

2 POPULATION, HOUSING AND EMPLOYMENT

A. Introduction

This section presents information on both existing and projected population, housing and employment within Butte County, and describes the effects of the proposed General Plan on these factors. In recent years, Butte County¹ has seen high increases in the number of households yet slower than average population growth. Decreasing household sizes, combined with relatively unchanged percentages of households with children indicate that smaller families and groups of unrelated people are sharing housing units. Thus, it appears that the number of people per household will continue to decline and demand for higher density residential units will be strong through the General Plan horizon. In addition, an aging population indicates that seniors will require an increasing portion of the county's housing stock. New residential developments within the county are including units targeted towards the senior population. As more retirees from outside the area move into the county, they will require smaller housing units as well as access to retail and health care amenities, providing the county with opportunities to generate additional jobs in the construction, retail and health care industries.

B. Population and Housing Trends

The following data concerning the characteristics of Butte County and the unincorporated portion of Butte County illustrate growth patterns and general demographic traits which indicate potential demand for new development within the unincorporated area. Data from the State of California are also provided for comparison. Table 2-1 provides an overview of population and housing growth, average household size, household type and household tenure for Butte County, the unincorporated portion of the county and the State of California. All year 2000 data are from the U.S. Census. Updated 2006 population, housing and average household size figures are based on estimates from the California Department of Finance

¹ Butte County refers to the entire County, including the incorporated cities.

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TABLE 2-1 **POPULATION AND HOUSEHOLD TRENDS, 2000 – 2006**

	2000	2006	Percent Change 2000-2006
Butte County			
<i>Population</i>	203,171	217,209	6.9%
<i>Households</i>	79,566	87,174	9.6%
<i>Average Household Size</i>	2.48	2.42	-2.5%
Household Type			
Families	62.1%	62.1%	
Non Families	37.9%	37.9%	
Households with Children			
Households with Children Under 18	31.2%	31.3%	
Households without Children Under 18	68.8%	68.7%	
Tenure			
Owner	60.7%	60.6%	
Renter	39.3%	39.4%	
Unincorporated Butte County^a			
<i>Population</i>	96,630	90,323	-6.5%
<i>Households</i>	37,206	35,756	-3.9%
<i>Average Household Size</i>	2.56	2.51	-2.2%
<i>Housing Units</i>	40,768	39,181	-3.9%
Household Type			
Families	69.4%	68.5%	
Non Families	30.6%	31.5%	
Households with Children			
Households with Children Under 18	32.8%	32.8%	
Households without Children Under 18	67.2%	67.2%	
Tenure^b			
Owner	72.8%	72.7%	See
Renter	27.2%	27.3%	Comment on page 6, under 5, Household Tenure

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	2000	2006	Percent Change 2000-2006
State of California			
<i>Population</i>	33,871,648	37,172,015	9.7%
<i>Households</i>	11,502,870	12,367,468	7.5%
<i>Average Household Size</i>	2.87	2.94	2.2%
Household Type			
Families	68.9%	69.0%	
Non-Families	31.1%	31.0%	
Households with Children			
Households with Children Under 18	39.7%	40.0%	
Households without Children Under 18	60.3%	60.0%	
Tenure			
Owner	56.9%	57.2%	
Renter	43.1%	42.8%	

Note: * = Less than 1% change.

^a The loss of population, households and housing units in unincorporated Butte County is due to annexations.

^b Tenure rates from Claritas do not account for recent annexations. The homeownership rate for the unincorporated portion of the county is likely overstated.

Sources: U.S. Census, 2000; Claritas, 2006; California Department of Finance, 2006; Bay Area Economics (BAE), 2007.

(DOF). Household type and tenure ratios from 2006 are provided by Claritas, Inc., a national demographic data vendor.

1. Population and Household Growth Trends

According to Census and DOF data, the population of unincorporated Butte County decreased significantly between 2000 and 2006. Compared to a population gain of 6.9 percent in the overall county, the unincorporated population contracted 6.5 percent, from 96,630 to 90,323. Similarly, the total county also saw a 9.6 percent increase in total households relative to a 3.9 percent decrease of households in the unincorporated portion of the county.

The distinction between the growth trends of the county and the unincorporated area are not due to emigration but rather a series of annexations carried out by cities within the county after the 2000 Census. Table 2-1 shows that the percent decrease in households, or occupied housing units, between 2000 and 2006 is equal to the percent decrease in total housing units during the same period. If people were moving away from the unincorporated portion of the county, total housing units would remain stable as vacant units increased relative to occupied units. A decrease in all housing units shows that the cities are annexing land with existing residential units, thereby withdrawing populated areas from the unincorporated portion of the county totals.

