **Presentation on Housing Element and Public Workshop Input** – Matt Kowta, Bay Area Economics, gave a presentation on Housing Element requirements under State law, implementation of the 2004 Housing Element, findings from the Butte County Housing Needs Assessment, and preliminary recommendations for changes to the Housing Element policies and programs. Mr. Kowta also presented a summary of the input that was provided at the March 26, 2009 Public Workshop and April 16, 2009 Citizens Advisory Committee (CAC) meeting on the Housing Element Update.
3. **Q&A** – Matt Kowta fielded questions on the Housing Element presentation. In addition, the Planning Commission and Board of Supervisors provided the following comments on the Draft Housing Needs Assessment (HNA):
  - ◆ The HNA should recognize the large college-age population related to Chico State and its impact on the housing and demographic statistics (e.g., overcrowding and household income levels).
  - ◆ The “Highway 32/99 Neighborhood” should be called the “Chapman Mulberry Neighborhood,” in accordance with the approved Neighborhood Plan for this area.
  - ◆ The HNA should include text about annexation policies and their impact on the ability to provide for the County’s regional housing needs allocation (RHNA).
  - ◆ The HNA should recognize the constraint to providing high-density housing by the Regional Water Quality Control Board-mandated nitrate compliance program in the Chico area, which prohibits the construction of housing at densities greater than 1 du/ac unless hooked to sewer.
  - ◆ The HNA should recognize that there are many vacant units, some of which may only need some rehabilitation. What percentage of units can we say will be supplied by converting existing market rate units to low/very low income units?

- ◆ On page 7, the reference to the Farmers Home Administration should be changed to USDA Rural Development.
- ◆ The HNA should document the affordability of second units and count them towards the RHNA.

In addition, the Planning Commission and Board of Supervisors provided the following comments on the policy recommendations:

- ◆ Inclusionary zoning is a very important topic. The Planning Commission and Board of Supervisors would like more information before making a recommendation. The current policy language is fine with the caveat that we will look at this again prior to adoption.
- ◆ The housing coordinator described under Action H-A4.1 is not necessary. The County already does housing coordination work, but it is not centralized – it happens through Administration, Behavioral Health & Social Services. The existing system works fine. The policy language should be revised to explain what the County already does in this realm.

4. **Public Input** – Members of the public provided the following input on the Housing Element Update:

*Ed Mayer*, Executive Director of the Butte County Housing Authority, a public non-profit organization, with Board of Supervisors-appointed commissioners. Most of the Housing Authority's funding is from federal appropriations. Mr. Mayer's policy comments/recommendations are as follow:

- ◆ We operate the farm labor housing facility near Gridley under subsidy by the federal government. There has been a high vacancy rate due in part to the aging of the facility. We are considering redevelopment, but there are hurdles to this – namely lack of sewer. If we can't find a way to finance the sewer utility, this facility will close within 5 or so years. We've found that the farm labor population has changed due to the mechanization of farming, so there are declining numbers of people in need of traditional farm labor housing. Market analysis suggests that this population will be gone in 10 years. Therefore, the Housing Element should place reduced emphasis on farm labor housing in the coming years.
- ◆ We support housing coordination and leadership from the County on this issue. Policies should encourage the County, wherever possible, to coordinate housing efforts in the county.
- ◆ We've found that there is some lack of emergency shelter capacity, but it seems to be a temporary issue. Rather than allow shelters by right in a zoning district, we suggest that, wherever possible, the County should expand and promote existing shelters. The homeless population is a complicated population and difficult to track. In particular, foster youth coming out of the system are often not reflected in the numbers since they are couch-surfing. Similarly, single women and children are often accommodated by churches, friends and family, so they are not captured in data.
- ◆ Recent information indicates that vacancy rates are not exceedingly high. There is adequate stock, there are not enough units that are affordable to extremely low, very low and low income households.
- ◆ In 2008, there were about 700 home foreclosures in Butte County. Many were secondary homes owned by investors, so it is less of an issue here than elsewhere, but there are still people made homeless by foreclosures.

The Board of Supervisors followed up with additional questions for Mr. Mayer:

- ◆ What is your opinion about allowing “tent cities” in zoning regulations? Mayer responded that solutions for homeless issues are area-specific; what may work for Sacramento County may not work in Butte County. It would be better to work with what we have, including emergency shelters and social services, and try to better coordinate and promote them.
- ◆ Given the anticipated declines in farm labor housing needs, are you thinking of rehabilitating the Gridley facility for farm labor housing? Mayer responded that the Housing Authority is still in the feasibility study phase, so has not made a decision about the future of the Gridley facility. However, it is possible that the facility could be converted to a traditional affordable housing facility. The issue, though, is the lack of infrastructure and services.
- ◆ What are your thoughts on inclusionary zoning? Mayer responded that in his personal opinion, when a jurisdiction resorts to inclusionary zoning or rent control, it’s already lost the battle. The jurisdiction should instead figure out ways to avoid the need for it. However, given the regulatory environment and housing situations in California, it seems inevitable that the County will need to resort to it.
- ◆ Does your program deal with subsidizing the rehabilitation of private units? Is it more reasonable to rehabilitate existing stock rather than build new public housing? Mayer responded that there are pluses and minuses with both options. There are funding limitations to building new housing stock, but once it is done, it is in the public realm and more secure than privately-owned units.

