



**HOUSING**

# City of Gridley

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## 2022-2030 Housing Element



December, 2024

# ACKNOWLEDGEMENTS

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## CITY OF GRIDLEY 2022-2030 Housing Element

### Gridley City Council

*Michael Farr, Mayor*  
*Bruce Johnson, Vice Mayor*  
*J Angel Calderon*  
*Catalina Sanchez*  
*James Roberts*

### Gridley Planning Commission

*Maria Espino, Chair*  
*Kenneth Wolfe, Vice Chair*  
*Beverly Jamison*  
*Jeffrey Adams*  
*Richard Holland*

&

***Elisa Arteaga, City Administrator***

With acknowledgement to the contributions of the City of Gridley  
Consulting Planning Director, Donna Decker, DES



*Administrative Draft*  
*December, 2024*

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## Chapter: INTRODUCTION

The State of California recognizes that an adequate supply of affordable housing for all income levels is a fundamental need for all communities. To that end, all California local governments are required to prepare a housing element (or housing chapter of the General Plan) and to update the element generally every eight years. The Housing Element is a part of the General Plan which serves as the framework that identifies a community's policy goals and objectives that shape and guide its current and future development.

The Housing Element is one of nine State-required components of every city's General Plan and must be approved by the State's Department of Housing and Community Development. It provides an assessment of both current and future housing needs and the constraints in meeting these needs resulting in the development of implementation strategies. The Housing Element Planning period differs from the other elements of the General Plan.

The Housing Element is a document that evaluates community demographics, housing needs, and the ability of the local government to provide adequate sites in its zoning and General Plan land use maps to accommodate the need. The Housing Element analysis culminates in the preparation of the Housing Plan which identifies how the community will implement its goals and policies to meet local housing needs.

The Housing Element of the 2030 General Plan is designed to provide the City of Gridley with a coordinated and comprehensive strategy promoting the production of safe, decent, and affordable housing for all segments and income levels of the community.

### Goals and Policies

The goals and policies provide a framework for the development of an implementation strategy to meet Gridley's housing needs. The key housing strategies identified in the General Plan are:

- ✓ Provide local housing options that accommodate our different households' needs and preferences.
- ✓ Support affordable housing for residents and help keep the younger population in Gridley;
- ✓ Maintain high-quality housing for our senior population.

Gridley's challenge, as with other municipalities, is to accommodate housing suitable for a diversity of household types and incomes and in sufficient amounts to provide for its share of regional housing needs. State law provides guidance for meeting both the amount and variety of housing by providing regional housing allocations that are then distributed to the local municipalities that will need to be met within the Housing Element's planning period. This Housing Element addresses housing needs during an



eight-year planning period from 2022 to 2030 for which the Regional Housing Needs Assessment was prepared by Butte County Association of Governments (BCAG).

The Housing Plan will continue to develop six programs that focus on effective strategies:

- ✓ **Housing Quality:** To promote the development of a variety of housing types throughout the city that is safe and complements the surrounding neighborhood;
- ✓ **Housing Quantity:** to facilitate the preservation and construction of housing to meet the needs of Gridley residents, including all household types and income;
- ✓ **Code Consistency and Updates:** To reduce and remove constraints to development and redevelopment of housing;
- ✓ **Affordable Housing:** To promote development and redevelopment of affordable housing;
- ✓ **Equal Housing Opportunity:** To ensure equal opportunity and access to housing for all residents; and,
- ✓ **Natural Resources and Energy Conservation:** To reduce household costs and conserve natural resources and energy in housing production

To achieve these priorities, the Housing Element is organized into the following components:

- ✓ **Introduction** provides an overview of the Element's purpose, content, and policy and regulatory context.
- ✓ **Community Profile** provides analysis of the city's demographics, housing characteristics, and existing and future housing needs.
- ✓ **Opportunities for Energy Conservation** describe opportunities for energy conservation, including state requirements for energy efficiency for new construction and greenhouse gas emissions reduction targets.
- ✓ **Housing Needs** assesses projected housing needs, including analysis of affordable housing at-risk of conversion to market rate.
- ✓ **Housing Resources** identifies available resources to meet housing needs for all income levels, including vacant or underutilized land for new construction or redevelopment, as well as financial and administrative resources available for housing.
- ✓ **Constraints to Housing Availability and Affordability** provides an analysis of constraints to housing production and maintenance, such as market, governmental, and environmental factors affecting the city's ability to meet identified housing needs.
- ✓ **Program Evaluation** of 2014-2022 Housing Plan reviewing past accomplishments and evaluates existing strategies that should be continued, modified, added, or deleted.
- ✓ **Housing Plan** identifies the overall housing goals, policies, and implementation strategies to address the city's identified housing needs for the 2022-2030 planning period.

### Policy and Regulatory Context

Housing is an established priority of both the State of California and the City of Gridley, as expressed in Government Code Section 65580:

*"The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farm workers, is a priority of the highest order."*

The detailed statutory requirements for preparing a housing element are codified in the California Government Code (sections 65580–65589). As stated therein, the Housing Element must contain an identification and analysis of its existing and projected housing needs; an analysis of the various governmental and non-governmental constraints to meeting that need; and a series of goals, policies, and scheduled programs to further the development, improvement, and preservation of housing.

The Housing Element addresses a broad range of issues related to housing, including affordability, accessibility, mobility, energy conservation, infill and revitalization, balanced growth, and regulatory issues. The Housing Element defines the City's housing strategy and incorporates policies and implementing actions from other local plans to ensure consistent local management of land use change. Related planning documents include the Butte County Association of Governments (BCAG) 2020 Regional Housing Needs Plan. The data from BCAG reflects the responsibility to provide adequate lands for housing development within an eight-year planning period for Gridley from January, 2022 to June, 2030.

### State Housing Policy and Strategy

In 1980, the State of California amended the Government Code by adding Article 10.6, dealing with the preparation of housing elements of local general plans. By enacting this statute, the legislature found that:

*"The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order. The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels. Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community..."*

This Housing Element is drafted in compliance with state law, which requires that housing elements, at a minimum, contain (Government Code Section 65583):



- ✓ An assessment of housing needs and an inventory of resources and constraints relevant to meeting these needs;
- ✓ A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing;
- ✓ An inventory of sites capable of accommodating development of housing for a range of income types to meet the City's share of the regional housing need; and,
- ✓ A program that sets forth actions to implement the policies and achieve the goals and objectives of the Housing Element.

In 1999, the State issued the California Statewide Housing Plan Update. Many of the issues described in this Plan are still relevant to consider in the context of local housing plans. The City carefully considered each of these key issues as a part of the 2030 General Plan and this 2022-2030 Housing Element update. Key issues from the Statewide Housing Plan include:

- ✓ Much higher levels of housing construction are needed to adequately house the State's population;
- ✓ High housing cost burdens are increasingly an issue for both owners and renters. The combination of upward price pressure in the housing markets and relatively tight urban housing markets has led to increasing cost burdens, particularly for low-income renter residents;
- ✓ In some portions of the State, the level of overcrowding has dramatically increased;
- ✓ A substantial portion of affordable rental housing developments statewide are "at-risk" of conversion to market rate use;
- ✓ Significant numbers of temporary agricultural workers migrate throughout the state unable to find affordable housing; and,
- ✓ Homeless individuals and households face significant difficulties in obtaining shelter.

### Recent Housing Legislation

In an effort to continue to support and find meaningful ways to support the continued construction of housing the state has passed additional legislation since the previous 2014-2022 Housing Element was adopted:

#### ***Affordable Housing Streamlined Approval Process: Senate Bill 35 (2017)***

SB 35 requires a streamlined, ministerial review process, or objective design standards, for qualifying multi-family, urban infill projects in jurisdictions that have failed to approve housing projects sufficient to meet their State-mandated RHNA. Among other requirements, to qualify for streamlining under SB 35, a project must incorporate one of two threshold levels of affordable housing: (1) 10 percent of the project units in jurisdictions that have not

approved housing projects sufficient to meet their RHNA for above moderate- income housing or have failed to submit an annual progress report as required under state law; or (2) 50 percent of the project units in jurisdictions that have not approved housing projects sufficient to meet their RHNA for below moderate-income housing. Additionally, the Housing Element must describe the City's processing procedures related to SB 35.

*The 2016 update of the Title 17, Zoning Code, of the Gridley Municipal Code, provides a Planning Commission level of review for all residential projects having more than five parking spaces. The city has continued to meet the provision of land available for housing and no housing project has been denied. In fact, the city has approved, ministerially, three affordable housing projects with the help of the AB430 (Gallagher) legislation along with approximately 460 parcels through six subdivision maps. These include availability for Very Low, Low, Moderate, and Above Moderate-income units. Through the survey, the city found the community also supported the rezoning of industrial lands to accommodate additional housing opportunities.*

*The city has annually met the filing requirements of the Housing Element Annual Report. An implementation measure has been added to describe the city's processing procedures related to SB35, if applicable. Refer to HIS 3.1.*

**Additional Housing Element Sites Analysis Requirements: Assembly Bill 879 (2017) and Assembly Bill 1397 (2017)**

These bills require additional analysis and justification of the sites included in the sites inventory of the City Housing Element. The Housing Element may only count non-vacant sites included in one previous housing element inventory and vacant sites included in two previous housing elements if the sites are subject to a program that allows affordable housing by right. Additionally, the bills require additional analysis of non-vacant sites and additional analysis of infrastructure capacity, and by place size restrictions on all sites.

*The Housing Element sites inventory is provided in Table 39, Chapter 5, Housing Resources. The inventory is organized by sites that meet the Moderate/Above Moderate in the first section and Extremely Low/Very Low/Low in the second section. The sites include those from the previous 2014-2022 Housing Element as well as adding sites that are zoned Industrial located in the heart of residential development. The recommendation to rezone the site is also based on the survey the city conducted where residents supported the use of these properties for residential rather than industrial due to its location.*

*The site inventory for this 2022-2030 Housing Element has been prepared in compliance with AB 879 and AB 1397.*

***Affirmatively Furthering Fair Housing: Assembly Bill 686 (2017)***

AB 686 requires the city to administer its housing programs and activities in a manner to affirmatively further fair housing and not take any action that is inconsistent with this obligation. The city must take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities. The Housing Element must include an assessment of fair housing practices, an examination of the relationship of available sites to areas of high opportunity, and actions to affirmatively further fair housing.

*This 2022-2030 Housing Element includes programs addressing fair housing and AFFH. The policies in Housing Program 5.1-5.5 include implementation measures supporting fair housing.*

***No-Net-Loss Zoning: Senate Bill 166 (2017)***

SB 166 amended the No-Net-Loss rule to require that the land inventory and site identification programs in the Housing Element include sufficient sites to accommodate the unmet RHNA. When a site identified in the Housing Element as available to accommodate the lower-income portion of the RHNA is actually developed for a higher income group, the City must either (1) identify, and rezone, if necessary, an adequate substitute site or (2) demonstrate that the land inventory already contains an adequate substitute site.

*This Housing Element has been prepared in accordance with the No-Net-Loss rule and identifies sites that can accommodate 507 Moderate/Above Moderate where only 285 are required, and 710 sites to accommodate Extremely Low/Very Low/Low where only 390 are needed. The inventory provides an excess of 542 sites in addition to the City's RHNA requirement of a total of 645 units. This total includes the remaining unmet need from the 2014-2022 Housing Element of 300 units added to the 2022-2030 Housing Element of 345 units. 1,926. Chapter 5, Housing Resources includes a detailed discussion of the sites inventory.*

***Safety Element to Address Adaptation and Resiliency: Senate Bill 1035 (2018)***

SB 1035 requires the General Plan Safety Element to be reviewed and revised to include any new information on fire hazards, flood hazards, and climate adaptation and resiliency strategies with each revision of the housing element.

*The General Plan Safety Element has been updated every 5 years, most recently 2024, in concert with the development of the Local Hazard Mitigation Plan, Annex C, Gridley, adopted by the City Council and integrated into the Butte County Hazard Mitigation Plan, reviewed and approved by FEMA.*

***By Right Transitional and Permanent Supportive Housing: Assembly Bill 2162 (2018) and Assembly Bill 101 (2019)***

AB 2162 requires the City to change its zoning to provide a “by right” process and expedited review for supportive housing. The bill prohibits the City from applying a conditional use permit or other discretionary review to the approval of 100 percent affordable developments that include a percentage of supportive housing units, either 25 percent or 12 units, whichever is greater. The change in the law applies to sites in zones where multi-family and mixed uses are permitted, including in nonresidential zones permitting multi-family use. The city currently permits transitional and supportive housing within all residential and mixed-use zoning districts. Additionally, AB 101 requires that a Low Barrier Navigation Center development be a use allowed by right in mixed-use zones and non-residential zones permitting multi-family uses if it meets specified requirements.

*The city does not currently comply with this requirement. HIS 2.7 commits the City to update Title 17 to allow low barrier navigation centers by right in areas zoned for mixed use as well as nonresidential zones permitting multi-family uses.*

***Accessory Dwelling Units: Assembly Bill 2299 (2016), Senate Bill 1069 (2016), Assembly Bill 494 (2017), Senate Bill 229 (2017), Assembly Bill 68 (2019), Assembly Bill 881 (2019), Assembly Bill 587 (2019), Senate Bill 13 (2019), and Assembly Bill 671 (2019)***

In recent years, multiple bills have added requirements for local governments related to Accessory Dwelling Unit (ADU) regulation. The 2016 and 2017 updates to State law included changes pertaining to the allowed size of ADUs, permitting ADUs by right in at least some areas of a jurisdiction, and parking requirements related to ADUs. More recent bills reduce the time to review and approve ADU applications to 60 days and remove lot size and replacement parking space requirements. AB 68 allows an ADU and a junior ADU to be built on a single-family lot, if certain conditions are met. The State has also removed owner-occupancy requirements for ADUs, created a tiered fee structure that charges ADUs based on their size and location, and prohibits fees on units of less than 750 square feet. In addition, AB 671 requires the Housing Element to include plans to incentivize and encourage affordable ADU rentals.

*The city is not compliant with the legislation as its code, Title 17, Chapter 17.82, Second Units, as it does not include the most recent legislation, definitions, or vernacular. The city is committed to update this chapter of the Zoning Code as needed to comply with ADU legislation confirmed by HIS 2.8.*

***Density Bonus: Assembly Bill 1763 (2019) and AB 2345 (2020)***

AB 1763 amended California’s density bonus law to authorize significant development incentives to encourage 100 percent affordable housing projects, allowing developments with

100 percent affordable housing units to receive an 80 percent density bonus from the otherwise maximum allowable density on the site. If the project is within half a mile of a major transit stop, a city may not apply any density limit to the project. AB 2345 further amended California's density bonus law to allow residential projects with some on-site affordable housing to receive a density bonus of up to 50 percent. Specifically, a residential development is eligible for a 50 percent density bonus if 11 percent of the units are very low-income, 20 percent are low-income units, or 40 percent are moderate-income units. The affordable units must remain affordable for a minimum of 55 years. In addition to the density bonus, qualifying projects will receive four regulatory incentives or concessions, depending on how much of the development includes affordable units. Specifically:

- One incentive or concession for projects that include at least 10 percent of the total units for lower-income households, at least 5 percent for very low-income households, or at least 10 percent for persons and families of moderate-income in a common interest development.
- Two incentives or concessions for projects that include at least 17 percent of the total units for lower-income households, at least 10 percent for very low-income households, or at least 20 percent for persons and families of moderate-income in a common interest development.
- Three incentives or concessions for projects that include at least 24 percent of the total units for lower-income households, at least 15 percent for very low-income households, or at least 30 percent for persons and families of moderate-income in a common interest development.
- Four incentives or concessions for projects where one hundred percent of all units in the development, including total units and density bonus units, but exclusive of a manager's unit or units, are for lower income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code. For these projects, if it is located within one-half mile of a major transit stop, the applicant also receives a height increase of up to three additional stories (33 feet).

These amendments to the Density Bonus Law further limit parking requirements for projects that qualify for a density bonus by placing maximum parking ratios varying by the types of units and percentage of affordable units offered by the development.

*The city commits to amend Title 17, Zoning Code, Chapter 17.28 to be comply with the requirements of AB 1763 or AB 2345, if it does not.*

### ***Housing Crisis Act of 2019: Senate Bill 330***

SB 330 enacts changes to local development policies, permitting, and processes that will be in

effect through January 1, 2025. SB 330 places new criteria on the application requirements and processing times for housing developments; prevents localities from decreasing the housing capacity of any site, such as through downzoning or increasing open space requirements, if such a decrease would preclude the jurisdiction from meeting its RHNA housing targets; prevents localities from establishing non-objective standards; and requires that any proposed demolition of housing units be accompanied by a project that would replace or exceed the total number of units demolished. Additionally, any demolished units that were occupied by lower-income households must be replaced with new units affordable to households with those same income levels. The Housing Element must describe the City's processing procedures related to SB 330.

*HIS 4.5 commits the City to updating Title 17, Zoning Code to reflect the development policies, permitting, and processes required of SB 330.*

***Surplus Land Act Amendments: Assembly Bill 1486 and AB 1255 (2019)***

AB 1486 refines the Surplus Land Act to provide clarity and further enforcement to increase the supply of affordable housing. The bill requires the city to include specific information relating to surplus lands in the Housing Element and Housing Element Annual Progress Reports, and to provide a list of sites owned by the city or county that have been sold, leased, or otherwise disposed of in the prior year. AB 1255 requires the city to create a central inventory of surplus and excess public land each year.

*In 2024, the city created an inventory of surplus lands available for sale and provided this to the Department of Housing and Community Development as well as sufficiently advertised those lands for sale. The properties are zoned Industrial, not residential. The available properties are in escrow and as ownership transfers from the city to the purchaser, a covenant is placed on the property related to the requirements to construct affordable housing. There are no other surplus lands and the city has met the requirements of AB 1486 and AB 1255.*

***Housing Information Transparency: Assembly Bill 1483 (2019)***

AB 1483 requires the city to publicly share information about zoning ordinances, development standards, fees, exactions, surplus public lands, fair housing resources, and affordability requirements. The city is also required to update such information within 30 days of changes.

*The city is compliant with AB 1483 and publishes the information on-line on its website and directs users to its municipal code at American Legal Publishing. The processing fees and applications necessary for land development are also on the website.*

***Emergency and Transitional Housing Act of 2019: Assembly Bill 139 (2019)***

AB 139 established new criteria for evaluating the needs of the homeless population. The



analysis must assess the capacity to accommodate the most recent homeless point-in-time count by comparing that to the number of shelter beds available on a year-round and seasonal basis, the number of beds that go unused on an average monthly basis, and the percentage of those in emergency shelters that move to permanent housing (Section 7.3, subsection Persons Experiencing Homelessness). The bill also established new parking standards for emergency shelters. Lastly, the bill requires the Housing Element to include a review of the effectiveness of the housing element goals, policies, and related actions to meeting the jurisdiction's special housing needs.

*The city is compliant with AB 139. Emergency and Transitional Housing are allowed by right in the M-1 and M-2 zones.*

***AB 516 Amendments to the Mitigation Fee Act AB 1600***

The amendments to AB1600 provide greater transparency in the application of development impact fees. AB 516 require annual reporting, provision of reports to developers, an accounting of the available funds for each fee collected, a plan of expenditure, review of expenditure and 5-year reporting.

*The city is not in compliance with this legislation and will work towards meeting the requirements in 2025 for the 2025-2026 annual budget. Refer to HIS 5.3.*

***Standardization of Sites Inventory Analysis and Reporting: Senate Bill 6 (2019)***

SB 6 requires the city to electronically submit the sites inventory to HCD starting in 2021. The city will submit the final sites inventory to HCD with the adopted Housing Element.

*The city is compliant with SB 6 and has electronically submitted the sites inventory with its 2014-2022 Housing Element and also does so with the 2022-2030 Housing Element.*

***Evacuation Routes: Senate Bill 99 and AB 747 (2019)***

Two recent bills, AB 747 and SB 99, require the General Plan Safety Element to be updated to identify evacuation routes and their capacity, safety, and viability under a range of emergency scenarios and to include information identifying residential developments in hazard areas that do not have at least two emergency evacuation routes. The bill requires these updates to occur with the 2021 Housing Element Update.

*The city has identified evacuation routes within its Local Hazard Mitigation Plan – 2024 which has been adopted by the City Council General Plan Safety Element. The city is compliant with SB 99 and AB 747 during the 6<sup>th</sup> Housing Element cycle.*

### Regional Housing Needs Allocation (RHNA)

A critical measure of compliance with state housing law is the ability of a jurisdiction to accommodate its share of regional housing need as determined by a Regional Housing Needs Assessment (RHNA) (sometimes called regional housing needs allocation). The Butte County Association of Governments (BCAG) is charged with distributing the local share of the regional housing needs among the cities and unincorporated areas of the county.