Total households in the county increased 9.6 percent and outpaced the State growth rate by more than two percentage points. However, the county lagged behind the State in terms of population growth rate. Butte County grew by about 14,000 residents, or 6.9 percent between 2000 and 2006 compared to the State's 9.7 percent population growth. The county's higher than average household growth combined with relatively lower population growth is mainly related to Butte's decreased household size when compared to California.

2. Household Size

Average household sizes for Butte County and the unincorporated portion of the county in 2006 were 2.42 and 2.51 persons per household, respectively. Both of these figures represent a slight decrease from the average household size recorded in 2000. The average household sizes in both the overall county and the unincorporated areas decreased, while the average household size increased at the State level. Decreasing household size figures can be a result of an increase in the population of seniors and couples with grown children in Butte County, as well as other households living in smaller groups. Age data show that the county has a significantly higher percentage of people over 50 and potentially entering retirement than the State. Combined with the high growth in new households since 2000, it is even more likely that these households with older members make up a strong portion of the new Butte

County population. Most retiring households are made up of only two people, explaining much of the county's decrease in household size. As the population continues to age and more households retire to areas like Springtown Specific Plan/Resort Community, the county's average household size will likely continue to decrease through the General Plan horizon of 2030.

3. Household Type

In 2006, 68.5 percent of households in unincorporated Butte County were family households,² compared to 62.1 percent for the total county and 69 percent for the State. In all of the areas, these percentages showed little if any change from 2000. The lower ratio of family to non-family households in Butte County relative to the unincorporated region is likely reflective of the large student population from the California State University at Chico that is concentrated within that city. Although many of the new family households are likely to be senior households that will likely demand higher-density housing,³ traditional single-family homes will continue to see strong demand from the remaining family household population, particularly from new family households with fewer children. However, as approximately one-third of households consist of singles and unrelated people living together, there will also be strong demand for smaller and/or higher density for-sale units or multi-family rental units.

4. Households with Children

Although the average household size decreased in the county and unincorporated portion of the county between 2000 and 2006, the shares of households with children in both geographies were relatively stable. Between

² According to the U.S. Census, a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together.

³ Due to the smaller housing unit requirements of senior households and the high cost of housing in California, senior households will likely demand higher density housing units, which are typically more affordable than standard single-family units.

2000 and 2006, the share of households with children in the county increased negligibly, while the share remained constant in the unincorporated portion of the county. In the State, the share of households with children increased less than half of a percent. A decreasing average household size indicates that although the share of households with children is essentially unchanged, the number of children per household is decreasing. Thus, while demand will remain strong for single-family for-sale units, traditional families will require less space for fewer children, which will increase demand for higher-density single-family units.⁴

5. Household Tenure

Claritas reports that as of 2006, 62.1 percent of Butte County residents owned their home compared to 72.7 percent of residents in the unincorporated portion of the county. However, these homeownership rates likely do not account for recent annexations, which led to the incorporation of two-thirds of the multi-family units that were in the unincorporated portion of the county in 2000. As a result, Claritas' estimated homeownership rates for the unincorporated portion of the county in 2006, which likely did not account for these annexations, likely understate actual homeownership rates in the unincorporated portion of the county.

Although both Butte County geographies showed higher than average rates of ownership, the homeownership in the unincorporated region eclipsed the statewide homeownership rate by over 15 percentage points, which is most likely the result of a relatively small proportion of multi-family units, which tend to be for-rent, in the unincorporated area. While homeownership rates in the state are slowly increasing, tenure rates in the overall county are stable, with only a tenth of a percentage decrease between 2000 and 2006. Homeowner demand has been very strong within the county, and should

⁴ Due to the smaller housing unit requirements of households with fewer people and the high cost of housing in California, smaller households will likely demand higher density housing units, which are typically more affordable than standard single-family units.

continue to be a primary factor in the local housing market over the General Plan horizon.

6. Age

Table 2-2 shows the age distributions and median ages for all of Butte County, the unincorporated portion of the county, and the State of California. Unlike the State, which shows a larger share of population under 17, Butte County and the unincorporated portion of the county have relatively small proportions of children in this age group. However, overall the county has a much higher portion of residents between the ages of 18 and 24 (12 percent) than the unincorporated portion of the county (9.2 percent) and State (10 percent), which represents the large college student populations associated with California State University, Chico, and Butte College. In addition, both the entire county and the unincorporated portion of the county have higher ratios of residents aged 50 and over. This is especially true within the unincorporated portion of the county, as 35.7 percent of the population is over 50 compared to only 26.7 percent of California. The data indicate that median age in Butte County is 35.5 years, compared to 38.6 in the unincorporated portion of the county and 34.4 in the State of California. This highlights that Butte County and especially its unincorporated portion, attract larger proportions of older residents and retirees than the rest of the State. Local real estate brokers expressed that a significant portion of residents in unincorporated portions of the county, like Magalia, are newly retired and moving from their previous jobs in the Sacramento region and the Bay Area.