*Jay Oman*, representative of the Paradise Summit project. Mr. Oman requests the removal of all inclusionary zoning policies, including H-A2.1, H-A2.6, and Objective 2.2. The best way to provide affordable housing opportunities is to provide adequate zoning for it. When you require homebuilders to include affordable units in their development projects, you are adding a tax burden on homebuyers, so that all market rate unit costs increase. The net result is a market where all housing becomes less affordable. Objective 2.2 sets an artificial limit on the number of units in a project. If inclusionary policies are used, they should be applied to all projects, regardless of size, so that one developer doesn’t have an advantage over another. Inclusionary policies also cost the government revenue due to the reduction in tax revenue on affordable units. Inclusionary housing policies make the housing problem worse.

*Debbie Villasenor*, housing consultant with Butte County Department of Behavioral Health to implement mental health services programs. We are working hard to provide housing for our target population of people with mental illness at risk of homelessness. Our target population is in need of affordable one-bedroom and studio units in order to avoid complications with recovery from drug or alcohol addiction due to roommate issues. There are currently not enough affordable one-bedroom and studio units to meet this need. Ms. Villasenor suggests a new goal to work with affordable housing to develop studio and one-bedroom units. Ms. Villasenor also encourages the County to support partnerships with cities to construct affordable housing in urban areas near services and transit, as well as partnerships in order to bring in grant funding for this need. There is also an unmet need for

housing for transitional age youth coming out of the foster care system transitioning to living independently.

*Ernesto Alvarado.* Mr. Alvarado is opposed to inclusionary zoning because it hurts business. Instead, the County should let the market work and provide incentives for affordable housing projects.

5. **Planning Commission Discussion: Input on Policy Recommendations** – Matt Kowta facilitated the following input from the Planning Commission on updates to the Housing Element policies and programs.

- ◆ Commissioner Marin notes that people seem to be against inclusionary housing. The County could instead provide adequate zoning for high density residential development that allows single-room occupancies.
- ◆ Commissioner Nelson supports Goal #1, but noted that the County should work with the municipalities to provide the higher density housing within the municipalities and near infrastructure.
- ◆ Commissioner Moore suggests that the inclusionary policy discussion be delayed until a later meeting so that additional data and information can be provided to support the discussion. In addition, wherever possible, language should be permissive (e.g., “encourage”) due to the lack of resources.
- ◆ Commissioner Nelson supports voluntary inclusionary housing, rather than a mandate.
- ◆ The Commission unanimously passed a motion to recommend to the Board of Supervisors that they instruct staff to incorporate the direction from the Board into the draft Housing Element and transmit it to HCD for review, complete the CEQA analysis, and schedule a meeting for August 25, 2009 to consider the adoption of the Housing Element.

6. **Board of Supervisors Discussion: Input on Policy Recommendations** – Matt Kowta facilitated the following input from the Board of Supervisors on updates to the Housing Element policies and programs.

- ◆ Supervisor Yamaguchi recommends removal of inclusionary requirements because they would harm the special needs populations. Also, the Housing Element should not call out specific development projects by name.
- ◆ Supervisor Dolan suggests the following changes to the Housing Element:
  - Where possible, use terms like *partner*, *encourage*, and *partner with existing organizations and agencies*.
  - Remove specific development project names, as suggested by Supervisor Yamaguchi.
  - Refer to “Development Services Department” across the board, and add County Administrative Office in many cases, where appropriate.

- Action H-A2.1: change to say “Look at the possibilities of affordable housing goals for large-scale residential development.”
- Action H-A2.6: remove inclusionary zoning entirely. Change it to say “The County shall investigate partnerships for affordable housing programs.”
- On page 13, there is a statement that says the County will utilize Community Development Block Grant funds “more fully.” Delete “more” from that statement.
- Action H-A4.1: change this action to describe what the County currently does to coordinate housing.
- Add a policy to provide priority for projects that serve extremely low- and very low-income households, and also for projects that provide studios and one-bedroom units.
- Change the reference to the Farmers Home Administration to USDA Rural Development.
- ◆ Supervisor Kirk agrees that inclusionary zoning should be eliminated and that Objective 2.2 should be struck. The rest of the Board of Supervisors agrees with this direction.
- ◆ Supervisor Kirk requests that the incentives for one-bedroom units and single-room occupancies be added.
- ◆ Supervisor Connelly requests that Objective 6.2 be clarified. Need to clarify that the County won’t start a new program; instead, this objective will be implemented through existing programs in the community.
- ◆ Supervisor Connelly suggests that the Housing Element focus on voluntary policies. Additional adjustments are appropriate to comply with State law where needed.
- ◆ Supervisors also suggest that the Housing Element include policies to encourage lower-income housing in areas where there are services/transportation and policies to encourage self-help housing as a source of affordable housing.
- ◆ The Board of Supervisors unanimously passed a motion to revise the Housing Element based on the direction today, transmit to HCD for 60-day review, prepare CEQA review, and schedule a hearing on August 25, 2009 for adoption.

7. **Adjourn** – Tim Snellings adjourned the meeting.