The Regional Housing Needs Plan (RHNP) was adopted by BCAG in December, 2020. The purpose of the RHNP is to allocate to the cities and county their “fair share” of Butte County’s projected housing need by household income group over the 8-year (2022-2030) planning period covered by the plan. Information is provided in Chapter 4, “Housing Needs”, describing the numerical regional housing allocation assigned to the City of Gridley and Chapter 5, “Housing Resources” outlines land suitable to provide future housing.

### General Plan Consistency

The Housing Element is one of the required components of the General Plan. The 2030 General Plan, updated in 2010, provides the overarching policy guidance for development and conservation throughout the Plan Area. The General Plan consists of the nine (9) elements addressing the planning issues required by the state.

The Housing Element’s goals, policies, and implementation strategies are consistent with the General Plan. Furthermore, the Housing Element provides an inventory of available land that can be developed for housing meeting the full range of household incomes within the City’s existing incorporated boundary.

### Data Sources and Methodology

Various sources of information contribute to the Housing Element. Data from the 2020 Census and American Community Survey (ACS) provides the basis for population and household characteristics. Several additional data sources were used to supplement Census Bureau data including, but not limited to:

- ✓ Population and demographic estimates and projections by the Butte County Association of Governments and the California Department of Finance;
- ✓ Housing conditions and market information, such as home sales, rents, and vacancies, are provided using the Department of Housing and Urban Development’s Comprehensive Housing Affordability Strategy (CHAS) data and is updated with by City surveys and property tax assessor’s files;
- ✓ Public and nonprofit agencies were consulted for data on special needs groups, availability of services, and gaps in the service delivery system; and,
- ✓ Lending patterns for home purchase and home improvement loans are provided using the Home Mortgage Disclosure Act (HMDA) database.

### Public Involvement

State law requires cities and counties to make a “diligent effort” to achieve participation by all segments of the community in preparing a housing element (Section 65583[c] [6] of the California Government Code). The diligent effort required by State law translates into local jurisdictions doing more than issue the customary public notices and conduct standard public hearings prior to adopting a housing element. State law requires cities and counties to take active steps to inform, involve, and solicit input from the public, particularly low-income and minority households that might otherwise not participate in the process. To meet the requirements of State law the city encouraged public participation from all segments of the community by conducting public meetings, advertisement in the local newspaper, *The Gridley Herald*, of the status of the update, and an invitation to comment.

The city engaged the community by:

- ✓ Advertisement in the Gridley Herald April 12, 2024. City staff provided an article for *The Gridley Herald* describing the Housing Element update process inviting any interested individuals to attend Planning Commission meetings, City Council meetings, contact staff or send comments related to the existing housing and what the community may wish to improve;
- ✓ Website informational posting:
  - ✓ Public workshops with the Planning Commission on April 17, 2024, May 22, 2024, June 19, 2024, and July 17, 2024.
  - ✓ June 24, 2024 the city mailed out a survey to the community for feedback and to determine the areas of interest the community had for the placement and building of future housing.
  - ✓ Comprehensive “Housing Survey” mailed to all households on June 24, 2024. The city received approximately 1% return of the surveys with comments related to areas of concern. The survey results are found in Appendix A.
  - ✓ 30-day public review of Administrative Draft.

The surveys returned indicate an interest in the city to make single-family detached residential units a primary form of housing type added to the community. It identified duplex, tri-plex and four-plex developments should be welcomed in existing single-family residential districts. The survey noted that due to the decline of the Downtown Area, the existing commercial structures should be allowed to be converted to residential units. The Survey confirmed the appropriate areas for expansion and growth of the city should be the North Planned Growth Area. It also identified unused Downtown Industrial Sites as opportunity sites to convert to housing. Comments expressed concern that the cost of housing continues to increase impacting the ability of younger families from purchasing a home, an aging population is creating an increase in demand of affordable senior housing as well. The survey participants had a median age of 65. The comments identified concerns related to affordable housing for seniors, veterans and female-headed households. Comments noted more should be done to require upkeep and renovation of homes that need upkeep, repairs, and renovation.

## Chapter 2: COMMUNITY PROFILE

The community profile provides important information with which to assess current and future housing needs. This chapter provides community data related to population, age, race, employment, housing availability, housing costs and affordability, and special needs. These characteristics affect the projected housing needed in the community during the next planning period of 2022-2024.

Data in this chapter is derived from a variety of sources and has been compiled to show relationships and major trends. The most recent available data by source was used, and notations are provided within the text and charts to document the source data and source year. Data sources used are:

- US Census data, in varying forms, including the 2010 and 2020;
- Comprehensive Housing Affordability Strategy (CHAS) data, which are based on the most recent census data;
- Housing market information uses realtytrac.com and City of Gridley data;
- American Community Survey (US Census) 2022;
- Department of Finance, State of California Population estimate for 2020-2023([dof.ca.gov/research](https://dof.ca.gov/research));
- 2020 Ag Census for related farmworker housing information;
- HUD and/or Continuum of Care for the disabled;
- BCAG projections of Regional Housing Needs Determination, 2020.

### Population

Future housing needs will be dictated by its changing population, household characteristics, and the condition of existing housing. Factors such as age, race/ethnicity, occupation and income level combine to influence the type of housing needed and the ability to afford housing. The rate of growth of a community is a significant factor.

Gridley, located in Butte County, is a small, rural community; the population has been increasing at a fairly steady rate since 1990, somewhat slowing over the last few years. Between 2000 and 2010, the City's population increased 21.7%, with an annual growth rate of 2.2% reaching an estimated population of 6,584 in 2010. More recently growth has continued but slowing at a rate 1.2% annual growth in 2020 increasing the population to 7,421. Gridley's population declined between the 2020 census and 2023 due to the end of the FEMA emergency housing from the impacts of the 2018 Camp Fire. It is anticipated growth will resume increasing at the rates the city has experienced between 1% and 3% annually as shown in Table 1 below:

**Table 1: Population Trends for Gridley**

| Year                 | Population | Numerical Change | % Change | Average Annual Growth Rate |       |
|----------------------|------------|------------------|----------|----------------------------|-------|
|                      |            |                  |          | Number                     | %     |
| 1990                 | 4,631      |                  |          |                            | -     |
| 2000                 | 5,408      | 777              | 16.7     | 77.7                       | 1.67  |
| 2010                 | 6,584      | 1,176            | 21.7     | 117                        | 2.2   |
| 2020                 | 7,421      | 837              | 12.7     | 84                         | 1.2   |
| Current <sup>1</sup> | 7,342      | -79              | -1.1     | -26                        | -0.01 |

<sup>1</sup>The data for current population is 2023.

<sup>2</sup> Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2020-2023 with 2020 Census Benchmark

A comparison of population growth between the City of Gridley and Butte County is reflected in Table 2 below:

**Table 2: Population Growth Comparison Between Gridley and Butte County**

| County/City  | Population 4/1/2010 | Population 2020 | Population 2023 | Average Annual Change |        |
|--------------|---------------------|-----------------|-----------------|-----------------------|--------|
|              |                     |                 |                 | Change                | %      |
| Gridley      | 6,584               | 7,421           | 7,342           | -26                   | -0.01% |
| Butte County | 220,000             | 211,631         | 209,121         | -2,510                | -1.2%  |

Gridley's population growth will continue to increase with an expectation of continued growth as projected by BCAG and the state.

### Age Distribution

Housing needs for communities are determined in part by the age of its residents. There is a direct correlation to housing type and age. Each family has a distinct lifestyle, family type, family size, income level, and housing preference. As the age distribution changes each year those needs will change as well. Evaluating these changes in the population distribution can aid in the determination of the future housing type that is most needed to meet age and lifestyle changes. Table 3 and Table 4 summarize the age distribution of the population within the city and county for the years 2010 and 2020. Gridley's population generally reflects an aging population in contrast to the county which has a younger population. Gridley saw a direction towards an older population by approximately ten years from ages 25-34 years (13.4% of the total population) in 2010 while Butte County reflects an even younger age of its population as 20-24 years (16.1% of the total population). In 2020, Gridley's median age group of its population increased again. Housing for Gridley's senior population will continue to be an important area of emphasis for current and future housing planning cycles. Nearly 22% of the total population of Gridley is over the age of 55 years. If most residents currently in their 40's and 50's remain in the city over the next 20

years, the senior population would continue to increase both in numbers and proportionally within Gridley. Housing for the senior population will continue to be in high demand. Another significant age group is youth aged 0 to 19 years. This group saw significant growth during the 10-year period between 2010 and 2020, and accounted for 35 percent of Gridley's total population in 2020.

**Table 3: Population by Age-City of Gridley**

| Age                   | 2010               |         | 2020               |         |
|-----------------------|--------------------|---------|--------------------|---------|
|                       | Number             | Percent | Number             | Percent |
| Under 5 Years         | 550                | 8.4     | 496                | 6.6     |
| 5 to 9 Years          | 510                | 7.7     | 953                | 12.69   |
| 10 to 14 Years        | 479                | 7.3     | 806                | 10.73   |
| 15 to 19 Years        | 561                | 8.5     | 427                | 5.69    |
| 20 to 24 Years        | 460                | 7.0     | 477                | 6.35    |
| 25 to 34 Years        | 881                | 13.4    | 866                | 11.53   |
| 35 to 44 Years        | 800                | 12.2    | 1,013              | 13.49   |
| 45 to 54 Years        | 800                | 12.2    | 805                | 10.72   |
| 55 to 59 Years        | 325                | 4.9     | 476                | 6.34    |
| 60 to 64 Years        | 290                | 4.4     | 378                | 5.03    |
| 65 to 74 Years        | 483                | 7.2     | 449                | 5.98    |
| 75 to 84 Years        | 282                | 4.3     | 235                | 3.13    |
| 85 Years and over     | 163                | 2.5     | 129                | 1.72    |
| <b>Greatest % Age</b> | <b>25-34 years</b> |         | <b>35-44 years</b> |         |

**Table 4: Population by Age-Butte County**

| Age            | 2010   |         | 2020   |         |
|----------------|--------|---------|--------|---------|
|                | Number | Percent | Number | Percent |
| Under 5 Years  | 12,409 | 5.6     | 11,199 | 5.3     |
| 5 to 9 Years   | 12,439 | 5.7     | 12,051 | 5.7     |
| 10 to 14 Years | 12,911 | 5.9     | 12,626 | 6.0     |
| 15 to 19 Years | 17,841 | 8.1     | 14,780 | 7.0     |
| 20 to 24 Years | 22,818 | 16.1    | 19,018 | 9.0     |
| 25 to 34 Years | 26,681 | 12.1    | 28,133 | 13.3    |
| 35 to 44 Years | 23,329 | 10.6    | 24,887 | 11.8    |
| 45 to 54 Years | 28,877 | 13.1    | 21,999 | 10.4    |
| 55 to 59 Years | 15,265 | 6.9     | 12,885 | 6.1     |
| 60 to 64 Years | 13,613 | 7.1     | 13,899 | 6.6     |
| 65 to 74 Years | 17,185 | 13.0    | 24,299 | 12.9    |



|                       |                    |     |                    |     |
|-----------------------|--------------------|-----|--------------------|-----|
| 75 to 84 Years        | 10,962             | 5.0 | 11,323             | 5.3 |
| 85 Years and over     | 5,670              | 2.6 | 4,533              | 2.1 |
| <b>Greatest % Age</b> | <b>20-24 years</b> |     | <b>25-34 years</b> |     |

Source: 2010, 2020 Census

Similar results are found county wide. The population in Butte County depict similar growth and distribution patterns in the census data for 2020. Butte County had a higher growth rate for ages 20-24 years for 2010 which is younger than what Gridley's data reflects. The County distribution shows minor increases for populations aged 5-9 years, 10-14 years, 35-44 years, and 75-84 years.

### Population Race and Ethnic Composition

The City of Gridley has racial and ethnic diversity, yet the greatest percentage for Gridley is white with 72.1%. According to the 2010 Census, approximately 53.3% (total all races except white) of the city's population was non-white. There was a higher proportion of Hispanic individuals in 2010 of 45.6% percent declining in 2020 to 38%. The white population increased between 2010 and 2020, with a 34.5% increase between the census data. The African American population also decreased slightly within the city of along with a minor increase of American Indian and Alaskan Native Americans. A summary of the population characteristics for the city and the County are below:

**Table 5: Population by Race, City of Gridley**

| Race/Ethnicity                        | 2010   |         | 2020   |         | Change |         |
|---------------------------------------|--------|---------|--------|---------|--------|---------|
|                                       | Number | Percent | Number | Percent | Number | Percent |
| <b>White*</b>                         | 3,075  | 46.7    | 5,350  | 72.1    | 2,276  | 34.5    |
| <b>African American</b>               | 33     | 0.5     | 30     | 0.4     | -3     | -.04    |
| <b>American Indian, Alaska Native</b> | 53     | 0.80    | 119    | 1.6     | 62     | 0.9     |
| <b>Other Race</b>                     | 250    | 3.8     | 1,239  | 16.7    | 989    | 15      |
| <b>Two or more Races</b>              | 171    | 2.6     | 683    | 9.2     | 512    | 7.8     |
| <b>Sub-total Population by Race**</b> | 3,584  | 54.43   | 4,601  | 62.0    | 1,017  | 15.4    |
| <b>Persons of Hispanic Descent***</b> | 3,000  | 45.6    | 2,820  | 38.0    | 180    | -2.7    |
| <b>Total Population****</b>           | 6,584  | 100     | 7,421  | 100     |        |         |

Note:

\* Includes non-Hispanic White persons only.

\*\* Sub-total population by race includes non-Hispanic persons of all races.

\*\*\* Includes Hispanic persons of all races. This number is computed separately from the total population by race.

\*\*\*\* Total population by race/ethnicity may not be consistent with population totals cited above.

Percent totals may not add up to 100.0% due to rounding.

As the population growth continues as well as its diversity, it is likely that housing needs will

be more complex. The population increase of persons 55 years of age and older results in a greater demand for senior housing and for programs to allow “aging in place”. This could lead to adaptations of their homes to suit their needs that is already evident in the community, or, housing that will accommodate their changing lifestyles as they age. The overall diversity and growth of families with children also creates demand for affordable housing opportunities who currently have limited housing choices within the city or the county.

### **Employment**

Employment trends influence the type and cost of housing that residents can afford. The city’s employment base and its ability to attract new types of employers that offer better paying jobs will affect future housing opportunities for its residents. Table 6 summarizes employment of local residents by industry. Over the past two decades, the services sector employed the largest proportion of residents in the city. Retail trade has significantly grown due to an increase in the commercial construction of the city. The most notable changes in the city’s employment composition were the significant numerical and percentage increases in the Education, Health Care and Social Services markets.

**Table 6: Employment by Industry, City of Gridley**

| Industry   | Estimated Employment | Percent |
|--|----------------------|---------|
| Agriculture, forestry, fishing and hunting, and mining                                     | 183                  | 6.2%    |
| Construction   | 131                  | 4.4%    |
| Manufacturing  | 150                  | 5.0%    |
| Wholesale trade  | 41                   | 1.4%    |
| Retail trade   | 666                  | 22.4%   |
| Transportation and warehousing, and utilities  | 156                  | 5.2%    |
| Information  | 83                   | 2.8%    |
| Finance and insurance, and real estate and rental and leasing                              | 92                   | 3.1%    |
| Professional, scientific, and management, and administrative and waste management services | 281                  | 9.4%    |
| Educational services, and health care and social assistance                                | 726                  | 24.4%   |
| Arts, entertainment, and recreation, and accommodation and food services                   | 132                  | 4.4%    |
| Other services, except public administration   | 165                  | 5.2%    |
| Public administration  | 177                  | 6.0%    |

Source: Butte County Hazard Mitigation Plan, Annex C Gridley

Historically, the city’s largest employers have been in health care, manufacturing, and public service. Gridley’s work force encompasses professional, technical, production, transportation,

and service occupations. Major employers in Gridley span a wide range of sectors, including government, healthcare, manufacturing and retail, and generally employ between 20 to over 200 employees.

The California Employment Development Department (EDD) reported a local labor force of 2,860 in 2021. Over the year from 2021 to 2022 the labor force increased by 4.13% to 2,970. Unemployment in the state of California in 2020 was approximately 10.1% due to the effects of COVID-19. In 2022, Butte County had unemployment reductions to 9.2% reflecting the general economic health of the County and mirrored in the city of Gridley. Trends in the city show a decreasing unemployment rate to 6.3% in Gridley. Table 8 provides a list of the largest employers in Gridley and Table 9 summarizes average employment/unemployment rates for Gridley. The higher rates for years 2008 to 2013 reflect the overall poor economic health in the state and nation; the same can be seen for 2020.

Table 7 summarizes the city's largest employers. Businesses listed below are located within the city limits as well as close to the urban area.

**Table 7: Largest Employers, City of Gridley**

| Employer                                  | Number of Employees |
|---|---------------------|
| Orchard Hospital                          | 236                 |
| Gridley Unified School District           | 225                 |
| Wilkerson Ranch & Packing                 | 8                   |
| SavMor Grocery                            | 44                  |
| City of Gridley                           | 64                  |
| Safeway Grocery                           | 60                  |
| Continental Athletic Supply               | 80                  |
| Casa Lupe; Restaurant, market, and bakery | 73                  |
| Gridley Country Ford                      | 32                  |
| Candelario's Ace Hardware                 | 25                  |
| Rite Aid                                  | 13                  |
| Ampla Health                              | 16                  |
| Auto Zone                                 | 12                  |

Source: Gridley Chamber of Commerce, 2023, City of Gridley

Note: 1) Businesses listed are located within the city limits as well as close to the urban boundary.

2) The number of employees includes both full and part-time employees.

Table 8 summarizes a comparison of the census years for labor force and unemployment rate.

**Table 8: Annual Average Employment, City of Gridley**

| Year | Employed | Unemployed | Unemployment |
|------|----------|------------|--------------|
| 2000 | 2,000    | 300        | 14.2         |
| 2010 | 2,000    | 900        | 30.4         |
| 2020 | 2,600    | 200        | 7.1%         |
| 2022 | 2,860    | 195        | 6.3%         |

Source: Employment Development Department (EDD- Unemployment rate history for Gridley, 2020) <http://www.city-data.com/Employment Development Department, Labor Market Information>

Trends across the state are likely to create continued employment impacts at the county and city levels. The state's unemployment rate rose from 4.9 percent in 2000 to over 12.4 percent in 2010. It reduced to 10.1% in 2020. As shown in Table 9, there is a continuing downward trend of a decrease to the unemployment rate. Future unemployment trends in Gridley are expected to reflect changes in the broader economy. The economy continues to recover from the COVID-19 unemployment years.

### **Education and Income**

Employment type and income reflects the ability to obtain housing. Table 10 below represents the education level for the percentage of people in the area over age 25 that have attained a particular education level. The education level plays a key factor in earning power. As can be seen, the income for Gridley residents is also generally lower.

**Table 9: Education Level**

| Education Level                        | Percent |
|--|---------|
| High School Degree or Equivalent       | 77.8%   |
| Some College                           | 38%     |
| Completed Associate Degree             | 5.71%   |
| Completed Bachelor's Degree            | 16%     |
| Completed Graduate/Professional Degree | 3.7%    |
| Post Graduate Degree                   | 4%      |

The average annual household income in Gridley is \$81,497, while the median household income sits at \$56,428 per year. Residents aged 25 to 44 earn \$56,025, while those between 45 and 64 years old have a median wage of \$80,500. In contrast, people younger than 25 and those older than 65 earn less, at \$48,074 and \$38,728, respectively.

|                                   |          | Y-o-Y<br>Change |
|-----------------------------------|----------|-----------------|
| <b>Average Household Income</b>   | \$81,497 | 17.3%           |
| <b>Median Household Income</b>    | \$56,428 | 4.0%            |
| <b>People below Poverty Level</b> | 672      | -10.3%          |
| <b>People above Poverty Level</b> | 6,505    | -0.3%           |

Data on consumer income collected by the Census Bureau covers income received before payments for personal income taxes, social security, union dues, Medicare deductions, and etc. Therefore, income does not reflect the fact that some families receive part of their income in the form of non-cash benefits, such as food stamps, health benefits, rent-free housing, and goods produced and consumed.

### Housing

The city is experiencing continued growth in the number of households forming, thus, creating a continued demand for housing. A review of overall household growth and housing stock characteristics, including vacancy rates, age and condition of existing stock, provide an assessment of the type of housing that the city's residents will need now and over the next eight-year period.