7. Median Household Income

Table 2-3 shows the income distribution and median household incomes for all of Butte County, the unincorporated portion of Butte County and the State of California.

According to Claritas, the median income for Butte County households in 2006 was \$37,447. Median income for the unincorporated portion of the county is slightly larger at \$40,886 but both geographies lagged behind the

TABLE 2-2 **AGE DISTRIBUTION, 2006**

2006 Estimated Population by Age	Butte County		Unincorporated Butte County		State of California	
	Number	%	Number	%	Number	%
Age 0 – 17	47,573	21.9%	20,579	22.8%	9,843,571	26.5%
Age 18 – 24	26,105	12.0%	8,342	9.2%	3,723,129	10.0%
Age 25 – 49	73,570	33.9%	29,135	32.3%	13,665,755	36.8%
Age 50 – 64	37,082	17.1%	17,687	19.6%	5,926,898	15.9%
Age 65 +	32,879	15.1%	14,580	16.1%	4,012,662	10.8%
Total	217,209	100%	90,323	100%	37,172,015	100%
Median Age	35.5		38.6		34.4	

Sources: Claritas Inc., 2006; BAE, 2007.

State’s median income of \$54,508. Lower household income levels in Butte County combined with increasing housing prices will translate into increased demand for higher density residential units, which tend to be more affordable than traditional single-family detached housing units.

8. Housing Occupancy Patterns

Table 2-4 shows housing vacancy rates in Butte County and the unincorporated region as 7 percent and 8.7 percent respectively. These figures are slightly higher than the State’s vacancy rate of 5.8 percent, but this is due to the increased usage of recreational and second homes in Butte County. Homes reserved for seasonal, recreational or occasional use account for almost 23 percent of the total county’s vacant housing stock, compared to only four percent of the State’s. In the unincorporated region, this ratio is even higher, at 32.4 percent. Out of the 1,350 seasonal, recreational or occasional use homes in Butte County, 1,154 or 85.5 percent are located within the unincorporated area. This highlights a potentially strong demand

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TABLE 2-3 **INCOME DISTRIBUTION, 2006**

2006 Households By Household Income	Butte County		Unincorporated Butte County		State of California	
	Number	%	Number	%	Number	%
< \$15,000	16,124	18.5%	5,390	15.1%	1,492,521	12.1%
\$15,000–\$24,999	13,486	15.5%	5,264	14.7%	1,241,062	10.0%
\$25,000–\$34,999	11,760	13.5%	4,888	13.7%	1,256,191	10.2%
\$35,000–\$49,999	13,591	15.6%	5,953	16.6%	1,781,788	14.4%
\$50,000–\$74,999	15,323	17.6%	6,596	18.4%	2,285,554	18.5%
\$75,000–\$99,999	7,631	8.8%	3,402	9.5%	1,526,047	12.3%
\$100,000–\$149,999	6,245	7.2%	2,906	8.1%	1,637,914	13.2%
\$150,000–\$249,999	2,027	2.3%	867	2.4%	794,849	6.4%
\$250,000–\$499,999	769	0.9%	378	1.1%	235,032	1.9%
\$500,000 or more	217	0.2%	113	0.3%	116,510	0.9%
Total	87,174	100%	35,756	100%	12,367,468	100%
Median Household Income	\$37,447		\$40,886		\$54,508	

Sources: Claritas, Inc., 2006; BAE, 2007.

for second homes centered around Lake Oroville’s recreational opportunities and elsewhere in the Butte County foothills in general, as well as demand for additional commercial facilities and community facilities to serve these dispersed populations.