**Table 10: Number of households for Gridley and Butte County from 2000 through 2020**

| Existing Households | Butte County          |        |        | Gridley               |       |        |
|---------------------|-----------------------|--------|--------|-----------------------|-------|--------|
| Year                | # Existing Households | Owner  | Renter | # Existing Households | Owner | Renter |
| 2000                | 79,566                | 48,336 | 31,230 | 1,841                 | 1,051 | 790    |
| 2010                | 87,618                | 50,991 | 36,627 | 2,183                 | 1,262 | 921    |
| 2020                | 98,872                | 57,345 | 41,526 | 2,644                 | 1,240 | 1,403  |

Source: US 2020 Census Data; Persons per household, Butte County-2.49, Gridley-3.04

The city added 461 households between 2010 and 2020. This represents a 21 percent increase in households during this period in comparison to an 18.5% increase seen in the previous 10 years. In comparison, the population of Gridley increased by 12.7% from 2010 to 2020. This is a reduction from the previous growth of 21.7 percent over the prior ten-year period. The household size increased from 2.69 persons per household in 2010 in contrast to the 3.04 persons per household in 2020. This indicates a trend of increasing average household size.

### Housing Tenure

Household formation rate is the prime determinant for housing demand. The number of households can increase or decrease even in periods of static population growth due to adult children leaving home and moving outside the area, divorce, and with the aging of the general population. The ratio between population and households is reflected in the household size, referred to in the U.S. Census as persons per household. The 2010 Census states that the number of persons per household in Gridley is 2.965, which is just slightly higher as reported in 2000 determined as 2.856. The 2020 Census states the number of persons per household is 3.04. This indicates a continued increase in the number of persons per household as noted above. As shown in Table 13, in 2010, over 53% of the home owners are over the age of 45 years old while 68% of the rental housing occupants are younger than 45 years of age – these statistics are trending the same. This may reflect that younger

households are renting units due to a potential lack of affordable housing stock for purchase. Home ownership is getting more difficult to attain for younger households due to the continued increase in home costs.

**Table 11: Housing Held by Age, Ownership, Rental**

| Home Ownership by Age         | No.          | Rental Housing by Age         | No.          |
|-------------------------------|--------------|-------------------------------|--------------|
| <b>Owner occupied:</b>        |              | <b>Renter Occupied:</b>       |              |
| Householder 15 to 24 years    | <b>38</b>    | Householder 15 to 24 years    | <b>99</b>    |
| Householder 25 to 34 years    | <b>114</b>   | Householder 25 to 34 years    | <b>323</b>   |
| Householder 35 to 44 years    | <b>154</b>   | Householder 35 to 44 years    | <b>533</b>   |
| Householder 45 to 54 years    | <b>276</b>   | Householder 45 to 54 years    | <b>140</b>   |
| Householder 55 to 59 years    | <b>244</b>   | Householder 55 to 59 years    | <b>28</b>    |
| Householder 60 to 64 years    | <b>122</b>   | Householder 60 to 64 years    | <b>20</b>    |
| Householder 65 to 74 years    | <b>132</b>   | Householder 65 to 74 years    | <b>203</b>   |
| Householder 75 to 84 years    | <b>112</b>   | Householder 75 to 84 years    | <b>55</b>    |
| Householder 85 years and over | <b>48</b>    | Householder 85 years and over | <b>2</b>     |
| <b>Total</b>                  | <b>1,240</b> | <b>Total</b>                  | <b>1,403</b> |

Source: US Census extrapolated percentages

### Housing Stock Characteristics

An assessment of housing type, tenure, and cost are important to identify future housing needs. A majority of the housing units are single-family homes. According to the census 2020, 35.8% of the homes in Gridley are owned, a decrease from the previous census.

Table 12 compares the available housing types in 2000 through 2020. According to the Department of Finance data, between 2000 and 2010, 433 housing units were constructed in Gridley. The analysis of units gained in the Annual Reports calculated 641 units gained overall. This discrepancy may be due to the timing of data gathering. A majority of the growth in housing units has been single-family, detached homes composing 88 percent of the housing stock; 2,115 of the total 2,406 units.

**Table 12: Population and Housing Estimates 2000-2020**

|  | Date           | Total Housing Units | Single | Multiple | Mobile Homes | Households | Vacant Units | Vacancy Rate | Persons Per Household |
|--|----------------|---------------------|--------|----------|--------------|------------|--------------|--------------|-----------------------|
|  | 2000           | 1,973               | 1,623  | 276      | 74           | 1,851      | 122          | 6.18%        | 2.856                 |
|  | 2010           | 2,406               | 2,115  | 213      | 78           | 2,183      | 223          | 9.27%        | 2.965                 |
|  | 2020           | 2,446               | 2113   | 333      | 78           | 2644       | 133          | 7.2%         | 3.04                  |
|  | 10-year change | 1.2%                | -.09%  | 56%      | 0%           | 21%        | 59%          |              |                       |

Source: DOF 2011-2020 By Geography

Between 2010 and 2020, the number of units increased by 40. Although the city experienced



several subdivision approvals during this interval, homes were not constructed; therefore, the city increased the number of units by 1.2%. This increase reflects a minor increase in housing stock.

### Vacancy

Vacancy trends in housing are analyzed using a “vacancy rate” which establishes the relationship between housing supply and demand. For example, if the demand for housing is greater than the supply, then the vacancy rate will probably be low and the price of housing will most likely increase.

According to “Raising the Roof, California Housing Development Projections and Constraints, 1997-2020”, states that when the overall vacancy rate drops below 5 percent, the demand exceeds the available supply. Generally, a vacancy rate of about 2 percent for ownership housing and 6.0 to 7.0 percent for rental housing is considered to be “normal.”

According to the Department of Finance, Census 2020, number of housing units available was 2,579. The number of occupied units was 2,446 units equaling an overall vacancy rate of the vacancy rate of 7.2%. The number of owner-occupied units was 877 equaling 35.8% of occupied units leaving renter occupied as 64.2%.

According to the Department of Finance, the ownership housing vacancy rate and the rental housing vacancy rate remain unchanged from the 2010 and the 2020 census, as shown in Table 13, below:

**Table 13: Vacancy Rates**

| Census year | Ownership Housing Vacancy Rate (%) | Rental Housing Vacancy Rate (%) |
|-------------|------------------------------------|---------------------------------|
| 2010        | 2.6                                | 6.5                             |
| 2020        | 2.6                                | 6.5                             |

### Age and Condition of Housing

The age of housing, by itself, does not necessarily equate with poor housing conditions. However, a neighborhood with a large stock of older housing (particularly older non-subsidized rental housing) occupied by a high percentage of lower-income households has a much greater potential for housing problems compared to an affluent neighborhood with older housing.

If not properly maintained, housing can exhibit obvious signs of “wear and tear” after 30 years or less depending on the quality of materials and construction. Non- structural components such as paint, siding, doors, windows, roof shingles, electrical, plumbing, and ventilation can deteriorate or fail during the first 30 years. Housing can exhibit structural problems after 40 years or more; sagging roofs, foundation failure, walls out of plumb, etc. if subject to inadequate maintenance and repairs.

Table 14 below provides the age of the housing units in Gridley. The census reports that:

68 percent (1,623) of all housing units were built before 1979;  
 20 percent (477 units) of all housing units were built between 1940 and 1949; and,  
 12 percent (778) of all housing units have been built since 1980.

At least 12% of the housing is over 45 years or less generally indicating the city consist of older housing stock, in general.

**Table 14: Housing Units by Year Built**

| Year Built      | Number | Percent | Accumulated Percent |
|-----------------|--------|---------|---------------------|
| 1939 or earlier | 337    | 14.0    | 14.0                |
| 1940 to 1949    | 477    | 19.9    | 33.9                |
| 1950 to 1959    | 262    | 10.9    | 44.8                |
| 1960 to 1969    | 236    | 9.8     | 54.6                |
| 1970 to 1979    | 311    | 12.9    | 67.5                |
| 1980 to 1989    | 214    | 8.9     | 76.4                |
| 1990 to 1999    | 149    | 6.2     | 82.6                |
| 2000 to 2009    | 375    | 15.7    | 98.3                |
| 2010 to 2020    | 40     | 1.7     | 100.3               |
| <b>Total</b>    | 2,401  | 100.0   |                     |

Source: 1990, 2000 Census; 2010, 2020 Census

The City of Gridley Planning Department conducted a housing survey in 2014 and updates it periodically. This included a visual survey of existing housing units to observe degradation of non-structural components, such as siding, windows, electrical systems, and structural components, such as foundation failure. The sample form provided by the State Housing and Community Development was used. Of the surveyed housing stock, approximately 55% percent were found in need of minor repairs primarily considered as aesthetic (paint, landscape maintenance, curb appeal), including 35 percent in need of moderate repairs (reroof, window replacement, exterior cracking/siding repair) and approximately 9 percent that were found to be in need of substantial repairs. The remaining 1 percent were dilapidated or required much more structural rehabilitation or consideration of demolition.

Based on these figures, a total of approximately 472 housing units may be in need of minor aesthetic improvements and 220 housing units may be in need of major rehabilitation over the next housing period. Approximately 25 units may need to be replaced.

### Housing Cost, Affordability, and Income

The relationship of housing cost to income has the potential to create an unmet need if cost increases faster than income. If the housing cost is relatively high in comparison to household income, a correspondingly higher prevalence of cost burden (payment of more than 30 percent of income for housing) and overcrowding (more than one person per room) will result. This section summarizes the cost and affordability of the Gridley housing stock to residents.

Affordability is based on a household spending 30 percent or less of their total income for shelter costs. Shelter costs include mortgages/rent, property taxes, property insurance, and utilities. The Department of Housing and Community Development has established maximum household income levels based on a percentage of median income; for extremely low income (30%), very low income (50%), low income (80%), moderate income, and above moderate income.

The 2022 Butte County income limits established by the state are defined in **Table 15** below:

**Table 15: State Income Limits for 2022 (Annual)**

|  | Income Level         | Number of Persons in Household |        |        |         |         |         |         |         |
|--|----------------------|--------------------------------|--------|--------|---------|---------|---------|---------|---------|
|  |                      | 1                              | 2      | 3      | 4       | 5       | 6       | 7       | 8       |
| <b>Butte County</b><br>4-person Area Median Income <b>\$85,000</b> | Extremely Low (30%)  | 16,350                         | 18,700 | 23,030 | 27,750  | 32,470  | 37,190  | 41,910  | 46,630  |
|  | Very Low (50%)       | 27,300                         | 31,200 | 31,500 | 38,950  | 42,100  | 45,200  | 48,300  | 51,450  |
|  | Low Income (80%)     | 43,650                         | 49,850 | 56,100 | 62,300  | 67,300  | 72,300  | 77,300  | 82,250  |
|  | <b>Median Income</b> | 59,500                         | 68,000 | 76,500 | 85,000  | 91,800  | 98,600  | 105,400 | 112,200 |
|  | Moderate Income      | 71,400                         | 81,600 | 91,800 | 102,000 | 110,150 | 118,300 | 126,500 | 134,650 |

Source: Department of Finance

As shown in Table 16 below, the maximum affordable monthly housing available funds for extremely-low and very low-income, four-person households is \$693.75 and \$973.75, respectively.

**Table 16: Maximum Affordable Monthly Housing Cost in Butte County**

| Income Category      | 1          | 2          | 3          | 4          | 5          | 6          | 7          | 8          |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Extremely Low</b> | \$408.75   | \$467.50   | \$575.75   | \$693.75   | \$811.75   | \$929.75   | \$1,047.75 | \$1,165.75 |
| <b>Very Low</b>      | \$682.50   | \$780.00   | \$787.50   | \$973.75   | \$1,052.50 | \$1,062.50 | \$1,207.50 | \$1,286.25 |
| <b>Low</b>           | \$1,091.25 | \$1,246.25 | \$1,402.50 | \$1,557.50 | \$1,682.50 | \$1,807.50 | \$1,932.50 | \$2,056.25 |
| <b>Median</b>        | \$1,487.50 | \$1,700.00 | \$1,912.50 | \$2,125.00 | \$2,295.00 | \$2,465.00 | \$2,635.00 | \$2,805.00 |
| <b>Moderate</b>      | \$1,785.00 | \$2,040.00 | \$2,295.00 | \$2,550.00 | \$2,753.75 | \$2,957.50 | \$3,162.50 | \$3,366.25 |

Note: Affordable housing costs assume that 30% of gross household income is applied toward shelter costs.

Source: 2022 Income Limits, Department of Housing and Community Development

### Rental Housing

According to Table 17 below, a two-bedroom unit has a cost range of \$1,300 to \$1,695 and a three-bedroom unit has a cost range of \$1,800-\$2,450 for rent for a four-person household. This would indicate most market rentals are not within the affordability range for extremely-low, very-low, and low-income households that have more than 1 person.

**Table 17: Butte County Rental Costs**

| Bedrooms | Rental Range    |
|----------|-----------------|
| 1        | \$1,095-\$1,250 |
| 2        | \$1,300-\$1,695 |
| 3        | \$1,800-\$2,450 |

Sources: Butte County Apartments, 2024

### Ownership Housing

Between 2000 and 2006, sales prices for single-family homes in the city and county experienced an average annual increase of 8.6 percent and 9.1 percent, respectively. Home sales prices are historically higher countywide, with an average difference of 2 percentage points. Gridley's median sales prices peaked at \$282,000 in 2006 and experienced a 37.2 percent decrease in the following two-year period. Median sales prices in the city were estimated at \$177,000 for single-family homes. The decline of housing prices during this time period and forward into 2010 is directly related to the economic recession both the state and nation have experienced.

In the six-month period between July, 2013 and February, 2014, 62 homes were listed for sale in the Gridley area. All of these were single-family homes. Median sale prices by bedroom size ranged from \$148,200 for a two- bedroom to \$346,317 for a four-bedroom listing. Table 20 summarizes the number of recently sold homes. Three-bedroom homes were the most commonly listed home size, accounting for 52 percent of all sales; the median sales price was lower than for a two-bedroom home.

When COVID-19 created a work-at-home environment, housing costs escalated beyond what many family incomes could afford. In 2020, housing costs were fairly stable until working from home became an option. More time was spent at home due to the COVID environment and lockdowns; therefore, a high demand for new homes escalated and inflated the housing sales. Median home sale prices in 2014 increased from \$148,000 for a two-bedroom home and, \$346,317 for a four-bedroom home to \$355,000 for a two -bedroom and \$495,000 for a four-bedroom home in 2024.

In addition to home prices nearly doubling, mortgage rates also escalated from 3% to 8% creating a tightening of credit availability to home buyers. These factors are expected to continue, though lessening, as the market continues to recover and stabilize. Analysts indicate home sales are continuing to increase, credit remains tight and fewer mortgages are being applied for resulting in two conditions: a continued reduction in housing availability and a continued lack of home building construction.

**Table 18: Recently Sold Homes**

| # of Bedrooms | 2013-2014<br>Home Price | 2022-2024<br>Home Price |
|---------------|-------------------------|-------------------------|
| 1             | -                       | \$215,000               |
| 2             | \$148,000               | \$330,000               |
| 3             | \$141,097               | \$380,000               |
| 4             | \$346,317               | \$395,000               |

Source: Realty.com - 2024

### **Overpayment**

Overpayment for housing is defined as shelter costs in excess of 30 percent. According to the Census data, 39.2 percent of owner households and 63.1 percent of the renter households in the city were overpaying for housing. Table 19 summarizes data from the ACS Census data, the percentage of overpayment for rental and owner-occupied housing. This information shows the extremely-low and very low-income levels are spending an average of 72.5 percent for shelter costs in Gridley of all households (avg of 77.5% and 67.4%). However, what is also shown is that all income levels are struggling and most are paying greater than the 30% of available income and overpaying for shelter excepting the above moderate-income group.

Table 19: Households Paying in Excess of 30%

| AMI \$85,000                        | Gridley      |              |              |              |                |              |              |
|-------------------------------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|
| Household                           | Extreme Low  | Very Low     | Low          | Moderate     | Above Moderate | Total        | Lower income |
| Ownership Households                | 158          | 145          | 252          | 168          | 313            | 1,036        | 555          |
| Overpaying Owner Households         | 126          | 85           | 73           | 84           | 38             | 406          | 284          |
| Percentage of Overpaying Owners     | <b>79.9%</b> | <b>58.5%</b> | <b>29.0%</b> | <b>49.9%</b> | <b>12.1%</b>   | <b>39.2%</b> | <b>51.2%</b> |
| Renter Households                   | 237          | 195          | 225          | 43           | 10             | 711          | 658          |
| Overpaying Renter Households        | 180          | 145          | 91           | 24           | 10             | 449          | 415          |
| Percentage of Overpaying Renters    | <b>75.8%</b> | <b>74.0%</b> | <b>40.4%</b> | <b>54.6%</b> | <b>100.0%</b>  | <b>63.1%</b> | <b>63.1%</b> |
| Total Households                    | 394          | 341          | 477          | 212          | 323            | 1,748        | 1,213        |
| Overpaying Households               | 306          | 230          | 164          | 108          | 48             | 855          | 699          |
| Percentage of Overpaying Households | <b>77.5%</b> | <b>67.4%</b> | <b>34.3%</b> | <b>50.9%</b> | <b>14.9%</b>   | <b>48.9%</b> | <b>57.7%</b> |

Source: ACS



According to the ACS data, a greater percentage of extremely low and very low-income renter households paid 30 percent or more of their income on housing. Owner housing paid more than 50% of their income in the extremely low-income households and 17% paid more than 50% of their income in the low-income households. All income groups paid generally more than 30% of their income on housing whether an owner or a renter in the extremely low, very low and low-income groups.

Extremely low and very low-income households are most affected by cost burden, paying more than 50 percent of their income on housing. Table 20 summarizes the proportion of overpaying households by tenure. In regards to renters, small related extremely-low and low-income households with two to four members are most affected by cost burden, paying more than 50 percent of their income on housing.

**Table 20: Household Type and Cost**

| Household Type and Cost Burden                  | Renters | Owners | Total |
|---|---------|--------|-------|
| <b>Extremely Low Income (0-30% MFI)</b>         | 145     | 170    | 315   |
| Housing Cost>30% of Income                      | 88      | 84%    | 86%   |
| Housing Cost>50% of Income                      | 64      | 84%    | 70%   |
| <b>Very Low Income (31-50% MFI)</b>             | 245     | 305    | 550   |
| Housing Cost>30% of Income                      | 78      | 49%    | 63%   |
| Housing Cost>50% of Income                      | 17      | 17%    | 17%   |
| <b>Low Income (51-80% MFI)</b>                  | 470     | 275    | 745   |
| Housing Cost>30% of Income                      | 47      | 54%    | 57%   |
| Housing Cost>50% of Income                      | 8%      | 10%    | 9%    |
| <b>Moderate and Above Moderate (&gt;81%MFI)</b> | 80      | 240    | 320   |
| Housing Cost>30% of Income                      | 0       | 7%     | 5%    |
| Housing Cost>50% of Income                      | 0       | 0      | 0     |
| <b>Total Households</b>                         | 940     | 990    | 1930  |
| Housing Cost>30% of Income                      | 55%     | 28%    | 39%   |
| Housing Cost>50% of Income                      | 24%     | 11%    | 16%   |

### Overcrowding

Overcrowding is defined as a situation where there is more than one person per room in an occupied using unit. Overcrowding can result from a low supply of affordable and adequate housing. Households that are unable to afford larger housing units or unable to find vacant larger housing units in an area may be forced to rent or purchase housing that is too small to meet their needs. According to the 1990 Census, 7.9 percent of households in Gridley lived in

overcrowded conditions. According to the 2000 Census, the number of overcrowded households has increased by 104 (representing 11.6 percent of the total households in the city). It is anticipated that overcrowding will continue to rise in the near term.

As Table 21 below, shows, the level of overcrowding by tenure is greater in the owner-occupied households. In both overcrowded and severely overcrowded, Butte County has more households renting with overcrowding 30-50% greater than owner occupied housing. Gridley an opposite effect with overcrowding greater in owner occupied housing instead of rental housing in both overcrowded and severely overcrowded (1.5 persons per room or more) households.

**Table 21: Overcrowded Households**

| Gridley, California               |                      |            |
|-----------------------------------|----------------------|------------|
|                                   |                      | Estimate   |
| Total:                            |                      | 1,958      |
| Owner occupied:                   |                      | 1,119      |
| 0.50 or less occupants per room   |                      | 702        |
| 0.51 to 1.00 occupants per room   |                      | 352        |
| 1.01 to 1.50 occupants per room   |                      | 18         |
| 1.51 to 2.00 occupants per room   |                      | 33         |
| 2.01 or more occupants per room   |                      | 14         |
| Renter occupied:                  |                      | 839        |
| 0.50 or less occupants per room   |                      | 355        |
| 0.51 to 1.00 occupants per room   |                      | 448        |
| 1.01 to 1.50 occupants per room   |                      | 36         |
| 1.51 to 2.00 occupants per room   |                      | 0          |
| 2.01 or more occupants per room   |                      | 0          |
| Owner Occupied                    | Overcrowded          | 65         |
| Renter occupied                   | Overcrowded          | 36         |
| <b>Total overcrowded</b>          |                      | <b>101</b> |
| Owner Occupied                    | Severely Overcrowded | 47         |
| Renter occupied                   | Severely Overcrowded | 0          |
| <b>Total severely overcrowded</b> |                      | <b>47</b>  |

Source: ACS 2007-2011 Table B25014

### Special Housing Needs

Household groups with special needs include disabled persons, female-headed households, large family households, seniors, agricultural farm workers, and homeless persons. Households with special housing needs often have greater difficulty in finding decent and affordable housing. As a result, these households may experience a higher prevalence of overpayment

**Table 22: Developmentally Disabled**

| Age          | Residence      | Number     |
|--------------|----------------|------------|
| 3 to 5 yrs   | Home Prnt/Grdn | 17         |
| 6 to 9 yrs   | Home Prnt/Grdn | 19         |
| 10 to 13 yrs | Home Prnt/Grdn | 12         |
| 14 to 17 yrs | Home Prnt/Grdn | 10         |
| 18 to 21 yrs | Home Prnt/Grdn | 6          |
| 22 to 31 yrs | Home Prnt/Grdn | 11         |
| 22 to 31 yrs | Indep Living   | 6          |
| 32 to 41 yrs | Home Prnt/Grdn | 7          |
| 32 to 41 yrs | Indep Living   | 2          |
| 42 to 51 yrs | Community Care | 3          |
| 42 to 51 yrs | Home Prnt/Grdn | 4          |
| 42 to 51 yrs | Indep Living   | 3          |
| 52 to 61 yrs | Community Care | 2          |
| 52 to 61 yrs | Home Prnt/Grdn | 1          |
| 52 to 61 yrs | Indep Living   | 3          |
| 52 to 61 yrs | SNF            | 1          |
| 62 and Older | Community Care | 1          |
| 62 and Older | Indep Living   | 1          |
| 62 and Older | SNF            | 1          |
|              |                |            |
|              | <b>Total</b>   | <b>110</b> |

for housing, overcrowding, and other housing problems. Extremely-low-income households share many of the special needs housing as described and as previously analyzed in “Housing Affordability”, above.

Housing elements must include an analysis of the special housing needs of the disabled including persons with developmental disabilities. Special needs groups often spend a disproportionate amount of their income to secure safe and decent housing and are sometimes subject to discrimination based on their specific needs or circumstances. Chapter 507, Statutes of 2010 (SB 812), which took effect January 2011, amended State housing element law to require the analysis of the disabled to include an evaluation of the special housing needs of persons with developmental

disabilities. There are a number of housing types appropriate for people living with a development disability: rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. The Housing Plan HIS 5.3 will create a universal design ordinance to provide housing constructed specifically for the disabled population in the city.

### Developmentally Disabled

According to Section 4512 of the Welfare and Institutions Code a "Developmental disability" is defined as a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature.

The US Census does not have specific information regarding persons with developmental disabilities. However, each non-profit regional center contracted with the California

Department of Developmental Services (DDS) maintains an accounting of the number of persons served by zip code or city. This information can be used to estimate the number of persons residing in the jurisdiction which have developmental disabilities.

The development of affordable and accessible homes is critical to expand opportunities for persons with developmental disabilities to live in integrated community settings. One of the biggest obstacles to living independently in the community is a lack of financial resources. Income is often limited and affordable housing where people can rent homes, apartments, duplexes, or mobile homes is crucial to the long-term stability of a person with developmental disabilities. In addition, access to various types of supported living services is critical for persons with developmental disabilities to live as independently as possible.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Far Northern Regional Center is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities in Butte County. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

The following information from the Far Northern Regional Center, charged by the State of California with the care of people with developmental disabilities, defined as those with severe, life-long disabilities attributable to mental and/or physical impairments provides a closer look at the disabled population in Gridley. Table 23 below depicts the community partnership with Far Northern to employ those with a physical disability.

There six types of disabilities: Sensory, physical, mental, self-care, go-outside-of-home, and employment disabilities. Table 24 summarizes types of disabilities amongst Gridley's disabled population. Approximately 24% of Gridley's civilian, non-institutionalized population 5 years and older had some type of disability. The most prevalent type of disability is a physical disability (17.9 percent of those with some type of disability).

**Table 23: Persons with Physical Disability by Employment**

|  | Butte County |         | Gridley |         |
|--|--------------|---------|---------|---------|
|  | Number       | Percent | Number  | Percent |
| Age 5-64, Employed Persons with a Disability                         | 2937         | 13.41%  | 65      | 10.09%  |
| Age 5-64, Not Employed Persons with a Disability                     | 8951         | 40.86%  | 223     | 34.63%  |
| Persons Age 65 Plus with a Disability                                | 9459         | 43.18%  | 356     | 55.28%  |
| Total Persons with a Physical Disability                             | 21907        | 100%    | 644     | 100%    |
| <b>% of Total Population Over Age 5 (Civilian Non-institutional)</b> | 11.54%       |         | 0.34%   |         |

\*Employment data for all disabilities not considered physical is not available for all jurisdictions.

**Table 24: Persons with Disabilities by Disability Type and Age**

|  | Butte  |         | Gridley |         |
|--|--------|---------|---------|---------|
|  | Number | Percent | Number  | Percent |
| <b>Total Disabilities Tallied</b>              | 80,102 | 100.00  | 2,183   | 100.00  |
| <b>Total Disabilities for Ages 5-64</b>        | 53,019 | 66.19   | 1274    | 58.36   |
| Sensory Disability                             | 4,128  | 5.15    | 166     | 7.60    |
| Physical disability                            | 12,448 | 15.54   | 288     | 13.19   |
| Mental disability                              | 10,211 | 12.75   | 189     | 8.66    |
| Self-care disability                           | 3,823  | 4.77    | 59      | 2.70    |
| Go-outside-home disability                     | 7,572  | 9.45    | 166     | 7.60    |
| Employment disability                          | 14,837 | 18.52   | 406     | 18.60   |
| <b>Total Disabilities for Ages 65 and Over</b> | 27,083 | 33.81   | 909     | 41.64   |
| Sensory Disability                             | 5,256  | 6.56    | 142     | 6.50    |
| Physical disability                            | 9,459  | 11.81   | 356     | 16.31   |
| Mental disability                              | 3,780  | 4.72    | 92      | 4.21    |
| Self-care disability                           | 3,042  | 3.80    | 84      | 3.85    |
| Go-outside-home disability                     | 5,546  | 6.92    | 235     | 10.77   |

Physical, mental, and/or developmental disabilities could prevent a person from working, restrict a persons' mobility, or make caring for oneself difficult. Therefore, disabled persons often require special housing needs related to potential limited earning capacity, the lack of accessible and affordable housing, and higher health costs associated with disabilities. The data shows 534 households with disabilities, including senior households with disabilities. Of these, over 25.8 percent (138 households) were VLI households and 18.1 percent (97 households) were ELI households.

Additionally, people with disabilities may require a wide range of housing and supportive

services, depending on the type and severity of their disabilities. Housing needs can range from institutional care facilities to facilities that support partial or full independence (i.e., group care homes). Supportive services such as daily living assistance and employment assistance may also be needed, ideally integrated with housing.

Disabled persons with mobility limitations require housing that is physically accessible. Examples of accessibility in housing include widened doorways and hallways, ramps, bathroom modifications (i.e., lowered countertops, grab bars, adjustable shower heads, etc.) and special sensory devices including smoke alarms and flashing lights. Incorporating 'barrier-free' design in all, new multi-family housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for disabled residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income. According to the Census, 69 persons in the city reside in "nursing homes." Of these, a majority (61 persons) is 65 years old or older. Nursing homes are defined as skilled-nursing facilities, intermediate-care facilities, long-term care rooms in wards or buildings on the grounds of hospitals, or long-term care rooms/nursing wings in congregate housing facilities. Also included are nursing, convalescent, and rest homes. Five residential care facilities are located in the city, which provide assistance to persons 60 years of age and older and to persons with disabilities, and two additional residential care facilities provide assistance to developmentally disabled adults ages 18-59.

In conclusion, it is estimated that the number of persons with a disability increased by approximately 13.5 percent, or 87 additional persons, ages 5 to 64. Persons over 65 with a disability are counted as part of the senior household projections. In order to assist in the housing needs for persons with developmental disabilities, the city will implement programs to coordinate housing activities and outreach with the Far Northern Regional Center, encourage housing providers to designate a portion of new affordable housing developments for persons with disabilities, especially persons with developmental disabilities, and will pursue funding sources designated for persons with special needs and disabilities. The Housing Plan HIS 2.3 supports the development of universal design required to assist in housing the special needs population and to be able then to age in place.

### **Female-Headed Households and Single Parent**

Single-parent households are households with children under the age of 18 at home and are generally female-headed households. However, single parent households are also male headed households. These households generally have a higher ratio between their income and their living expenses. Living expenses take up a larger share of income than is generally the case in two-parent households, therefore, finding affordable, decent, and safe housing is often more difficult for single-parent households to acquire. Additionally, single-parents have special needs involving access to daycare or childcare, healthcare, and other family support services.

According to Census data, approximately 11.3 percent or 247 of all households, in the city

of Gridley are headed by single parents with children under the age of 18. The majority of single-parent households in the city of Gridley are female-headed comprising 176 households equaling approximately 71 percent. This data indicates that 29 percent of single-parent households in the city that are headed by a male, with no female present and having related children under the age of 18 present in the home.

### **Large Family Households**

Large family households are defined as households containing five or more persons. Large family households are considered a special needs group because there is limited supply of adequately sized housing to accommodate their needs. The more persons in a household, the more rooms are needed to accommodate that household. Specifically, a five-person household would require three or four bedrooms, a six-person household would require four-bedrooms, and a seven-person household would require four to six bedrooms.

Approximately 20 percent of all households in Gridley include five or more persons. Gridley's housing stock provides a good supply of larger owner-occupied housing compared to large households. There were 255 large owner households and 702 owner occupied housing units of three or more bedrooms. Compared to owner occupied units, there are fewer large rental units compared to large households. There were 180 large renter households and 172 rental housing units of three or more bedrooms in the city in 2000. Table 25 summarizes the approximate number of large households and housing units.

**Table 25: Large Households and Housing Units**

| Owner Units             |     |       |                    |
|-------------------------|-----|-------|--------------------|
| <b>5-Person</b>         | 128 | 9.1%  | 3-Bedrooms         |
| <b>6-Person</b>         | 64  | 6.9%  | 4-Bedrooms         |
| <b>7-Person or more</b> | 63  | 2.6%  | 5-Bedrooms or more |
| <b>Sub Total</b>        | 255 | 20.5% |                    |
| Rental Units            |     |       |                    |
| <b>5-Person</b>         | 103 | 5.4%  | 3-Bedrooms         |
| <b>6-Person</b>         | 38  | 4.1%  | 4-Bedrooms         |
| <b>7-Person or more</b> | 39  | 4.1%  | 5-Bedrooms or more |
| <b>Sub Total</b>        | 180 | 13.5% |                    |
| <b>Tota</b>             | 435 |       |                    |



### Senior Households

The age of senior citizens varies depending upon the benefits to be gained. Legally for purposes of social security retirement benefits the age is from 65-68 depending on birthdate, the age for senior discounts is generally 60-62, the age for senior apartments for federal housing subsidies is 62, with some further age restricted housing developments from the age of 55-58. The Housing Element uses the social security benefits age of 65 years and older.

Seniors may have special housing needs resulting primarily from physical disabilities and limitations, fixed income, and health care costs. Additionally, senior households also have other needs to preserve their independence including protective services to maintain their health and safety, in-home support services to perform activities of daily living, conservators to assist with financial affairs including management of estate issues and networks of care to provide a wide variety of services and daily assistance. In 2000, the city had 857 persons 65 years old or older. According to the 2010 Census, the city's senior population increased by 1.2 percent to 928 persons. The 1.2% increase in the senior population for the 2000-2010 ten-year period is substantially higher than the 0.3 percent annual increase of the previous ten-year period from 1990 to 2000.

Table 26 summarizes Gridley's senior population by age. The majority of the senior population is 65-74 years of age. This age group accounts for approximately 55 percent of the total senior population 65 years of age to 85 years plus. As a group, senior households have lower incomes than the average household in Gridley. The senior population has approximately 46 percent living in extremely low-income households and approximately 29 percent living in very-low-income households. Seniors have slightly lower home ownership rates than the population at large, with a home ownership rate of approximately 64.5 and a rental rate of 35.4 percent. Table 27 summarizes senior householders by tenure.

**Table 26: Senior Population**

| Age of Seniors |        |         |
|----------------|--------|---------|
|                | Number | Percent |
| 65 to 74 years | 449    | 55      |
| 75 to 84 years | 235    | 29      |
| 85 years +     | 129    | 16      |
| <b>Total</b>   | 813    | 100.0   |

Table 11 above, details the population ages of seniors and the type of housing there is-rental or ownership.

### Homeless Persons

Homeless individuals and families have perhaps the most immediate housing need of any group. They also have one of the most difficult sets of housing needs to meet, due to both the diversity and complexity of the factors that lead to homelessness, and to community opposition to the siting of facilities that serve homeless clients. State law requires that Housing Elements estimate the need for emergency shelter for homeless people. An accurate count of the homeless population can be difficult to ascertain, as by their very nature homeless persons are transient and do not live in conventional housing. Nevertheless, the Butte County Continuum of Care (CoC) undertook a point-in-time census of the County's homeless population. On January 24, 2023, volunteer enumerators conducted a street-based and service-based enumeration to obtain an unduplicated count of homeless individuals and families in the county on a given day. As shown in Table 28 below, the 2023 Point in Time Homeless Count Report found 1,237 homeless individuals living in Butte County and 24 living in Gridley. However, the Community Action Agency of Butte County which conducted the final reporting of the census. Approximately 215 children with families and 36 unaccompanied youth live within the county. Approximately 319 individuals were identified as chronically homeless. This effort identified 1,237 individuals experiencing homelessness in Butte County.

**Table 27: Total Number of Unhoused People Counted During PIT, By Year and Community, 2009-2023**

| Community      | 2009 | 2011 | 2013 | 2015 | 2017 | 2019 | 2022 | 2023 |
|----------------|------|------|------|------|------|------|------|------|
| Chico          | 668  | 1043 | 804  | 571  | 1096 | 864  | 885  | 925  |
| Gridley, Biggs | 2    | 97   | 65   | 36   | 28   | 23   | 21   | 24   |
| Oroville       | 364  | 545  | 579  | 390  | 713  | 415  | 214  | 277  |
| The Ridge Area | 62   | 71   | 89   | 49   | 120  | 21   | 36   | 11   |
| Other          | 10   | 16   | 16   | 81   | 26   | 0    | 0    | 0    |
| Total          | 1106 | 1772 | 1553 | 1127 | 1983 | 1323 | 1156 | 1237 |

Source: Continuum of Care, Butte County, PIT Survey, 2023

The change across biennial PIT Studies by community is listed numerically in Figure 1 and illustrated in Figure 2. These Figures show significant variations over the years. As discussed in the Overview and Methodology section, there are many social, political and environmental factors that affect both the number of people who are unhoused and how many of them can actually be counted on the chosen day.

Gridley does not currently have any homeless shelters. The closest homeless shelter and services for the homeless individuals and families are located in the city of Marysville or the city of Chico. Gridley modified its municipal code to allow emergency and transitional shelters in the Public and Quasi-Public (PQP) zone in the city for a period of six months. In accordance with State law (Government Code 65583 (4) (A) the city amended Title 17, Zoning Code so that emergency shelters

are permitted by right in the M-1 and M-2 zones on a year-round basis.

### **Farmworkers**

Farmworkers often face particular difficulties obtaining safe, decent, and affordable housing. Farmworker households may be forced to occupy substandard and/or overcrowded homes due to their low-income status and traditionally have low home ownership rates.

The greater Gridley area has the Gridley Farmworker Housing Development managed by AWI Management Corporation. This development provides 109 units for families with a mix of 1,2, and, 3-bedroom units. Based on increasing vacancy rates in the housing site and a projected future decline in the demand for farmworker housing, the HACB does not have plans to develop further new farmworker housing in the immediate future.

Becoming a resident is contingent on qualifying based on income. In 2014 wages were \$9.00 per hour increasing to \$10.00 per hour at the beginning of the 5<sup>th</sup> cycle Housing Element. Based on the USDA National Agricultural Statistics for California, wage increase are shown below in Table 28.

**Table 28: Farm Labor California Wages (Avg for Crop and Livestock)**

| Year | Gross Wage Per Hour |
|------|---------------------|
| 2014 | \$9.00              |
| 2015 | \$10.00             |
| 2020 | \$15.39             |
| 2021 | \$16.70             |
| 2022 | \$18.26             |
| 2023 | \$19.21             |
| 2024 | \$19.61             |

From the beginning of the 5<sup>th</sup> Cycle (2014) Housing Element to the beginning of the 6<sup>th</sup> Cycle (2022) Housing Element, wages increased from \$9.00/Hour to \$18.26, an approximate doubling of the average increase in wages.

Released 5<sup>th</sup> month of ea. year, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA)

Based on conversations with property managers and job training specialists in the region, the Housing Authority of the County of Butte (HACB) believes there is a decrease in farm labor is due to various factors: increased agricultural mechanization, replacement of high intensity crops with less labor-intensive crops, increased development on agricultural lands, and the transition out of farm labor jobs into other non-farm types of employment, such as construction. The HACB projects an overall decline in the farmworker population, and a subsequent decline in the demand for farmworker housing in Gridley and surrounding areas. As such, strategies to assist very low-income housing needs will also benefit farmworkers.

The city's Zoning Ordinance currently allows agricultural employee housing in the agricultural zoning districts in the city. State law (Health and Safety Code Sec. 17021.6) requires jurisdictions to consider agricultural employee housing as a permitted use in all agriculturally zoned districts within that jurisdiction. The city will review and revise this code to meet the most current agricultural housing requirements within the 8-year planning period. Please refer to the Housing Plan for

description of a program to update the Zoning Ordinance to comply with state law, as required.

## Chapter 3: OPPORTUNITIES FOR ENERGY CONSERVATION

State law requires municipalities to include an analysis of opportunities for residential energy conservation in its Housing Element (Government Code Part 65583 [a] [7]). Opportunities for residential energy conservation exist at all levels: the individual dwelling unit, the residential project, the neighborhood, the community, and the region. The City of Gridley promotes energy-efficient building design systems as well as the use of energy saving features and materials during construction through the implementation of state energy conservation requirements. According to the U.S. Department of Energy, residential energy use accounts for about 22 percent of all energy use nationwide, although homes in the Pacific region, with its milder climate, use up to 35 percent less energy than homes in other parts of the country<sup>1</sup>. Energy use includes: 1) space heating and cooling account for 54 percent of residential energy use, 2) water heating accounts for 18 percent, and, 3) lighting accounts for 6 percent. Greater energy efficiency in these three components would contribute to an overall significant reduction in energy use. Statewide, residential uses account for roughly 11% of overall energy use<sup>2</sup>, while the transportation sector accounts for 36%, a large portion of which is related to motor and gasoline/diesel use. Communities that provide for energy conservation for residential buildings and transportation can substantially reduce household and business costs. Monthly utility costs can be reduced through energy conservation techniques, saving on household expenses and increasing housing affordability. According to the Bureau of Labor Statistics' Consumer Expenditure Survey, housing accounts for 30-35% of spending and utilities and public services associated with housing accounts for approximately 7% of consumer spending.

**Table 29: Consumer Spending Categories**

| Expense Category                      | % Income Used |      | Change |
|---------------------------------------|---------------|------|--------|
|                                       | 2014          | 2022 |        |
| Food                                  | 12.8          | 12.8 | 0      |
| Alcoholic beverages                   | 0.9           | 0.8  | -0.1   |
| Housing                               | 35            | 33.3 | -1.7   |
| Utilities, fuels, and public services | 7             | 6.2  | -0.8   |
| Apparel and services                  | 3.4           | 2.7  | -0.7   |
| Transportation                        | 17            | 16.8 | -0.2   |
| Healthcare                            | 6.9           | 8.0  | 1.1    |
| Entertainment                         | 5.1           | 4.7  | -0.4   |

Source: Bureau of Labor Statistics. Consumer Expenditure Survey, 2011-2022

<sup>1</sup>Source: U.S. Department of Energy at <http://www.eia.gov/totalenergy/data/annual/pdf/aer.pdf>

<sup>2</sup>Source: U.S. Department of Energy at <http://buildingsdatabook.eren.doe.gov/ChapterIntro2.aspx>

In addition to residential building energy, community design that provides for efficient travel options (short trips, walking, bicycling, public transit) is extremely important to housing affordability and energy conservation. While housing costs represent about 30-35% of household spending, transportation is the second highest spending category, accounting for nearly 17% of expenses.