9. Labor Force Trends

Table 2-5 shows labor force trends from 2000 to 2005, based on data from the California Employment Development Department (EDD). Employment in

TABLE 2-4 **HOUSING OCCUPANCY AND VACANCY STATUS, 2000**

Occupancy Status	Butte County		Unincorporated Butte County		State of California	
	Number	%	Number	%	Number	%
Occupied	79,566	93.0%	37,206	91.3%	11,502,870	94.2%
Vacant	5,957	7.0%	3,562	8.7%	711,679	5.8%
For rent	1,728	2.0%	728	1.8%	190,321	1.6%
For sale only	1,016	1.2%	509	1.2%	92,197	0.8%
Rented or sold, not occupied	524	0.6%	262	0.6%	50,846	0.4%
For seasonal, recreational or occasional use	1,350	1.6%	1,154	2.8%	236,857	1.9%
For migrant workers	9	0.0%	8	0.0%	2,205	0.0%
Other vacant ^a	1,330	1.6%	901	2.2%	139,253	1.1%
Total	85,523	100%	40,768	100%	12,214,549	100%

^a *Other Vacant.* If a vacant unit does not fall into any of the classifications specified above, it is classified as "other vacant." For example, this category includes units held for occupancy by a caretaker or janitor, and units held for personal reasons of the owner.
 Sources: U.S. Census, 2000; BAE, 2007.

all of Butte County tracked that of the unincorporated portion of the county fairly closely, increasing 6.2 percent compared to 6.6 percent in the unincorporated area. Employment numbers in the Butte County geographies dipped slightly in 2004 before recovering in 2005, posting a growth rate higher than the State's five percent. The unemployment rates in all areas spiked in 2003 and are currently trending downward, but as of 2005, have not yet returned to 2000 unemployment levels. As of 2005, unemployment rates in the county and the State are equal to their respective 2001 unemployment

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TABLE 2-5 LABOR FORCE TRENDS, 2000 – 2005

	2000	2001	2002	2003	2004	2005	Total % Change
Butte County							
Labor Force	93,100	95,100	97,400	98,900	98,000	99,300	6.7%
Employment	87,400	88,900	90,300	91,500	90,900	92,800	6.2%
Unemployment	5,700	6,200	7,100	7,400	7,100	6,500	14.0%
Unemployment Rate	6.1%	6.5%	7.3%	7.5%	7.2%	6.5%	6.9%
Unincorporated Butte County							
Labor Force	43,300	44,500	45,400	46,100	45,700	46,300	6.9%
Employment	40,800	41,700	42,300	42,800	42,600	43,500	6.6%
Unemployment	2,500	2,800	3,100	3,300	3,100	2,800	12.0%
Unemployment Rate	5.8%	6.3%	6.8%	7.2%	6.8%	6.0%	4.7%
State of California							
Labor Force	16,857,500	17,152,100	17,330,700	17,403,900	17,499,600	17,695,600	5.0%
Employment	16,024,300	16,220,000	16,168,200	16,212,600	16,407,900	16,746,900	4.5%
Unemployment	833,200	932,100	1,162,500	1,191,300	1,091,700	948,700	13.9%
Unemployment Rate	4.9%	5.4%	6.7%	6.8%	6.2%	5.4%	10.2%

Sources: California Employment Development Department, 2006; BAE, 2007.

rates. However, unincorporated Butte County's 2005 unemployment rate is slightly lower than its 2001 rate. Thus, the county's economic recovery is on par with the State's recovery, while the recovery in the unincorporated area is occurring slightly faster than the State.

Although economic recovery in both county geographies was on par with economic recovery in the State, the unemployment rates of both Butte County as a whole and the unincorporated portion of the county were consistently higher than within the State. Differences in the 2005 unemployment rates ranged from 0.5 percentage points higher than the State (unincorporated area) to one percentage point higher (overall county). Although small, the consistently higher unemployment rate may be an indicator of a softer job market in Butte County as opposed to the State's major urban areas, which could lead to lower wages and consequently, lower household income levels in Butte County as well as other inland parts of the State that are outside of the Bay Area and coastal Southern California.

10. Commute Patterns

The U.S. Census provides commute data via its Transportation Planning Package (CTTP) data for the county. This data is shown in Table 2-6. Although the data are from 2000, this analysis assumes that commute patterns have not changed significantly. Since data on total workers do not match more current and detailed employment data from the EDD, this analysis focuses on the distribution of workers commuting by location within the county.

According to CTTP data, approximately 47 percent of employed Butte County residents commuted to Chico in 2000. The next most popular employment locations for county residents were the remaining areas of Butte County,⁵ followed closely by Oroville and Paradise. Likely due to the lack of employment opportunities in surrounding counties and the economic clout

⁵ Remaining areas within the County include all areas within the County except: Chico, Oroville, Paradise, Durham, Gridley, Palermo, Oroville East Magalia, South Oroville, and Thermalito.

of Chico, over 91 percent of employed Butte County residents work inside the county. Second only to Chico, almost 20 percent of employed Butte residents commute to jobs in the unincorporated areas. Table 2-6 shows the commute patterns of Butte County residents in 2000.