In general, opportunities for residential energy conservation include:

- ✓ Compliance with minimum energy conservation standards for residential construction and operations (heating, cooling, cooking, refrigeration, etc.). California requires cities and counties to enforce minimum energy efficiency standards through state building code standards (Title 24 of the California Code of Regulations) and through energy efficiency standards for household appliances.
- ✓ Retrofitting of existing homes that are energy inefficient through weatherization, rehabilitation, and the replacement of older appliances.
- ✓ Energy efficient project site planning that takes maximum advantage of natural systems (sun, shade, wind) for lighting, heating, cooling, and generation of electricity.
- ✓ Neighborhood design and layout that encourage alternatives to automobile use through higher density, mixing of uses, a high degree of transportation connectivity, and street design to encourage all types of mobility.
- ✓ Community and regional growth strategies that emphasize infill development; higher intensity and mixed-use development along transportation corridors.
- ✓ Neighborhood, community, and regional centers with a mix of employment, housing, retail, and services.
- ✓ The placement of housing for a variety of households and income levels as close as possible to job centers and services.
- ✓ Water conservation, water conserving landscaping, and storm water management systems that reduce energy use.

Gridley's approach to energy conservation is intended to strike a balance between up-front energy-saving investments and longer-term cost savings associated with such investments. The city's approach is also keyed to the local climate and priorities of citizens and decision makers for planning and building design. Finally, the city's approach is influenced by several state, regional, and local initiatives and programs. Among the most important initiatives and programs are:

- ✓ State building code standards for energy efficiency (Title 24) including the enforcement of new residential construction to have operable solar systems; and,

- ✓ The state's emerging climate change strategies focused on reductions in greenhouse gas emissions, as required by AB 32, the California Global Warming Solutions Act of 2006.

### **Energy Efficiency for New Construction**

Title 24 of the California Code of Regulations contains California's building standards for energy efficiency. Each city and county must enforce these standards as part of its review of building plans and issuance of building permits. The standards, prepared by the California Energy Commission, were established in 1978 in response to a state legislative mandate to reduce California's energy consumption. The standards are updated periodically to consider and incorporate new energy efficiency technologies and methods. The Energy Commission estimates that California's building efficiency standards, (along with those for energy-efficient appliances, have saved more than \$56 billion in electricity and natural gas costs since 1978. These savings will continue to increase over the next 8 years.

New residential construction is required to meet various standards for energy conservation. As increasing energy demands and limited fuel supplies cause energy prices to rise, households living on a fixed income will be forced to make tough financial decisions regarding household expenses. Since utility costs compete with other household needs, such as food and medicine, energy conservation that results in lower utility bills will provide some relief to low-income households.

### **Greenbuilding Practices**

The California Building Code includes green building regulations, referred to as CALGreen. This is the nation's first mandatory statewide green building code, intended to encourage more sustainable and environmentally friendly building practices, require low pollution emitting substances that can cause harm to the environment, conserve natural resources, and promote the use of energy-efficient materials and equipment. Gridley will enforce the provisions of CALGreen.

CALGreen Requirements for new residential buildings include:

- Reduce water consumption by 20 percent;
- Divert 50 percent of construction waste from landfills;
- Install low pollutant-emitting materials; and
- Moisture-sensing irrigation systems for larger landscape projects.

Educational outreach programs informing the community can help implement green building measures, for example, providing overhangs on south facing building exposures, use of recycled

materials, low VOC paint products, upgrade insulation rated materials, and others that can make new construction and additions to existing structures more energy efficient.

### **Greenhouse Gas Emissions Reductions**

The State of California also adopted the California Global Warming Solutions Act in 2006 (Assembly Bill 32) and declared that “global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California.” In adopting the act, the Legislature found that human activity is one of the leading contributors to an increase in carbon dioxide, methane, and other “greenhouse gases” (GHGs). The state has declared that these gases are leading to an increase in average global temperatures and contributing to changes in climate throughout the world. The purpose of the act is to reduce GHG emissions to 1990 levels by 2020 (25 percent reduction over current levels) and then to reduce GHGs to 80 percent below 1990 levels by 2050. Since greenhouse gas emissions are closely tied to energy sources and uses, the implementation of AB 32 will have important ramifications for Gridley’s opportunities for energy conservation.

The California Air Resources Board (ARB) is responsible for implementation of AB 32. AB 32 requires the ARB to adopt a quantified cap on GHG emissions representing 1990 emissions levels and disclose how it arrives at the cap; institute a schedule to meet the emissions cap; and develop tracking, reporting, and enforcement mechanisms to ensure that the state achieves the reductions in GHG emissions necessary to meet the cap. AB 32 also includes guidance to institute emissions reductions in an economically efficient manner and conditions to ensure that businesses and consumers are not unfairly affected by the reductions. In October of 2008, ARB published its Climate Change Proposed Scoping Plan (Plan), which is the State’s plan to achieve GHG reductions in California required by AB 32 (ARB 2008). The Plan contains the main strategies California will implement to achieve reduction of 169 million metric tons (MMT) of CO<sub>2</sub>e, or approximately 30% from the state’s projected 2020 emission level of 596 MMT of CO<sub>2</sub>e under a business-as-usual scenario (this is a reduction of 42 MMT CO<sub>2</sub>e, or almost 10%, from 2002-2004 average emissions).

It also includes ARB-recommended GHG reductions for each emissions sector of the state’s GHG inventory. The largest proposed GHG reductions are recommended from improving emission standards for light-duty vehicles (estimated reductions of 31.7 MMT CO<sub>2</sub>e), implementation of the Low-Carbon Fuel Standard (15.0 MMT CO<sub>2</sub>e, discussed below), energy efficiency measures in buildings and appliances and the widespread development of combined heat and power systems (26.3 MMT CO<sub>2</sub>e), and a renewable portfolio standard for electricity production (21.3 MMT CO<sub>2</sub>e). It further states that land use planning and urban growth decisions will play an important role in the state’s GHG reductions because local governments have primary authority to plan, zone, approve, and permit how land is developed to accommodate population growth and the changing needs of their jurisdictions.

ARB further acknowledges that decisions on how land is used will have large impacts on the



GHG emissions that will result from the transportation, housing, industry, forestry, water, agriculture, electricity, and natural gas emission sectors. With regard to land use planning, the Proposed Scoping Plan expects approximately 5.0 MMT CO<sub>2</sub>e will be achieved associated with implementation of SB 375. The California Air Pollutions Control Officers Association (CAPCOA), which represents local air districts, released a report on ways to measure and reduce GHGs at the local level, including steps that cities and counties can take to contribute to the goals of AB 32. An important local strategy recommended by CAPCOA is the implementation of measures that encourage energy conserving community layout and design. Many of the recommendations are relevant for residential energy conservation and reinforce Title 24 and greenbuilding design. Among the suggestions are:<sup>2</sup>

- ✓ Promote walkability through a highly connected street system with small blocks;
- ✓ Promote mixed-use neighborhoods centers and transit-oriented development;
- ✓ Reduce the amount of water used for landscaping and encourage the use of recycled water for landscaping;
- ✓ Promote the use of fuel-efficient heating and cooling equipment and other appliances;
- ✓ Encourage greenbuilding designs in both new construction and building renovation;
- ✓ Encourage building orientations and landscaping that enhance natural lighting and sun exposure;
- ✓ Encourage the expansion of neighborhood-level products and services and public transit opportunities throughout the area to reduce automobile use;
- ✓ Promote energy-efficient design features, including appropriate site orientation, use of light color, roofing, and building materials;
- ✓ Encourage the development of affordable housing throughout the community, as well as development of housing for elderly and low- and moderate-income households near public transportation services; and,
- ✓ Ensure that a portion of future residential development is affordable to low- and very low-income households.

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<sup>2</sup> EDAAW | AECOM. Technical Report Components of the CAPCOA Paper, "CEQA and Climate Change," Published by the California Air Pollution Control Officers Association. 2007.

### Gridley 2030 General Plan

Gridley's 2030 General Plan, of which this Housing Element is a part, includes goals, policies, and implementation strategies in several elements that support energy conservation, including, but not limited to those that address:

- ✓ Encourage infill development and development near existing uses.
- ✓ Require efficient use of land through minimizing the amount of land required to meet parking, internal circulation, and delivery/loading needs, shared parking strategies, joint-use of public facilities, and other means.
- ✓ Community design that accommodates walking, bicycling, and transit use.
- ✓ Require strategic land use mixing that place destinations within walking and bicycling distance of homes.
- ✓ Compact development and focusing density/intensity around future planned transit stops.
- ✓ Focus new commercial development to underutilized and vacant properties in the existing Sphere of Influence rather than accommodating new commercial development on the urban fringe, which can increase travel distances.
- ✓ Provide a transportation system that accommodates all locally available travel modes.
- ✓ Require shade trees in parking lots.
- ✓ Increase shade tree canopy Downtown and other public gathering areas and preserve trees in new growth areas to provide immediate shade benefit.
- ✓ Provide incentives for water conservation measures.
- ✓ Expand local generation and use of renewable energy sources for electricity in Gridley and the share of renewable energy in the city's overall portfolio.
- ✓ Require site planning that takes advantage of passive heating opportunities and includes shading for the right portions of new buildings.

## Chapter 4: HOUSING NEEDS

The city's share of estimated new housing need is established by the Butte County Association of Governments (BCAG) through the Regional Housing Needs Allocation (RHNA) process for the sixth cycle planning period from January 1, 2022 to June 15, 2030. In addition to the 6<sup>th</sup> cycle RHNA allocation, the city must accommodate the previous 5<sup>th</sup> cycle's unmet need in addition to any previous unmet needs. The sites that are available to meet the housing needs consist of vacant, non-vacant, and underutilized developed land that when added together, would be able to meet the development of the number of housing units needed. The capacity used in the analysis considers the existing zoning and utilizes a consideration of "realistic" capacity based on other projects constructed in Gridley. While the city must show how it will provide adequate sites for construction of the required units, it is not obligated to build any of the units itself or finance the construction.

This section also identifies the city's inventory of subsidized housing units that are affordable to lower income households, including identification of housing units "at-risk" of conversion to market rate due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. Such units include those developed under the US Department of Housing and Urban Development (HUD) programs, tax exempt mortgage revenue bond programs, low-income housing tax credits, redevelopment programs, and density bonus programs.

The analysis includes preservation options for "at-risk" assisted housing developments. Housing needs for special needs groups are detailed in the Community Profile.

### Regional Housing Needs Allocation

Butte County Association of Governments (BCAG) received Regional Housing Needs Allocation (RHNA) numbers from the California Department of Housing and Community Development (HCD).<sup>1</sup> The overall numbers provided by HCD are based on projections developed by the California Department of Finance. The income distributions for housing accommodated under the planning period are based on median household incomes for Butte County.

BCAG worked with planning directors from incorporated cities within Butte County along with the County to develop an acceptable methodology for distributing this countywide number among the six jurisdictions in Butte County.

According to the Butte County Association of Governments, the city has the responsibility to provide adequately zoned land to accommodate the development of 345 housing units from January 1, 2022 to June 15, 2030, for compliance to the 6<sup>th</sup> cycle planning period. The RHNA allocations are further defined to accommodate 34 percent of the housing units to very low households, 12 percent to low-income households, 9 percent to moderate income households, and 45 percent to above- moderate income households. The regional housing needs plan does not specify the number of units that are required for the category "Extremely

Low Income”; however, this category is assumed to be 50% of the required very low RHNA allocation. **Table 30** provides a numerical value based upon the percentage allocations.

**Table 30: Regional Housing Needs Allocation 2022-2030**

| Income Group   | Number of Units | % of Total |
|----------------|-----------------|------------|
| Very Low       | 118             | 34         |
| Low            | 41              | 12         |
| Moderate       | 30              | 9          |
| Above Moderate | 156             | 45         |
| <b>Total</b>   | <b>345</b>      | <b>100</b> |

Source: BCAG Regional Housing Needs Allocation (RHNA), December, 2020.

<sup>1</sup> Extremely low-income allocation is assumed to be 50% of total very-low-income housing unit need.

The regional target set by BCAG through its Regional Housing Needs Allocation (RHNA) for the 2022-2030 planning period was 15,506 units. As shown in Table 30 above, the allocation for Gridley is approximately 2 percent of the total housing allocated. The city has shown available land inventory in its previous Housing Plans. No additional lands will need to be rezoned or annexed to meet the city of Gridley’s allocation. The previous Housing Element demonstrated it had sufficient sites to accommodate the number of units allocated for the 2014-2022 Housing Plan, and, that adequate lands were zoned to accommodate all previous unmet need allocations. The 5<sup>th</sup> planning cycle unmet need also must be included in the total number of units the city must be able to provide for the 6<sup>th</sup> planning cycle. Therefore, pursuant to Chapter 614, Statutes of 2005 (AB 1233) the city must accommodate the unmet need of 330 units. Table 31 below combines the required 5<sup>th</sup> cycle RHNA allocations with the 6<sup>th</sup> cycle RHNA allocations providing the total number of units that must be accommodated in the 6<sup>th</sup> cycle planning period of 2022-2030.

**Table 31: Regional Housing Needs Allocation 2014-2022 Unmet plus 2022-2030**

|                          | Very Low   | Low Income | Moderate   | Above Moderate | Total      |
|--------------------------|------------|------------|------------|----------------|------------|
| RHNA Unaccommodated Need | 231        |            | 99         |                | 330        |
| 2014-2022                |            |            |            |                |            |
| RHNA Allocation          | 118        | 41         | 30         | 156            | 345        |
| 2022-2030                |            |            |            |                |            |
| <b>Total RHNA</b>        | <b>349</b> | <b>41</b>  | <b>129</b> | <b>156</b>     | <b>675</b> |

The data reflects the most needed housing type is very low which includes the extremely low designation. The land inventory in Chapter 5, "Housing Resources", provides a list and map of the properties available to meet the RHNA total allocation.

The housing needs of the community also focus on the sunset dates, if any, for assisted housing units that may be "at-risk". Below discusses the existing inventory of assisted units.

### Inventory of Assisted Housing Units

The City of Gridley has five housing complexes with a total of 294 dwelling units restricted to lower-income households. Table 32 provides the number of restricted housing units by development. Of these, two developments, The Oaks and Gridley Springs I, have had conversion dates within the next 10 years however, these have been extended due to RHS 515 funding for rehabilitation. The table also summarizes the characteristics of the two assisted housing developments in the city; "at-risk" these two developments provide 87 units and of those units, 55 specifically serve as elderly housing. These projects are restricted to low-income tenants. The Oaks, completed in 1980, had USDA Rural Rental Housing Section (RHS) 515 financing as did Gridley Spring I built in 1989. Gridley Spring I also received Low Income Housing Tax Credits (LIHTC).

The Oaks and Gridley Springs I were significantly rehabilitated using HOME investment funding mechanisms which secures the conversion of the units for several years.

**Table 32: Affordable Housing Inventory**

| Project Name                   | Location                  | Type      | Funding           | Affordability        |           |            |            |            | Earliest Date of Conversion | At-Risk |
|--------------------------------|---------------------------|-----------|-------------------|----------------------|-----------|------------|------------|------------|-----------------------------|---------|
|                                |                           |           |                   | Total Assisted Units | Very Low  | Low        | Moderate   | Senior     |                             |         |
| Butte County Housing Authority | South Ohio St             | Rental    | Housing Authority | 50                   |           | 50         |            |            | No Ending Term Date         | No      |
| Hazel Hotel Senior Apartments  | 880 Hazel St              | Rental    | LIHTC             | 14                   |           | 14         |            | 14         | 2054                        | No      |
| The Oaks                       | 1500 Hwy 99               | Rental    | RHS 515           | 55                   | 55        |            |            | 55         | 2012                        | Yes     |
| Gridley Springs I              | 210 Ford Ave              | Rental    | RHS 515, LIHTC    | 32                   | 32        |            |            |            | 2064                        | No      |
| Gridley Springs II             | 200 Ford Ave              | Rental    | LIHTC             | 24                   |           |            | 24         |            | 2046                        | No      |
| Farm Labor Housing             | 850 East Gridley Rd       | Rental    | Housing Authority | 112                  |           |            | 112        |            | No Ending Term Date         | No      |
| Bowwood Subdivision            | Bowwood and Little Street | Ownership | RHS 502           | 6                    |           | 6          |            |            | 2039                        | No      |
| Indiana Street                 |                           | Ownership | CDBG              | 1                    |           |            | 1          |            | 2023                        | No      |
| Sunrise Sr Housing             | 1460 CA 99                | Rental    | LIHTC; CDBB       | 37                   |           | 37         |            | 37         | 2078                        | No      |
| Ford Oaks Apt                  | 180 Ford Ave              | Rental    | LIHTC;CDBG        | 37                   |           | 37         |            |            | 2078                        | No      |
| Orchard View I                 | 1425 CA 99                | Rental    | LIHTC; CDBG; HOME | 48                   |           | 48         |            |            | 2078                        | No      |
| Orchard View II                | 1425 CA 99                | Rental    | LIHTC; CDBG; HOME | 36                   |           | 36         |            |            | 2079                        | No      |
| <b>Total</b>                   |                           |           |                   | <b>452</b>           | <b>87</b> | <b>228</b> | <b>137</b> | <b>106</b> |                             |         |

Sources: The California Housing Partnership; National Housing Trust Data Clearinghouse; Butte County Housing Authority; City of Gridley, 2014; CHIP, 2014

There are several mechanisms that can aid in the preservation of affordable, subsidized housing: 1) transfers of ownership, 2) the purchase of an affordability covenant, and 3) rent subsidy.

### Rural Development Section 515 Projects

Under the RHS 515 Program, Rural Development makes direct loans to developers of affordable multi-family rental housing. Interest rates for these programs may be subsidized to as low as one percent. Funds can be used to construct new rental housing complexes, or to repair and rehabilitate existing units. In new RHS 515 projects, 95 percent of tenants must have very-low incomes. In existing projects, 75 percent of tenants must have very-low incomes.

Although these projects are required by law to be listed as “at-risk” of converting to market rate housing, it is not a very good indicator of whether these units will actually convert. The projects “at-risk” under the Section 515 Program do not typically convert to market rate. If a project owner requests to prepay the mortgage, Rural Development provides incentives for the project owners to sign up for additional 20-year loans. If the owner does not accept the financial incentives, Rural Development encourages the owner to sell the property to a non-profit entity to maintain it as affordable housing. Given the incentives in place to preserve Section 515 housing, this housing is generally not considered at risk.

Even with the relatively low likelihood of conversion, the city is pro-active in preventing the loss of affordable housing units. The city committed funds up to \$560,000 to The Oaks and Gridley Springs for rehabilitation; these two at-risk projects continue to remain affordable

### Rent Subsidy

HUD also administers various affordable housing opportunities for lower income persons, including Section 221 (d) (3), Section 202, Section 236, and Section 811 housing. However, according to the local office of HUD, there are no HUD-administered or subsidized affordable housing complexes or individual units located in the city. Funding for Section 8 affordable housing originates from the federal Department of Housing and Urban Development (HUD) and Butte County Housing Authority is responsible for administering project-based Section 8 properties.

There are currently 38 households in Gridley that utilize Housing Choice Voucher Assistance (Section 8) to pay the rent. The use of vouchers is not restricted as to the type or location of housing.

### Preservation Options

There are different options available to property owners to preserve the affordability of subsidized housing units.



### **Transfer of Ownership**

Transferring ownership of an at-risk project to a non-profit housing provider is one of the least costly ways to ensure that the at-risk units remain affordable. By transferring property ownership to a non-profit organization, low-income restrictions can be secured indefinitely and the project becomes eligible for a greater range of governmental assistance. Most of these transactions also include rehabilitation of the projects to modernize the property.

### **Purchase of Affordability Covenant**

The provision of an incentive package to owners to maintain affordability of at-risk projects would be another option. Incentives could include writing down interest rates on remaining loan balances in the form of a payment to the project lender and/or supplementing the Homeowner's Assistance Program (HAP) fair market rent to market levels.

### **Rental Assistance**

The at-risk project is funded through the USDA Section 515 Program. This program is structured in a similar fashion to Section 8. The feasibility of this alternative is highly dependent on the availability of funding sources necessary to provide the rental subsidies and the willingness of the owners to accept the subsidies if they are provided. Rental subsidies are required to preserve the at-risk units.

### **Replacement Costs**

Construction of affordable housing is at-risk of replacement due to increased costs. The cost of developing new housing depends on a variety of factors, including density, unit size, location, land costs, and type of construction. In 2014, the average construction cost for residential and non-residential development ranges from \$85 per square foot to \$200 per square foot. These costs have increased from \$200 to \$400 per square foot. Based on this national average and an average unit size of 760 square feet, and including land costs, government and other "soft costs", total replacement costs could be estimated at \$120,000 to \$300,000 per unit. To replace 55 "at-risk" units would range from \$6,600,000 to \$16,500,000 if built today (2024). The cost increases average from 2.35% to 5.00% per year; more likely costs for construction have increased at least 10-15% per year.

### **Comparison of Preservation Options**

Based the different preservation options discussed above related to the existing units in The Oaks, the transfer of ownership would be the least costly option. Transfer of ownership to a non-profit or government agency also ensures long-term affordability of the units.

### **Entities Qualified to Preserve At-Risk Units**

Organizations in the region with the capacity to own and manage affordable rental projects include the Community Housing Improvement Program (CHIP) and the Housing Authority of Butte County located in Chico as well as the Regional Housing Authority of Sutter and Nevada Counties who can purchase and manage affordable projects. These agencies currently manage affordable rental projects in Gridley.

## Chapter 5: HOUSING RESOURCES

This section of the Housing Element describes and analyzes those physical, financial and administrative resources that aid the city in providing for the housing needs of its population. Available housing resources are described by a land inventory, preservation of existing units, accessory dwelling unit construction, and downtown mixed-use residential/commercial use. Table 35 provides a list of the city's available land, the use, allowable density, and a total of the number of units in relation to income type to meet the RHNA allocation. These tables also determine if there is adequate infrastructure in place and if there are any environmental constraints. The "Funding and Administrative Resources" section describes available state and federal resources to facilitate the development of housing affordable to special needs groups and lower-income households.

### Legal requirements

California law (Government Code Section 65583 (a)(3)) requires that the Housing Element contain "an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites."

Government Code Section 65583.2(c) requires local government to demonstrate that the projected residential development capacity of the sites identified in the inventory can realistically be achieved. The city must determine whether each site in the inventory can accommodate some portion of its share of the regional housing needs by income level during the planning period. The number of units calculated must be adjusted, as necessary, based on land use controls and site improvement requirements.

### Regional Housing Need Allocation (RHNA)

The RHNA allocation for the City of Gridley, as described above in Table 31, requires that the city provide housing for the unmet need of the 5<sup>th</sup> cycle planning period 2014-2022 in addition to the allocation for the 6<sup>th</sup> cycle 2022-2030 planning period. This results in a total of:

|                  |                       |
|------------------|-----------------------|
| • 349 units      | Very Low Income       |
| • 41 units       | Low Income            |
| • 129 units      | Moderate Income       |
| • 156 units      | Above Moderate Income |
| <b>675 units</b> | <b>Total</b>          |

### Land Inventory

The inventory of land suitable for residential development is provided in Table 35 below. Pursuant to the requirements, the land inventory addresses the General Plan and zoning designations, infrastructure availability, and identifies any environmental concerns. None are known at the time of the preparation of this information; therefore, based upon the evaluation of the sites, housing development to meet the RHNA allocation is determined feasible and the

table illustrates there is sufficient land to meet the housing need.

### Units Built

Cities and Counties may use units that have been built from January, 2022 towards fulfillment of the RHNA allocation. The County processes building permits for the city. The permits issues are part of former unfinished subdivisions, now complete.

### Units in Progress

**Table 33** lists approved housing as of the writing of this document. Completion of these projects will provide moderate and above-moderate income housing units. These subdivisions are listed and counted in the land inventory.

**Table 33: Units under Construction or Approved**

| Name                         | Type          | Funding | No. Units  | Status                          |
|------------------------------|---------------|---------|------------|---------------------------------|
| The Village at Eagle Meadows | Single-Family | Private | 42         | Approved TSM                    |
| Steffan Estates              | Single-Family | Private | 46         | Approved TSM Under Construction |
| Kiwi Vineyard Estates        | Single-Family | Private | 56         | Approved TSM                    |
| Edler Estates                | Single-Family | Private | 46         | Approved TSM                    |
| Pacific Flyway               | Single-Family | Private | 72         | Approved TSM                    |
| Parkland Subdivision         | Single-Family | Private | 19         | Approved TSM Under Construction |
| Valley Oaks Estates          | Single-Family | Private | 21         | Approved TSM                    |
| Chandler Park Subdivision    | Single-Family | Private | 203        | Approved TSM                    |
| <b>Total</b>                 |               |         | <b>459</b> |                                 |

### Land Inventory

The land inventory shown on Table 35, below provides a distinction of the locations for the development of sites based on affordability to the Butte County Average Median Income.

The city has updated the vacant parcel inventory in preparation of the Housing Element Update. This has been accomplished by reviewing the most recent parcel/assessor land use codes, querying permit data, conducting site visits, and reviewing updated aerial photography to determine the validity of vacant parcels. All of the sites inventoried can be served by City services; infrastructure is in place or in close proximity.

The zoning designations for the sites include:

|                  |                             |   |
|------------------|-----------------------------|---|
| R-S <sup>1</sup> | Residential Suburban        | 3 du/ac   |
| R-1              | Single-Family Residential   | varies du/ac  |
|                  | R-1A Lot size 1,300-3,500   | The varied lot sizes allow for subdivisions to develop with an allowed mix of small to large lots which can amend the density |
|                  | R-1B Lot size 3,501-5,999   |   |
|                  | R-1C Lot size 6,000-7,000   |   |
| R-2              | Duplex- Residential         | 8 du/ac   |
| R-3              | Multiple-Family Residential | 15 du/ac  |
| M-1 <sup>1</sup> | Light Industrial            | Requires rezoning   |

<sup>1</sup>The land use designations in Table 35 and above require rezoning to meet the residential uses for adequate densities

Based on recent projects the city has assumed the allowable densities in accordance with the Title 17 of the Gridley Municipal Code and have also adjusted the density to conform to the surrounding area or provide a realistic capacity whereby the allowable density would be infeasible.

### Realistic Capacity

Government Code Section 65583.2(c) requires, as part of the analysis of available sites, a local government to demonstrate the projected residential development capacity of the sites identified in the housing element can realistically be achieved. Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The number of units calculated shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (4) of subdivision (a) of Section 65583.

To identify the sites and establish the number of units that can accommodate the local government's share of the regional housing need for lower-income households, the element must include an analysis that demonstrates the identified zone and densities which encourage and facilitate the development of housing for lower-income households. To provide local governments with greater certainty and clarity in evaluating and determining what densities facilitate the development of housing affordable to lower-income households, the statute provides two options; the analysis must, at a minimum, describe the following:

1. market demand and trends;
2. financial feasibility; and
3. information based on residential project experience within a zone(s) where the densities facilitated the development of housing for lower-income households, or,

the default density must be used. The City of Gridley believes that based upon the success of previous projects that have used Title 17 of the Gridley Municipal Code, land use residential densities, these have been financially successful at the time of completion and continue to be so today.

Information gathered from local developers, and examples of recent residential projects that provide housing for lower-income households supports the appropriateness of the zoned and reduced densities from the default density. It is recognized that housing affordable to lower income households requires significant subsidies and financial assistance. However, for the purpose of the adequate sites analysis and the appropriateness of zoning, identifying examples of lower density subsidized housing projects alone is provided that have been constructed in Gridley as well as other “suburban/rural” communities such as Live Oak and Yuba City located in Sutter County. The feasibility of lower affordable housing densities is directly related to the reduced land costs found in more rural areas such as Butte County and Sutter County, therefore reducing the overall pro forma of a project. Discussions with local developers also concur.

The R-4 zone has a maximum density of 30 units per acre and is currently the highest-density zoning district in the city. This is the primary residential zone for development of apartments and other types of housing that is affordable to very-low, low, and moderate-income households. All of the apartment complexes affordable to lower-income households, including the Oaks and Gridley Springs I and II, are located in the R-3 zoning district, or, land that has been redesignated as Highway Commercial Corridor Combining District along State Route 99 which allows a mixed used development with up to a R-4 density. Most of the affordable housing developments as multi-family, have been constructed at 12-13 du/ac. Single-family affordable housing developments are located throughout the city in even lower-density residential zones, such as R-1 and R-2 as well as R-S districts, which allow 4 and 3 du/ac, respectively. These affordable developments have been constructed in the 2009-2014 4<sup>th</sup> cycle planning period. The Housing Implementation Strategy will include flexibility for the R-3 and R-4 density to increase to match the default density to ensure affordability is maintained, if needed as well as the small lot subdivisions which could be developed. Recent affordable projects have been constructed at densities ranging from approximately 3 to more than 12 (12.73) units per acre with subsidies. Table 34 summarizes recent affordable single family and multi-family housing projects constructed utilizing a variety of financing/funding used for these projects.

**Table 34: Examples of Affordable Housing Projects**

| Name                         | Type | Total units | Affordability |    |    | Acres | Zoning | Density Units/Ac |
|------------------------------|------|-------------|---------------|----|----|-------|--------|------------------|
|                              |      |             | M             | L  | VL |       |        |                  |
| Washington Ct Apts           | MFR  | 56          |               | 27 | 29 | 4.46  | R-3    | 12.6             |
| Gridley Springs I            | MFR  | 32          | 1             | 31 |    | 2.29  | R-3    | 14               |
| Ford Apts                    | MFR  | 36          | 1             | 35 |    | 2.18  | R-3    | 16.5             |
| Sunrise Sr                   | MFR  | 37          | 1             | 36 |    | 1.98  | R-3    | 18.7             |
| Orchard View I               | MFR  | 48          | 1             |    | 47 | 5.12  | HCC    | 10               |
| Orchard View II              | MFR  | 36          |               |    | 36 | 2.8   | HCC    | 12.9             |
| Pacific Flyway (CHIP)        | SFR  | 72          |               | 72 |    | 14.8  | R-1    | 4.9              |
| <b>Total Number of Units</b> |      | <b>317</b>  |               |    |    |       |        |                  |

The projects have utilized various mechanisms more defined below including: CDBG, CDBG-DR, DCBG-DR-MHP, LIHTC, Federal Home Loan, USDA-RD 502, Cal-HOME, and other grants that become available through both federal and state programs.

Each affordable housing project reviews what the total construction costs are, including contingencies and developer profit. The analysis conducted to support the projects identifies the total operating budget of the project (including reserves). The revenues are to provide for operating expenses and meeting debt service obligations. A market study identifies current demand for the units needed in the area of Gridley and Butte County.

The market studies and analyses completed for affordable housing projects indicate that with low-interest loans, tax credits, and other commonly available tools, delivering affordable housing is feasible in Gridley at densities of less than 20 units per acre and increases with densities greater than 20 units as well. The difference between actual density level and the “default” density assumed to provide for lower-income housing likely rests primarily with land costs. With the analysis conducted by the city and developer market studies, to support this Housing Element, it has demonstrated that the current R-3 and R-4 zoning provides the opportunity for lower-income housing.

### Non-residential Zoning Districts that Allow Multi-Family Housing

In addition to the sites shown above with residential zoning designations, the Zoning

Ordinance allows for the development of residential dwellings with commercial uses in the C-1, Limited Commercial/Downtown Mixed-Use land use designation. Based on the survey completed by the community, there is interest in allowing multi-family residential in existing commercial structures on Hazel Street that are underutilized. The city has drafted Housing Implementation Strategy 2.2 to support residential uses in the Downtown vacant commercial sites. (see the Housing Plan section). This strategy is being carried forward to amend as necessary to ensure there is no constraint for development in the commercial zoning district. There are no other substantially constraining land use controls or applicable development standards.

The City's history of affordable multi-family development in non-residential zoning districts includes the Washington Court project, which originally had M-1 zoning. The Hazel Hotel project provides 14 assisted units for low-income tenants. This project was developed in the C-1 zone and involved renovation of an existing hotel building to provide affordable senior housing. The parcel involved is approximately 0.35 acres and therefore the residential density is approximately 40 units per acre.

The Zoning Ordinance does not limit density in commercial zones. Past residential projects in commercial zones have followed the development standards and densities established for R-3 (Multi-family Residential) zone. For the purposes of this land inventory, it is assumed that, collectively, half of the commercial sites could be developed at a density of 15 units per acre, removing 20 percent of the land for roadways and other undevelopable areas. However, since the Zoning Ordinance does not actually have a specific limit on density for multi-family housing in these zones, the actual density for housing development on these sites could be somewhat higher than the conservative estimates of capacity used in this Housing Element.

The Housing Plan will commit the City to identify and consider implementing a range of incentives to encourage development of vacant and underutilized properties.



Table 35: Potential Residential Land Inventory and Zoning Designations related to Moderate/Above Moderate (M/AM) Affordability

| Site No.   | Assessor's Parcel Number      | Existing General Plan | Zoning           | Allowable Density | Parcel Acreage | Unit Capacity | Existing Use     | Location                     | Income  | Infrastructure Capacity | Environmental Constraints |
|--|-------------------------------|-----------------------|------------------|-------------------|----------------|---------------|------------------|------------------------------|---------|-------------------------|---------------------------|
| 1  | 009-290-006                   | R                     | R-1              | 3                 | 19.95          | 53            | Vacant           | Kiwi Vineyard Est            | M/AM    | Yes                     | No                        |
| 2  | 022-210-092                   | R                     | R-1              | 5                 | 40             | 203           | Vacant           | Chandler Park Subdivision    | M/AM    | Yes                     | No                        |
| 3  | 010-200-043                   | R                     | R-3              | 15                | 1.48           | 19            | Vacant           | Haskell St/Parkland Sub      | M/AM    | Yes                     | No                        |
| 4  | 010-270-076                   | R                     | R-1              | 5                 | 8.41           | 46            | Vacant           | Edler Ests/Laurel St         | M/AM    | Yes                     | No                        |
| 5  | 010-270-122                   | R                     | R-S <sup>1</sup> | 5                 | 19.51          | 98            | Vacant           | Banes                        | M/AM    | Yes                     | No                        |
| 6  | 021-250-008                   | R                     | R-1              | 5                 | 8.81           | 46            | Vacant           | Steffen Estates              | M/AM    | Yes                     | No                        |
| 7  | 010-270-120                   | R                     | R-1              | 5                 | 4.4            | 42            | Vacant           | The Village at Eagle Meadows | M/AM    | Yes                     | No                        |
| Total number of unit capacity for moderate and above moderate-income housing   |                               |                       |                  |                   |                | 507           |                  |                              |         |                         |                           |
| Total number of units required per RHNA for moderate and above moderate housing  |                               |                       |                  |                   |                | <285>         |                  |                              |         |                         |                           |
| Excess buildable unit capacity   |                               |                       |                  |                   |                | 222           |                  |                              |         |                         |                           |
| Potential Residential Land Inventory and Zoning Designations related to Extremely Low/Very Low/Low (EL/VL/L) Affordability |                               |                       |                  |                   |                |               |                  |                              |         |                         |                           |
| 8  | 021-110-045                   | I                     | M-1 <sup>1</sup> | 15                | 12.2           | 183           | Industrial Bldg. | Kentucky St                  | VL/L    | Yes                     | No                        |
| 9  | 021-110-045                   | I                     | M-1 <sup>1</sup> | 15                | 13.42          | 200           | Industrial Bldg. | Kentucky St                  | VL/L    | Yes                     | No                        |
| 2110   | 010-270-121                   | R                     | R-1              | 5                 | 16.63          | 71            | Vacant           | Pacific Flyway               | VL/L    | Yes                     | No                        |
| 2611   | 021-110-039                   | R                     | R-3              | 15                | 6              | 90            | Vacant           | Btw Haskell x Hwy 99         | EL/VL/L | Yes                     | No                        |
| 2412   | 010-290-041                   | R                     | R-S <sup>1</sup> | 3                 | 4.42           | 13            | Vacant           | W of Laurel St               | EL/VL/L | Yes                     | No                        |
| 2313   | 010-290-002                   | R                     | R-1              | 3                 | 0.78           | 3             | Vacant           | Sycamore St                  | EL/VL/L | Yes                     | No                        |
| 814  | 024-020-007                   | R                     | R-2              | 8                 | 3.36           | 26            | Vacant           | Hwy 99 S Morrison Slough     | EL/VL/L | Yes                     | No                        |
| 915  | 024-020-008                   | R                     | R-2              | 8                 | 5.43           | 43            | Vacant           | Hwy 99 S Morrison Slough     | EL/VL/L | Yes                     | No                        |
| 16   | 009-260-022, -024, -025       | R                     | R-1              | 4                 | 3.94           | 21            | Vacant           | Valley Oaks Ests             | EL/VL/L | Yes                     | No                        |
| 17   | 009-260-026, -027, -028, -029 | R                     | R-1              | 4                 | 7.36           | 29            | Vacant           | Pecan St                     | EL/VL/L | Yes                     | No                        |
| 18   | 009-290-066                   | R                     | R-S <sup>1</sup> | 4                 | 10.2           | 31            | Vacant           | Sycamore St                  | EL/VL/L | Yes                     | No                        |
| Total number of unit capacity for very low-, and low-income housing  |                               |                       |                  |                   |                | 710           |                  |                              |         |                         |                           |
| Total number of units required per RHNA for extremely low, very low-, and low-income housing                               |                               |                       |                  |                   |                | <390>         |                  |                              |         |                         |                           |
| Excess buildable unit capacity   |                               |                       |                  |                   |                | 320           |                  |                              |         |                         |                           |

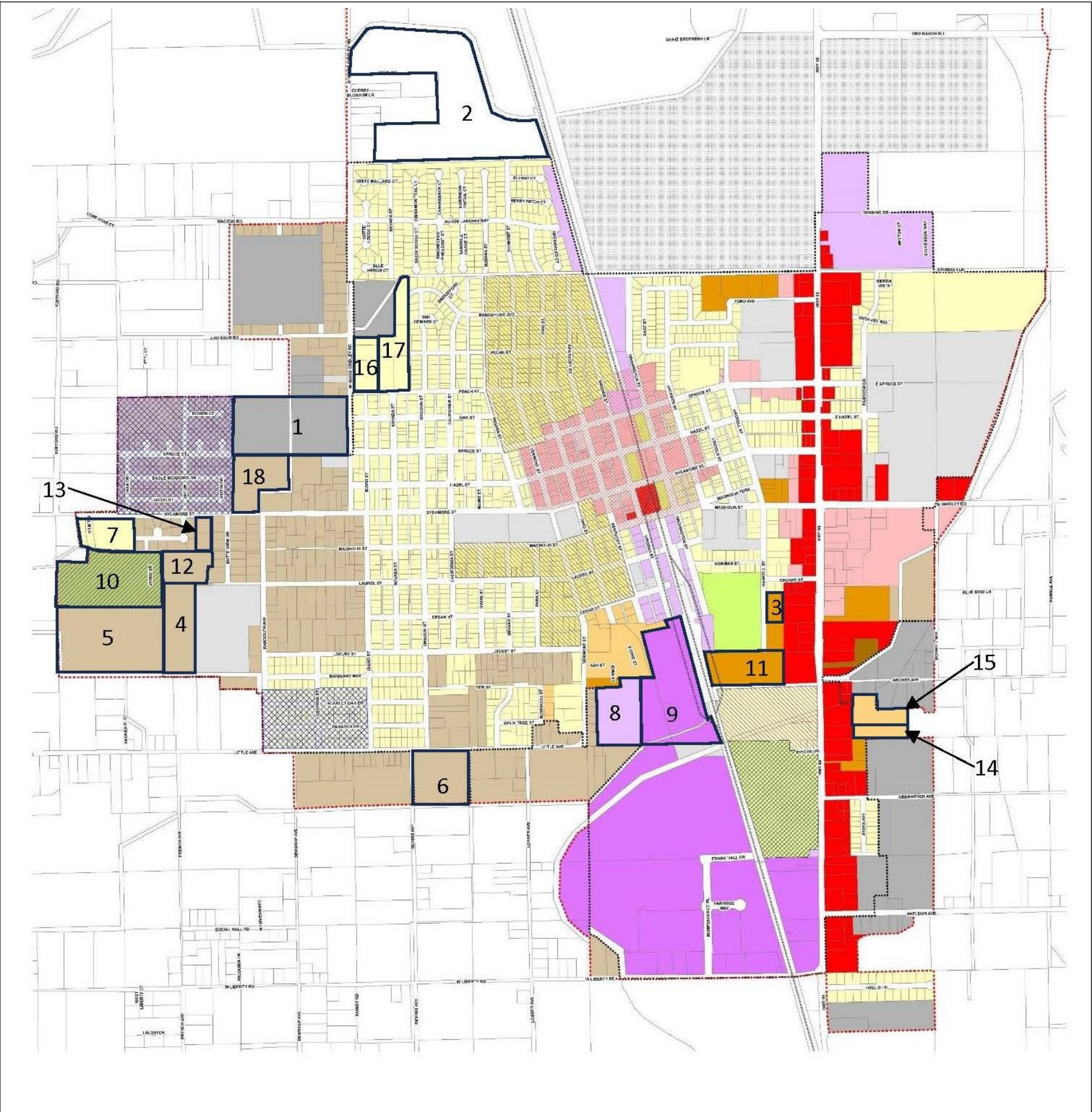
<sup>1</sup> Requires rezoning of property to density for development

Funding and Administrative Resources

The City of Gridley has access to a variety of existing and potential funding sources for affordable housing activities. This section offers a summary of funding sources which are currently used by the city, as well as additional funding sources which are potentially available to support various programs.