C. Employment Growth Trends and Conditions

According to the EDD there were approximately 76,000 jobs in Butte County in 2005.⁶ Applying employment distribution information from the 2004 Census' County Business Patterns indicates that 95 percent of those jobs were located within the cities, while 5 percent (3,850 jobs) were located within the unincorporated portion of the county. Table 2-7 shows the 2005 industry employment figures for Butte County.

According to EDD data, countywide, the government sector accounted for 19.7 percent of all jobs, the largest concentration, followed by the retail trade and healthcare sectors. Concentration levels in the incorporated cities mirror countywide trends with the highest concentration of jobs in the government, retail trade, and health care sectors, respectively. However, in the unincorporated portion of the county, the agriculture sector provided the highest concentration of jobs (65.4 percent), followed by the wholesale trade (8.1 percent) and manufacturing⁷ (7.1 percent) sectors.

Countywide trend data from the EDD indicate that although there were some minor fluctuations in the number of agricultural jobs between 2001 and 2005, overall, the number of jobs did not change over the five-year period. Thus, while it is likely that agricultural activities will remain an important land use over the General Plan horizon, based on recent trends, it is not likely

⁶ EDD data may underestimate the number of self-employment positions within the County. This includes persons working at home and independent contractors, such as realtors and hair stylists.

⁷ Agricultural manufacturing jobs are accounted for in the agricultural sector and are not counted as manufacturing jobs.

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TABLE 2-6 **COMMUTE PATTERNS OF BUTTE COUNTY RESIDENTS**

Place of Work	Percentage ^c
<i>Locations Inside Butte County</i>	
Chico	47.4%
Oroville	13.3%
Paradise	9.1%
Durham ^a	2.5%
Gridley	2.2%
Palermo ^a	1.2%
Oroville East ^a	1.0%
Magalia ^a	0.9%
South Oroville ^a	0.9%
Thermalito ^a	0.7%
Remainder of Butte County ^a	12.0%
<i>Total Inside Butte County</i>	<i>91.2%</i>
<i>Locations Outside Butte County</i>	
Yuba City	0.9%
Sacramento	0.6%
Marysville	0.5%
Willows	0.4%
Remaining Commuters ^b	6.4%
<i>Total Outside Butte County</i>	<i>8.8%</i>
Total Employed Butte County Residents	100%

^a This geography is part of unincorporated Butte County.

^b Includes Butte County residents commuting to all other places within the State.

^c Due to differences between data from CTTTP and EDD, only percentages of commuters are reported.

Sources: U.S. Census Transportation Planning Package (CTTP) data, 2000; BAE, 2007.

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TABLE 2-7 BUTTE COUNTY EMPLOYMENT BY INDUSTRY, 2005

Industry Sectors	Total County			Incorporated			Unincorporated			
	Employment ^a	Share	Employment ^a	Share	Employment ^a	Share	Employment ^a	Share	Employment ^a	Share
Forestry, Fishing, Hunting, and Agriculture	2,517	3.3%	0	0.0%	2,517	65.4%				
Mining	21	0.0%	18	0.0%	2	0.1%				
Utilities	91	0.1%	73	0.1%	18	0.5%				
Construction	4,043	5.3%	3,831	5.3%	211	5.5%				
Manufacturing	4,059	5.3%	3,784	5.2%	274	7.1%				
Wholesale Trade	1,972	2.6%	1,660	2.3%	312	8.1%				
Retail Trade	10,971	14.4%	10,857	15.0%	115	3.0%				
Transportation and Warehousing	1,303	1.7%	1,258	1.7%	44	1.2%				
Information	1,806	2.4%	1,803	2.5%	3	0.1%				
Finance and Insurance	3,014	4.0%	2,989	4.1%	25	0.6%				
Real Estate Renting and Leasing	1,890	2.5%	1,867	2.6%	23	0.6%				
Professional, Scientific, and Technical Services	3,475	4.6%	3,393	4.7%	82	2.1%				
Management of Companies and Enterprises	194	0.3%	194	0.3%	0	0.0%				
Admin., Support, Waste Mgt., Remediation Services	3,174	4.2%	3,135	4.3%	39	1.0%				
Educational Services	227	0.3%	227	0.3%	0	0.0%				
Health Care and Social Assistance	10,852	14.3%	10,770	14.9%	82	2.1%				
Arts, Entertainment, and Recreation	2,118	2.8%	2,112	2.9%	6	0.1%				
Accommodations and Food Services	6,568	8.6%	6,522	9.0%	45	1.2%				
Other Services (Except Public Administration)	2,584	3.4%	2,536	3.5%	48	1.2%				
Auxiliaries	0	0.0%	0	0.0%	0	0.0%				
Unclassified Establishments	115	0.2%	113	0.2%	2	0.1%				
Government	15,007	19.7%	15,007	20.8%	0	0.0%				
Total^b	76,000	100.0%	72,150	100.0%	3,850	100.0%				

^a Employment estimates based on employment distributions by area from the Census' County Business Pattern data for 2004.