Affordable Development

On June 29, 2011, the primary subsidy for affordable housing disappeared almost overnight due to the abolishment of redevelopment agencies due to State budget shortfalls. On December 29, 2011 the California Supreme Court released its decision in *California Redevelopment Association et. al. v. Matosantos*. In what represented the worst-case scenario for redevelopment agencies, the Court upheld the legislation abolishing redevelopment agencies. It also invalidated a companion bill that gave redevelopment agencies the opportunity to continue in existence by remitting tax increment monies to the state. California had one of the most aggressive redevelopment programs in the nation, with a minimum of 20 percent of tax increment financing funds earmarked for affordable housing. Arizona is the only other state in the U.S. that does not use redevelopment agencies to provide affordable housing projects. The poverty rate in California is among the highest in the nation, and the need for affordable housing will only grow more acute. The state's population is expected to increase by an average of 400,000 per year, with the largest growth occurring in minority and immigrant communities that tend to need affordable housing the most.





The City of Gridley is leveraging its available revenues with other funding mechanisms to support affordable housing projects such as HOME investment partnership program loan products, CDBG funding and others to support developers as they come forward to invest in the community. The City will continue to maximize the opportunity for the development of affordable housing projects by packaging funding mechanisms noted with other State and Federal funds that become available.

The city has established the Housing Fund be used along with the First-Time Homebuyer Program (FTHB) and/or an Affordable Housing Development Assistance (AHDA) Program and working together with the Regional Housing Authority of Sutter and Nevada Counties to advertise to qualifying applicants. Due to limited fund reserves, implementation of these programs is based on the availability of funds that can be used.

### **Low- and Moderate-Income Housing**

Since the adoption of the 2014-2022 Housing Element, 37 units were constructed for senior housing limited to 55% AMI income levels of very-low and low-income earning households. Additionally, 37 units were constructed for family affordable rental units for 30-55% AMI and 48 more units of family affordable rental units are nearing completion with an additional 36 units approved and soon funded for construction in 2026. These multi-family apartments have been added to the existing affordable housing stock. The Chico Housing Improvement Program (CHIP) has also been approved for a 72-lot subdivision, Pacific Flyway, which provides an ownership opportunity to low-income families. Funding for additional preservation and or new construction of affordable units will be supported in the new 6<sup>th</sup> cycle planning period. The city continues to look for opportunities to increase the number of affordable homes.

### **State and Federal Resources**

In addition to the funding programs available through the city and county, there are several State and Federal funding programs that assist first-time homebuyers, build affordable housing, and help special needs groups, such as seniors and large households. In most cases other entities, including for-profit and non-profit developers, apply for funds or other program benefits. For example, developers apply directly to USDA for Section 515 loans, to HUD for Section 202 and Section 811 loans, or to the California Tax Credit Allocation Committee (CTCAC) for low-income housing tax credits.

The City has approved a contract with the Regional Housing Authority of Sutter and Nevada Counties to assist the city in managing Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) grants. The city routinely tracks grant funding opportunities and prepares applications, as appropriate, for housing-related, as well as other community objectives. The City of Gridley has access to several Federal, State and local resources to achieve its housing and community development goals. Specific sources will be utilized based on the eligibility and requirements of each project or program, described below:

**Community Development Block Grants (CDBG).** The Department of Housing and Urban Development (HUD) awards CDBG funds annually to entitlement jurisdictions and States for general activities, including housing and economic development activities. CDBG funds designated for housing primarily support rehabilitation and provide funds for the purchase, construction or improvement of single-family and multi-family housing.

**Housing Choice Voucher (Section 8).** HUD provides funds to local public housing agencies to administer the Housing Choice Voucher program. Qualified families are eligible to receive tenant-based rental subsidies. The tenant's portion of the rent is based on 30 percent of the adjusted family gross income. The Housing Authority subsidizes the difference between the tenant's portion and the contract rent. However, Fair Market Rents (FMR) restricts the actual contract rent as determined by HUD.

**Home Investment Partnership Program (HOME).** HOME funds are awarded annually as formula grants to participating jurisdictions. HUD establishes Home Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed. HOME funds can be used for the new construction and rehabilitation of affordable housing, covering both homeownership and rental properties. Funds can also be used to support homeownership programs, as “gap” loans for multi-family rental development and rehabilitation.

**Rural Development Grants.** The Rural Development Housing and Community Facilities Program of the US Department of Agriculture (USDA) offers grants and direct and guaranteed loans for farm worker, low- and very-low-income housing. Funds can be used to support a range of activities including reparation and rehabilitation of single- and multi-family housing, construction of farmworker housing, assistance for home-buyers and direct loans for the purchase and improvement of land for residential construction. Funds are awarded on a competitive basis to eligible individuals, public agencies, nonprofit and for-profit developers.

**Mortgage Revenue Bonds.** Tax-exempt mortgage revenue bonds can be issued by the City for housing developments that restrict a portion of their units for very low income and low-income households. The basic federal requirements are that 20 percent of the units must be restricted to very low-income households (50 percent of area median income), or 40 percent of the units restricted to households at 60 percent of area median income. The funds raised as a result of the bond sales carry below market interest rates, but these favorable terms are often not sufficient to produce a feasible mixed income development.

Under these conditions, developers may couple their bond applications with Low Income Housing Tax Credits to raise the equity needed for the project’s affordability and feasibility. Bond-funded developments with tax credits may have a longer affordability period (55 years) than the 30-year regulatory term on a project with bonds alone.

**Mortgage Credit Certificates (MCC).** The MCC program provides financial assistance to first time homebuyers for the purchase of new or existing single-family homes. The MCC provides qualified first-time homebuyers with a federal income tax credit. Income tax credits reduce an

individual's tax payment(s) by an amount equal to the credit. The MCC program can be used to increase homeownership.

**Multi-family Housing Program (MHP).** HCD conducts the acquisition and rehabilitation component of the MHP to assist the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower income households. Special allocations have been made for supportive housing with associated health and social services for low-income renters with disabilities, or individuals or households that are moving from emergency shelters or transitional housing, or are "at-risk" of homelessness. MHP can be used by local governments, for-profit and nonprofit corporations, limited equity housing cooperatives, and individuals to construct, rehabilitate, or preserve permanent and transitional rental housing.

**Affordable Housing Innovation Program (AHIP).** AHIP funds the creation of pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing through grants and loans.

**Building Equity and Growth in Neighborhoods (BEGIN).** BEGIN funding includes grants to local public agencies to make deferred-payment second mortgage loans to qualified buyers of new homes, including manufactured homes on permanent foundations, in projects with affordability enhanced by local regulatory incentives or barrier reductions. These grants are used to increase homeownership among low- and moderate-income residents.

**CalHOME.** CalHOME funding includes grants to local public agencies and nonprofit corporations to assist individual households through deferred-payment loans, as well as direct, forgivable loans to assist development projects involving multiple ownership units, including single-family subdivisions. These grants are used to enable low- and very low-income residents to become or remain homeowners.

**CalHOME Self-Help Housing Technical Assistance Allocation.** CalHOME Self-Help funding includes grants to local public agencies and nonprofit corporations for programs that assist low and moderate-income families to build their homes with their own labor. These grants are used to increase homeownership and asset-building among low- and moderate-income residents.

**Emergency Housing Assistance Program (EHAP).** EHAP funding includes both operating grants and deferred loans for capital development. Grants can be used for facility operations of emergency shelters, transitional housing projects, and supported services for homeless individuals and families. Loans to local public agencies and nonprofit developers may be used for capital development activities for emergency shelters, transitional housing and safe havens that provide shelter and supportive services for homeless individuals and families.

**Predevelopment Loan Program (PDLP).** PDLP funding includes short term loans to provide capital to finance the start of low-income housing projects. These loans can fund redevelopment costs of projects to construct, rehabilitate, convert or preserve assisted housing, including manufactured housing and mobile home parks.

**Workforce Housing Reward Program.** This program provides financial incentives to cities and counties that issue building permits for new housing affordable to very low- or low-income households. Grants can be used for construction or acquisition of capital assets.

### Institutional Resources

The city works with public and private sector organizations involved with the development of affordable housing. These agencies are involved in the improvement of the housing stock, expansion of affordable housing opportunities, preservation of existing affordable housing, and/or provision of housing assistance to households in need. Agencies with current or recent affordable housing projects in Gridley include the following:

**Housing Authority of the County of Butte (HACB).** The HACB, located in the City of Chico, manages housing and community development activities including low rent public housing, the HUD Housing Choice Voucher (Section 8) program, the USDA Farm Labor Program. The mission of HACB is to assist low- and moderate-income residents of Butte County to secure and maintain high quality affordable housing. Subsidized housing is provided to families, seniors and disabled individuals whose income is between 50% and 80% of median area income. Open Market housing is available to all applicants at affordable rents.

**Regional Housing Authority of Sutter and Nevada Counties.** The RHASN, located in the City of Yuba City, manages programs specifically targeted to affordable home ownership and rental programs. They liaison with ownership entities and partner to manage project sites for small communities.

**Community Housing Improvement Program (CHIP).** CHIP currently serves 11 counties in California's north central valley, including Butte County. CHIP is involved in a number of housing development and rehabilitation activities, including development of self-help, single-family and multi-family housing, provision of housing and credit counseling services, property management and residential land development.

The following Table 36 lists the various state and federal funding programs available for affordable housing projects.

**Table 36: Federal and State Financial Resources for Housing**

| Program Name   | Program Description   |
|--|---|
| <b>Federal Programs</b>  |   |
| Community Development Block Grant (CDBG)                                 | Provides grants for acquisition, rehabilitation, home buyer assistance, economic development, homeless assistance, and public services  |
| HOME   | Provides grants to jurisdictions on a competitive basis for acquisition, rehabilitation, home buyer assistance, and rental assistance   |
| Home Ownership for People Everywhere (HOPE)                              | HOPE program provides grants to low-income people to achieve homeownership. The three programs are:<br>HOPE I—Public Housing Homeownership Program<br>HOPE II—Homeownership of Multi-family Units Program<br>HOPE III—Homeownership for Single-family Homes   |
| Housing Opportunities for Persons with AIDS (HOPWA)                      | Funds are made available countywide for supportive social services, affordable housing development, and rental assistance to persons with HIV/AIDS.   |
| Low Income Housing Tax Credits (LIHTC)                                   | Provides Federal and state income tax credits to persons and corporations that invest in low-income rental housing projects.  |
| Mortgage Credit Certificate (MCC) Program                                | Provides income tax credits to first-time homebuyers to buy new or existing homes.  |
| Federal Emergency Shelter Grant Program (FESG)                           | Provides grants to jurisdictions to implement a broad range of activities that serve the homeless. Eligible activities include shelter construction, shelter operation, social services, and homeless prevention.   |
| Section 8 Housing Choice Rental Voucher Program                          | Provides financial assistance to public housing authorities to fund rental assistance payments to owners of private market rate units on behalf of very low-income tenants.   |
| Section 108 Loan Guarantee   | Provides loan guarantees to CDBG entitlement jurisdictions for capital improvement projects that benefit low- and moderate-income persons, or aid in the prevention of slums. Maximum loan amount can be up to five times the jurisdiction's recent annual allocation. Maximum loan term is 20 years. Eligible activities include acquisition, rehabilitation, home buyer assistance, economic development, homeless assistance, and public services.   |
| Section 202  | Provides an interest-free capital advance to cover the costs of construction, rehabilitation, or acquisition of very low-income senior housing. The sponsor does not have to repay the capital advance as long as the project serves the target population for 40 years. Rental assistance funds are provided for three years, and are renewable based on the availability of funds. The program is available to private, non-profit sponsors. Public sponsors are not eligible for the program.        |
| Section 811  | Provides an interest-free capital advance to cover the costs of construction, rehabilitation, or acquisition of housing for persons with disabilities. The sponsor does not have to repay the capital advance as long as the project serves the target population for 40 years. Rental assistance funds are provided for three years, and are renewable based on the availability of funds. The program is available to private, non-profit sponsors. Public sponsors are not eligible for the program. |
| Shelter Plus Care Program (S+C)  | Provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.   |
| Supportive Housing Program   | Provides funding for transitional housing and supportive services for homeless persons.   |
| U.S. Department of Agriculture (USDA) Housing Programs (Section 514/516) | Provides grants for construction, rehabilitation, or acquisition of capital assets in designated Catalyst Communities.  |

| State Programs   |  |
|--|--|
| Affordable Housing Innovation Program– Catalyst Community Grant Program        | Provides grants for construction, rehabilitation, or acquisition of capital assets in designated Catalyst Communities.   |
| Affordable Housing Innovation Program– Golden State Acquisition Level          | Provides quick acquisition financing for the development or preservation of affordable housing. Loans with terms up to 5 years are provided to housing sponsors and developers through a nonprofit fund manager.   |
| Affordable Housing Innovation Program – Local Housing Trust Fund               | Provides matching grants (dollar-for-dollar) to local housing trust funds that are funded on an ongoing basis from private contributions or public sources (that are not otherwise restricted). The grants may be used to provide loans for construction of rental housing that is deed-restricted for at least 55 years to very low-income households, and for down-payment assistance to qualified first-time homebuyers.                          |
| Building Equity and Growth in Neighborhoods (BEGIN)                            | A homeownership program that provides grants to local governments that reduce regulatory constraints to housing. The grants are used for down-payment assistance, in the form of a low-interest loan, to low- and moderate-income first-time homebuyers.   |
| CalHOME  | Provides grants to local governments and non-profit agencies for local home buyer assistance and owner-occupied rehabilitation programs and new development projects. Funds can be used to finance the acquisition, rehabilitation, and replacement of manufactured homes.   |
| California Self-Help Housing Program (CSHHP)                                   | Provides grants for sponsor organizations that provide technical assistance for low- and moderate- income families to build their homes with their own labor.  |
| Disaster Recovery Initiative (DRI) / Disaster Recovery Enhancement Fund (DREF) | Provides grants for the construction, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, homeless shelters and transitional housing; public services; public facilities and infrastructure projects for the primary benefit of low- and moderate-income persons; where applicable, the development or retention of jobs for lower-income workers; and forward-thinking hazard mitigation planning activities. |
| Emergency Housing and Assistance Program Capital Development (EHAPCD)          | Provides grants and loans to support emergency housing. Two types of assistance are available: 1) deferred payment loans for capital development activities; and 2) grants for facility operating costs.   |
| Emergency Solutions Grants Program   | Provides grants to fund projects that serve homeless individuals and families with supportive services, emergency shelter, and transitional housing; assist persons at risk of becoming homeless with homelessness prevention assistance; and provide permanent housing to the homeless.   |
| Governor’s Homeless Initiative (GHI)   | Provides deferred payment permanent loans through HCD’s Multi-family Housing Program (MHP-SH); construction, bridge and permanent loans from the California Housing Finance Agency (CalHFA); and grants for rental assistance from the Department of Mental Health (DMH) to fund new construction, rehabilitation, acquisition, and rehabilitation of permanent rental housing, and conversion of nonresidential structures to rental housing.       |
| HOME Investment Partnerships Program (HOME)                                    | Provides grants to municipalities that do not receive HOME funds from HUD for the rehabilitation, new construction, and acquisition and rehabilitation of single family and multi-family housing projects; first- time homebuyer mortgage assistance; owner-occupied rehabilitation; and tenant-based rental assistance programs.  |
| Housing-Related Parks Program  | Provides grants for the creation of new parks or the rehabilitation and improvement of existing parks and recreational facilities.   |
| Infill Infrastructure Grant Program (IIG)                                      | Provides grants to assist in the new construction and rehabilitation of infrastructure that supports higher- density affordable and mixed-income housing in locations designated as infill.  |
| Joe Serna, Jr. Farmworker Housing Grant Program                                | Provides matching grants and loans for the acquisition, development, and financing of ownership and rental housing for farmworkers.  |
| Mobile Home Park Resident Ownership  | Provides loans to mobile home park resident organizations, non-profit entities, and local  |



|  |  |
|--|--|
| Program (MPROP)  | public agencies to finance the preservation of affordable mobile home parks by conversion to ownership control.  |
| Multi-family Housing Program (MHP)                     | Deferred payment loans for the new construction, rehabilitation, and preservation of rental housing, supportive housing, and housing for homeless youth.   |
| Office of Migrant Services (OMS)                       | Provides grants to local government agencies that contract with HCD to operate OMS centers located throughout the state for the construction, rehabilitation, maintenance, and operation of seasonal rental housing for migrant farmworkers.   |
| Predevelopment Loan Program (PDLP)                     | Provides short-term predevelopment loans to finance the start of low-income housing projects.  |
| State Community Development Block Grant Program (CDBG) | Provides grants to fund housing activities, public works, community facilities, public service projects, planning and evaluation studies, and economic assistance to local businesses and low-income microenterprise owners serving lower-income people in small, typically rural communities.                     |
| TOD Housing Program                                    | Provides grants and/or loans for the development and construction of mixed-use and rental housing development projects, homeownership mortgage assistance, and infrastructure necessary for the development of housing near transit stations.<br>(Note: applies to specific transit stations in particular cities) |
| <b>Private Resources</b>                               |  |
| California Community Reinvestment Corporation (CCRC)   | Non-profit mortgage banking consortium that provides long-term debt financing for multi-family affordable rental housing. CCRC specializes in programs for families, seniors, citizens with special needs, and mixed-use developments. Both non-profit and for-profit developers are eligible.                     |
| Federal Home Loan Bank Affordable Housing Program      | Provides direct subsidies to non-profit and for-profit developers, and public agencies for the construction of affordable low-income ownership and rental projects.  |
| Federal National Mortgage Association (Fannie Mae)     | A shareholder-owned company with a federal charter that operates in the secondary mortgage market. Fannie Mae provides a variety of mortgages for single- and multi-family housing, and has programs specifically designed for affordable housing.   |
| Freddie Mac Home Works                                 | A government sponsored enterprise that provides first and second mortgages   |
| Savings Association Mortgage Company (SAMCO)           | Statewide loan pool that provides thirty-year permanent loans for the construction and redevelopment of affordable housing projects, serving persons earning up to 120% of the median income.  |

## Chapter 6: CONSTRAINTS TO HOUSING AVAILABILITY AND AFFORDABILITY

Governmental and market constraints sometimes limit the opportunity to develop property for affordable housing. Governmental constraints that the city can control include land use controls, development standards, processing fees, development impact fees, code enforcement, site improvement costs, development permit and approval processing.

Market constraints that the city cannot control consist of land cost and availability, environmental constraints, vacancy rates, construction costs, financing mechanisms, and probable buyer/tenants. These constraints may result in housing that is targeted towards moderate and above moderate households otherwise not affordable to lower income households.

The analysis does not focus on federal, state, or other governmental policies or regulations that the city cannot affect or modify. Many such policies and regulations could affect the city's ability to meet future housing needs and secure adequate funding to construct very low-income and low-income housing. Among these are:

- land use and environmental policies and regulations that could limit the city's ability to designate land within the city's planning area for future residential development (e.g., agricultural open space and natural habitat preservation, protection of endangered species, flood control);
- fiscal and financial constraints related to federal, state, or regional funding for housing, transportation, infrastructure, and services needed to support new residential development;
- Federal and state requirements that add to the cost of constructing affordable housing, when public funds are used (such as "prevailing wage" requirements); and,
- Construction codes and regulations that Gridley must follow for new residential construction that could restrict the use of cost-saving techniques or materials.

While these other governmental requirements meet legitimate public purposes, Gridley recognizes that they can potentially constrain the availability and affordability of housing to meet the community's future needs. Both governmental constraints and nongovernmental constraints are described below.

## Government Constraints

### Land Use Zoning Districts

The City of Gridley Municipal Code, Title 17, Zoning, establishes the type, location, and density of residential development in Gridley. Zoning includes a wide assortment of zones permitting residential development, including agricultural residential, residential suburban, single-family residential, duplex residential, multiple-family residential, mixed use combining zone, and planned development combining, and light and general commercial districts. Any industrial zone site would need to be rezoned to construct housing.