^b Employment estimates from EDD may underestimate the number of self-employment and independent contractor positions in the County.

Sources: BCAG, 2006; California Employment Development Department; Census County Business Patterns, 2006; BAE, 2007.

to provide additional employment opportunities. In addition, manufacturing jobs decreased over the period, exhibiting an annual rate of decline of approximately 2.3 percent of jobs. However, the number of wholesale trade jobs grew by approximately 2.4 percent annually. Thus, there may be an opportunity for employees and/or building space no longer utilized by the manufacturing sector to support growth in the wholesale sector.

Jobs in the natural resources, mining, and construction sectors increased most significantly over the five-year period, exhibiting approximately 7.7 percent annual growth. New housing construction likely accounts for the majority of this growth. To the extent that developers are building new housing in the unincorporated portion of the county, much of this job growth likely occurred in the unincorporated portion of the county. Educational service jobs also increased an average of 4.6 percent per year. This growth likely occurred as a result of K-12, college, and university expansions, and impacted employment within the unincorporated portion of the county to the extent that the main campus of Butte College grew. Finally, the expansion of the Enloe Hospital campus, coupled with greater demand from an aging population contributed to a relatively large annual average employment growth rate in the health care and social assistance sector. Although much of this growth occurred in Chico, the aging of the unincorporated population and in-migration of retirees will also result in additional demand for health care services in the unincorporated portion of the county in the future. Demand for these services will be geographically correlated with retirement populations. Thus, there will be opportunities for additional health care job generating uses in areas with large senior populations. In addition, new senior households will demand various amenities, thus creating new retail and personal service opportunities in the unincorporated portion of the county.

D. Population, Housing, and Employment Projections

The following section presents available population, household, and employment projections and discusses the data source's historic reliability.

This information will assist the county in determining demand for housing and commercial development over the 2005-2030 General Plan horizon. In order to determine the amount and types of development that the county may demand through the General Plan horizon, the county must know the amount and types of population and employment growth likely to occur between 2005 and the 2030 General Plan horizon. The Butte County Association of Governments (BCAG) projected population, housing, and employment for the entire county and each of the cities within the county through 2030. Table 2-8 shows BCAG's population, housing unit, household, and employment projections through 2030.

1. Population Projections

According to DOF and BCAG, there were approximately 217,200 people living in the county in 2006. Of this total, approximately 126,900 lived within the incorporated cities, and the remaining 90,300 lived in the unincorporated areas. BCAG estimates that the unincorporated area will grow at an increasing rate through 2030, with an additional 3,700 residents between 2006 and 2010, increasing to an additional 5,600 residents between 2025 and 2030. At the General Plan horizon, the county will have approximately 321,300 residents, a total increase of 104,100, including an increase of 24,400 in the unincorporated areas to reach approximately 114,700 living in the unincorporated areas.

2. Household Projections

In order to project the number of households in the county through the General Plan horizon, Bay Area Economics (BAE) uses the projected population in the incorporated and unincorporated areas, divided by each area's average number of persons per household. Accuracy of population projections affects housing and employment growth projections. Although an aging population would likely lead to smaller numbers of persons per household over time, there is no way to accurately estimate how the number of persons per household will change over the General Plan horizon. Assuming a constant number of persons per household based on 2006 DOF

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TABLE 2-8 **BUTTE COUNTY POPULATION, HOUSING, AND EMPLOYMENT PROJECTIONS, 2006 – 2030**

	2006	2010	2015	2020	2025	2030
Population						
Incorporated	126,886	138,084	155,438	172,452	188,761	206,628
Unincorporated	90,323	93,991	98,786	103,825	109,121	114,687
Total County	217,209	232,075	254,224	276,277	297,882	321,315
Households^a						
Incorporated	53,832	58,583	65,946	73,164	80,083	87,664
Unincorporated	36,018	37,481	39,393	41,402	43,514	45,734
Total County	89,850	96,064	105,339	114,566	123,597	133,397
Housing Units						
Incorporated	54,202	58,883	66,158	73,233	80,049	87,517
Unincorporated	39,181	40,772	42,852	45,038	47,335	49,749
Total County	93,383	99,655	109,010	118,271	127,384	137,266
Employment						
Incorporated, All Industries ^b	84,232	87,524	93,153	98,259	108,854	117,298
Unincorporated, All Industries ^b	4,482	4,657	4,956	5,228	5,792	6,241
Total County, All Industries	88,714	92,181	98,109	103,487	114,646	123,539

^a Household projections are calculated by applying the following 2006 Department of Finance estimates of average household size to the population projections for the incorporated and unincorporated areas within the County.

<u>Area</u>	<u>Avg. Persons per Household</u>
Incorporated	2.357
Unincorporated	2.508

^b Employment projections based on employment distributions by area from the Census' County Business Pattern data for 2004.

Sources: BCAG, 2006; California Department of Finance, 2007; Census County Business Patterns, 2006; BAE, 2007.

estimates generates a conservative estimate of the number of households that will reside within the county between 2005 and 2030.

According to DOF, there were approximately 89,850 households located within the county in 2006.⁸ Of these households, approximately 53,800 lived in the incorporated cities, while the remaining 36,000 located within the unincorporated areas of the county. DOF estimates also indicate that there were approximately 2.4 persons per household for households located in the cities, compared to 2.5 persons per unincorporated household. Using these estimates in conjunction with population projections, BAE projects that in 2030 there will be approximately 133,400 households in the county, with approximately 87,700 households in the cities, and 45,700 households in the unincorporated areas.

3. Housing Unit Projections

According to DOF and BCAG, there were approximately 93,400 housing units in the county in 2006. Of this total, approximately 54,200 were located within the incorporated cities, and the remaining 39,200 were located in the unincorporated areas. BCAG estimates that the unincorporated area will grow at an increasing rate through 2030, with an additional 1,600 units between 2006 and 2010, increasing to an additional 2,400 units between 2025 and 2030. At the General Plan horizon, the county will have approximately 137,300 housing units, an increase of 43,900, including an increase of 10,600 in the unincorporated areas to reach approximately 49,700 located in the unincorporated areas.

a. Reliability of DOF Data

As BCAG bases its population and housing unit projections on DOF data, this analysis includes a brief treatment of DOF data methods and reliability. According to the State Department of Finance's web site, DOF uses the average of the following three methods to determine population and

⁸ Based on dividing the incorporated and unincorporated areas' populations by their respective average number of persons per household.

household estimates, and a “Housing Unit” (HU) method to determine the number of housing units.

i. Population and Household Estimates

a) State Driver License Address Change (DLAC) Method. The DLAC model captures interstate and intrastate migration by estimating proportion changes of the State population by county. The Department of Finance uses a modified version of DLAC that factors in documented births, deaths, school enrollment, foreign/domestic migration, medical aid enrollments and group quarters population. Using medical programs runs the risk of overlooking underserved populations and accurately depicting migration changes.

b) Ratio-Correlation Method. Changes in the distributions of driver licenses, school enrollments, housing units, and deaths determine the county’s share. Estimates of group quarters are factored in. Some drawbacks of this method include: dual enrollment and overrepresentation as erratic processing of documents in select divisions.

c) Tax Return Method. This method uses federal income tax returns and matches information with statistical groups from the U.S Census bureau that include: vital statistics, group quarters, and other information for the population aged 65 and over.

ii. Housing Unit Estimates

The HU method estimates total and occupied housing units, household size, household population, and group quarters population. This method focuses on new construction, annexations, demolitions, and conversions from the 2000 benchmark or a prior year’s estimate. The HU changes are supplied by local jurisdictions, the U.S. Census Bureau, and Military Installations. DOF also adjusts the census occupancy rates (occupied units/total units)

occasionally, to account for changing vacancy rates such as adding vacancies in areas with rapid housing growth.⁹

iii. Overall Reliability

DOF used these methods to estimate population, households, and housing units, and then compared its 2000 State-level data to U.S. Census data and found that its estimates were within one-half of one percent of the 2000 census count; county estimates differed from the census estimates by an average of 1.9 percent and city estimates differed by an average of 5.6 percent.¹⁰

4. Employment Projections

BCAG provides countywide employment projection data. In order to generate employment projections for the unincorporated portion of the county, BAE used employment data from the Census' County Business Patterns to estimate the distribution of jobs by ZIP Code. County Business Patterns data includes employment sector data for each of the ZIP Codes within the county. However, this data set does not include agriculture or government jobs. BAE supplemented the County Business Patterns data with employment data from the State Department of Finance to generate a total distribution of jobs per sector for the county.¹¹ Based on the total employment in each of the county's ZIP codes, BAE generated an

⁹ California Department of Finance, *Table E5, Population and Housing Estimates for Cities, Counties, and the State, 2001-2006, with 2000 Benchmark, Methodology*, <http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/Estimates/E5/E5-06/E-5text2.asp>, accessed July 6, 2007

¹⁰ California Department of Finance, *Table E5, Population and Housing Estimates for Cities, Counties, and the State, 2001-2006, with 2000 Benchmark, Methodology*, <http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/Estimates/E5/E5-06/E-5text2.asp>, accessed July 6, 2007

¹¹ The projections assume that all Government sector jobs occur within cities, while all agricultural jobs occur in the unincorporated County.

employment distribution for the unincorporated portion of the county,¹² and applied the distribution to the BCAG countywide employment projections to project employment in the unincorporated portion of the county.

As Table 2-8 shows, BCAG estimated approximately 88,700 jobs in the county in 2006 and projects that this will increase to approximately 92,200 in 2010 and 123,500 in 2030. In 2006, approximately 4,500 of the jobs were located within the unincorporated portion of the county, which will increase to 6,200 jobs in 2030. As the incorporated cities function as employment centers, 95 percent of the existing and projected employment will likely occur within the cities. However, as housing develops in the unincorporated areas, there will likely be an increase in retail employment that follows, particularly in areas with concentrated residential development. In addition, there may be some commercial development in the unincorporated portion of the county that occurs along the cities' edges. Such development could potentially include retail, industrial, or business park space. It should be noted that BCAG data do not match EDD data, as EDD data do not include self-employed persons or domestic employees.

a. Employment Projections by Sector

The California EDD provides industry-level employment projections for Butte County, but only for the near-term (through 2012). As Table 2-9 shows, the county can expect the greatest percentage gains in the natural resources, mining, and construction sector, followed by the wholesale trade and education and health services sectors. However, these sectors do not necessarily represent the largest numbers of new jobs. Since the natural resources, mining, and construction sector had relatively few jobs in 2002 (3,100 jobs), 52 percent job growth results in an additional 1,600 jobs, for a total of 4,700 jobs in 2012. According to EDD data, the county will add the most new jobs (2,700) in the education and health services sector, followed by the retail trade sector.

¹² Although the 95965 ZIP code includes a portion of the unincorporated County, the majority of jobs are likely located within Oroville. Thus, the cities' distribution and subsequent projections include employment in the 95965 ZIP code.

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TABLE 2-9 **BUTTE COUNTY EMPLOYMENT PROJECTIONS BY INDUSTRY, 2002–2012**

Butte County	2002	2012	Growth Rate	Land Use Type
Natural Resources, Mining, and Construction	3,100	4,700	51.6%	Industrial
Manufacturing	3,900	4,500	15.4%	Industrial
Wholesale Trade	1,700	2,300	35.3%	Industrial
Retail Trade	10,300	12,300	19.4%	Retail
Transportation, Warehousing, and Utilities	2,200	2,200	0.0%	Industrial
Information	1,300	1,500	15.4%	Office
Financial Activities	4,200	4,700	11.9%	Office
Professional and Business Services	6,200	7,400	19.4%	Office
Education and Health Services	11,700	14,400	23.1%	Office
Leisure and Hospitality	7,100	8,100	14.1%	Office
Other Services	3,700	4,200	13.5%	Office
Government	16,900	18,100	7.1%	Office
Total Nonfarm ^a	72,300	84,400	16.7%	

^a Data from the Employment Development Department do not include estimates of agricultural employment. However, employment trend data indicate that agricultural employment grew by 0.0 percent between 2001 and 2005.

Sources: California Employment Development Department, 2006; BAE, 2007.

These projections follow demographic and employment trends within the county. New housing units will bring in new residents that demand retail services. Thus, employment within the retail sector should expand over the General Plan horizon. In addition, the aging of the population will result in an increased demand for health care services. To the extent that new

development in the unincorporated portion of the county includes housing units and senior housing, the retail and health care service industries should provide additional employment opportunities within the unincorporated portion of the county.

In addition, the data also show that wholesale trade and manufacturing will expand by approximately 1,200 jobs, which represents 10 percent of new jobs between 2002 and 2012. It is possible that a substantial portion of these jobs will be attracted to locations in portions of the unincorporated portion of the county. Relatively inexpensive land, distance from residential developments, and access to freeways generally attract industrial land uses and these are attributes that can be found in many unincorporated areas, thus, areas in the unincorporated portion of the county should be able to capture much of this growth if infrastructure is available to support the growth.