**The Agricultural Residential District (AR-5)** establishes and preserves agricultural-residential districts at a population density appropriate for rural residential uses, controls non-agricultural encroachment onto prime agricultural areas, and maintains the public health and safety in areas where water and sanitary facilities and other public services are not readily available. This district is further intended to perform the function of a buffer area between large parcel agricultural uses and more intensive urban uses, and to preserve land in open space uses of sufficient size for feasible development until such future time as urban development becomes appropriate.

**The Residential Suburban District (R-S)** establishes and preserves single-family residential neighborhoods characterized by low densities of three dwelling units or less per gross acre and larger residential lots fronting on a public street.

**The Single-Family Residential District (R-1)** establishes and preserves smaller lot single-family residential neighborhoods at a varied urban density of four dwelling units or more and ensures that other uses are both compatible and convenient to the residents of such districts, with lots fronting a public street. The R-1 district has four different lot sizes that are legal and can be used to provide a variety of lot sizes to meet a variety of home buyer.

**The Duplex Residential District (R-2)** establishes and preserves residential neighborhoods at a moderate population density of eight dwelling units or less per gross acre and ensures that other uses are both compatible and to the residents of such districts, with lots fronting a public street.

**The Multiple-Family Residential District (R-3)** establishes and preserves residential neighborhoods of higher densities of fifteen dwelling units or less per gross acre and serves as a buffer area between commercial or industrial districts and lower density residential districts, with lots fronting a public street

**The High-Density Residential District (R-4)** establishes and preserves residential neighborhoods of higher densities of thirty dwelling units or less per gross acre and serves as a buffer area between commercial or industrial districts and lower density residential districts, with lots fronting a public street.

**The Mixed-Use Combining District (MUCZ)** can be applied to an area of at least 5 acres in combination with another district which permits development of residential dwellings as a primary use, in order to:

- ✓ encourage retention of mixed residential dwelling types in existing neighborhoods;
- ✓ require a mix of residential dwelling types in new developments;
- ✓ discourage segregation of residential uses into large tracts of single types;
- ✓ permit introduction of limited professional and neighborhood commercial uses into residential neighborhoods;
- ✓ provide for small-scale development of specified mixed uses without approval of a use permit; and,
- ✓ provide a density bonus which encourages development of properties with significant infrastructure constraints at a cost of land per dwelling unit which is comparable to that of properties which are less constrained.

**The Restricted Commercial (C-1)** is a limited use zone in the Downtown Area and on State Route 99. The Downtown area also has an overlay zoning designation of Downtown Mixed Use that allows residential and commercial on the same site.

**The Public and Quasi-Public (PQP)** zone applies to sites in public ownership and use, and to sites occupied by private or nonprofit uses of a community service nature. Emergency and transitional housing is allowed in the PQP district subject to a conditional use permit. There are sites in the city that would make sense to allow special needs housing.

**The Planned Development District (PD)** permits flexibility in the use and design of land and structures where modifications of specific provisions of this title will not be contrary to the intent of the city General Plan or harmful to areas adjacent to such development. It acts as a combining zone in any zoning designation in the city. The underlying zoning district determines the dominant use of the PD district and development standards generally deviate to the standards of the underlying zoning.

### **Zoning Standards**

The city's zoning ordinance establishes residential development standards in Gridley and sets requirements for densities, setback and heights for all residential development. This section describes the city's requirements related to densities, setback, heights and other standards for residential development. Zones permitting residential development by right have specific standards that dictate density and types of housing structure permitted. In addition, areas that conditionally permit residential land uses, such as C-1 and C-2 zones have no prescribed

density requirements, but are subject to discretionary development standards based on the type of housing structure proposed. Table 37 presents existing densities for zones which permit residential development; however, proposed amendments are not noted.

**Table 37: Residential Density**

| Zoning District | Maximum Density           | Minimum Lot Area | Minimum Lot Width | Maximum Lot Coverage     | Maximum Height                   | Minimum Yard Requirements |                   |              |
|-----------------|---------------------------|------------------|-------------------|--------------------------|----------------------------------|---------------------------|-------------------|--------------|
|                 |                           |                  |                   |                          |                                  | Front Setback             | Side Setback      | Rear Setback |
| <b>AR-5</b>     | 1 unit/<br>5 acres<br>(1) | 5 acres          | None (2)          | 20%                      | 35 ft                            | 20 ft                     | 20% lot width (3) | 5 ft         |
| <b>R-S</b>      | 3 units/acre              | 6,000-10,000 sf  | 60-95 ft.         | 40%                      | 30 ft                            | 20 ft                     | 20 ft. (4)        | 10 ft        |
| <b>R-1</b>      | 4 units/acre              | 6,000-7,500 sf   | 60-85 ft.         | <8,000 sf-45%            | Main building-2 stories or 30 ft | 20 ft                     | 20% lot width (3) | 5 ft         |
| <b>R-2</b>      | 8 units/acre              | 5,000-6,000 sf   | 50-75 ft.         | <8,000 sf-40%            |                                  | 20 ft                     |                   |              |
| <b>R-3</b>      | 9-15 units/acre           | 6,000-7,500 sf   | 60-85 ft.         | 50%                      | Accessory building-15 ft         | 20 ft                     |                   |              |
| <b>R-4</b>      | 16-30 units/acre          | 6,000-7,500 sf   |                   |                          |                                  | 20 ft                     | 20% lot width     | 5 ft         |
| <b>MUCZ</b>     | None (5)                  | 5 acres          | None              | Based on underlying zone | Based on underlying zone         | None                      | None              | None         |

**C-1** Development standards are dependent on type of residential structure proposed (i.e. single-family structures would be required to follow R-1 standards, multi-family R-3 standards, etc.)

### Parking Standards

Gridley's parking requirements are shown in Table 38. Parking requirements for new construction consist of two parking spaces per unit in single-family dwellings, duplexes and triplexes, except for single-family dwellings less than 5,000 square feet built prior to July 1992.

In multi-family R-3 zoning districts, one space is required for studios and one-bedroom units and 1.5 parking spaces are required for two-bedroom units. Based on the analysis of the standards shown in the preceding tables, the city has concluded that permitted densities are adequate for the development of a diversity of housing types and income needs. As described in the chapter on Affordable Housing, several affordable housing projects have been constructed or are currently in progress in residential zones. The city's parking requirements comply with Government Code 65915(p) and are adequate for the development of housing and achievement of permitted residential densities without being excessive and unduly increasing development costs.

**Table 38: Parking Requirements**

| Land Use   | Spaces Required  |
|--|--|
| Single-Family, duplexes, triplexes                                     | 2 per unit   |
| Single-family (on lot smaller than 5,000 sf and built prior to 7/1992) | 1.5 per unit   |
| Studio or one-bedroom apartment  | 1 per unit + 10% guest space                                     |
| Multi-family (2 bedrooms or more)                                      | 1.5 per unit + 10% guest space Cottage and second dwelling units |
| Cottage and Second Units   | 1 per unit   |
| Senior citizen dwelling (1 bedroom)                                    | .08 per unit + 10% guest space                                   |
| Boardinghouses, etc.   | 1 per unit   |
| Residential care facilities  | 1 per 2 beds + 1 per non-residential employee on max shift       |
| Mobile home parks  | 2 per unit   |

### Zoning for a Variety of Housing Types

The zoning ordinance establishes the types of uses permitted, conditionally permitted, or prohibited in each residential zone. Housing types in Gridley include single-family dwellings, second dwelling units, manufactured housing, mobile homes, and multi-family dwellings. Table 39 summarizes the different types of residential uses permitted or conditionally permitted in various residential zones within the city.

The city updated land use designations in the recently adopted 2030 General Plan, which will also lead to revisions to the city's zoning standards. These revisions included increases in permitted single-family residential densities and parking reductions for smaller residences, in order to promote and facilitate a greater diversity of housing types and income needs. The city also amended the standards to allow higher densities in multi-family residential zones. Development standards that could constrain development of affordable housing are density, parking requirements, lot coverage, height limits, setbacks, open space requirements, and growth controls.

Gridley's development standards are not constrictive with the exception of the R-3/R-4 density described above. Parking and setback requirements do not constrain site development in that the minimum setbacks are either 5 feet or a combination of percentage related to lot width. The city will, during this planning cycle, re-evaluate setback standards to allow maximum flexibility related to affordable housing development.

**Table 39: Permitted Residential Land Uses by Zoning District**

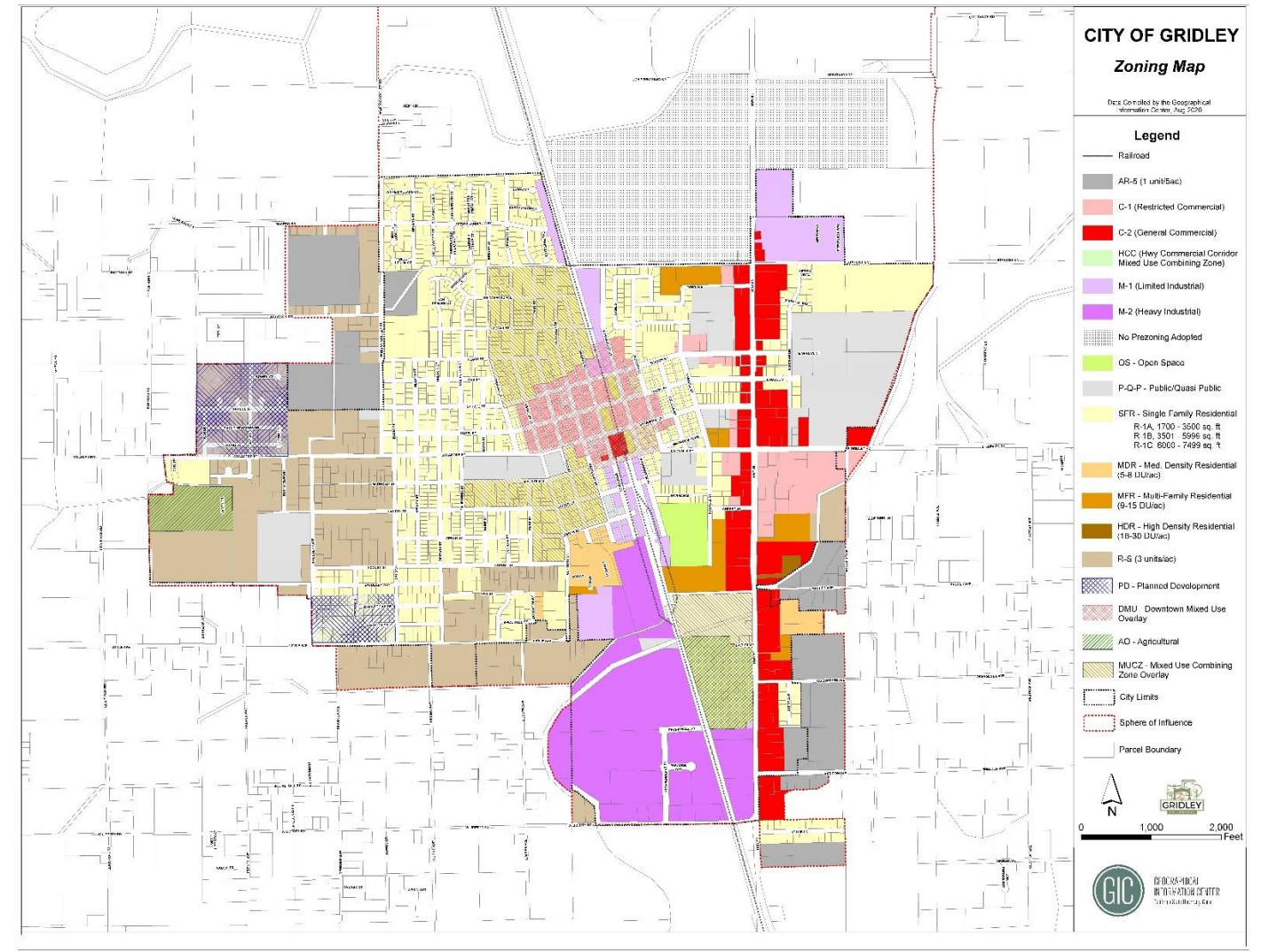
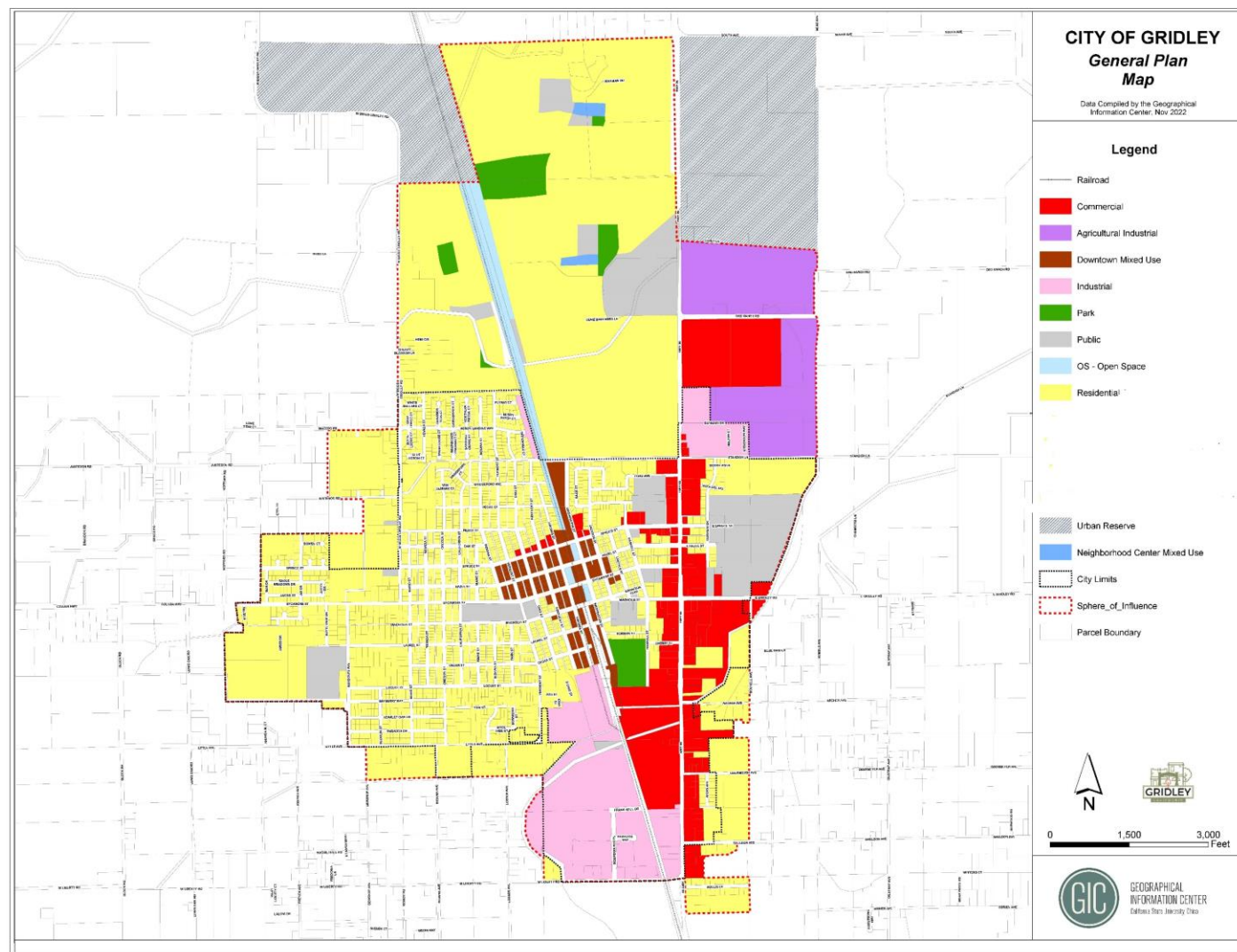
| Residential Uses                          |                            | AR-5  | RS    | R-1,  | R-2   | R-3   | C-1, C-2, M-1, M-2, MUCZ, PD, PQP                                   |
|---|----------------------------|-------|-------|-------|-------|-------|---|
| Single-family dwellings                   |                            | P     | P     | P     | P     | P     | Residential development may require a CUP, or it may not be allowed |
|   | Condominiums               |       |       |       | P (1) | P (2) |   |
|   | Apartments                 |       |       |       | P (1) | P (2) |   |
|   | Cottage Units              |       |       |       |       |       |   |
| Second Units                              |                            | P     | P     | P     | P     | P     |   |
| Manufactured homes                        |                            | P     | P     | P     | P     | P     |   |
| Mobile homes                              |                            | P (3) | P (3) | P (3) | P (3) | P     |   |
| Mobile home parks (HUD reqm'ts/review)    |                            |       | CUP   | CUP   | CUP   | CUP   |   |
| Residential care facilities (< 6 persons) |                            | P     | P     | P     | P     | P     |   |
| Residential care facilities (> 6 persons) |                            | CUP   | CUP   | CUP   | CUP   | CUP   |   |
| SRO (Single Occupancy Residential)        |                            |       |       |       |       | P     |   |
|   | Emergency Shelters (4)     |       |       |       |       |       |   |
|   | & Transitional Housing (4) |       |       |       |       |       |   |
|   |                            |       |       |       |       |       | P in M-1 zone for ≤ 6 mos.  |

Source: Title 17, Gridley Municipal Code

Note:

- (1) Not to exceed 8 units or 20 bedrooms per acre.
- (2) Not to exceed 15 units or 45 bedrooms per acre.
- (3) CUP required for mobile homes not on a foundation, or for agricultural workers employed on the premises.
- (4) Conditionally permitted in PQP districts only. The PQP zone indicates emergency housing for short term, undefined and less than 6 mos. The code will be modified for clarification and to meet SB2: Transitional and supportive housing is permitted as a residential use subject to restrictions that apply to other residential dwellings of the same type in the same zone.





The Gridley General Plan Map was amended in 2022 to provide increased flexibility for residential development. The city found that the recent legislation allowing ADU's and JADU's to be constructed along with facilitating lot splits utilizing SB9. These laws allowed increased density without its being analyzed or to have improvements required. In order to ensure that these tools would not create an inconsistency with the General Plan, the land uses for all residential designations were amended to be inclusive of all residential placing the density and land us with zoning.



### **Manufactured Homes and Mobile Home Parks**

State law requires that cities and counties allow the placement of manufactured homes meeting federal construction standards and manufactured home subdivisions in single family neighborhoods. In keeping with state law, the city's zoning ordinance allows manufactured homes on permanent foundations in the same residential zones as single-family dwellings. Manufactured homes must comply with the same development standards as single-family dwellings.

The city conditionally permits mobile home parks in the Single-Family Residential District (R-1). The conditional use permit process is described below in the Processing and Permitting Procedures section. The city's standards for manufactured homes and mobile home parks do not pose constraints to the placement or development of these housing types.

### **Accessory Dwelling Units (ADU)/Second Dwelling Units**

The zoning ordinance was amended in 2013 to permit second dwelling units by right. In 2016, the Gridley Municipal Code (GMC) was further amended to meet state legislation. Since that time, the state has continued to add legislation to support the construction of housing. The code will need to be amended to meet more recent legislation allowing both an ADU, JADU, along with a primary residential unit on each lot. The Title 17 code amendment will need to meet Assembly Bill 2299 (2016), Senate Bill 1069 (2016), Assembly Bill 494 (2017), Senate Bill 229 (2017), Assembly Bill 68 (2019), Assembly Bill 881 (2019), Assembly Bill 587 (2019), Senate Bill 13 (2019), and Assembly Bill 671 (2019). Implementation Strategy HIS 2.8 anticipates an amendment be completed in 2025. While the city works towards amending its code to meet state compliance, it relies on the state statutes when reviewing proposals for ADU's in the city.

In accordance with the state statutes, the requirements provide ADU's in a variety of residential zones and do not constrain the development of this form of housing in the City of Gridley. The city will, as a part of its Housing Plan encourage the development of ADU's and will work towards the conversion of existing non-habitable structures into habitable accessory dwelling units.

### **Cottage Units**

Cottage units are defined in the zoning as single-family dwelling not exceeding 640 sq. ft. in floor area. Cottage units are conditionally permitted in multi-family residential (R-3) zones. The conditional use permit process is described below in the Processing and Permitting Procedures section. No special permits, separation or siting requirements are imposed for cottage units.

### **Single-Room Occupancy Units**

Single-Room Occupancy Units are included within the definition of multi-family dwellings. According to the zoning ordinance, "Multiple-family dwelling" means a dwelling designed or used for residential occupancy by more than two families, with or without common or separate kitchen or dining facilities, including apartment houses, dormitories, rooming

houses, boardinghouses, row houses, townhouses and similar housing types, but not including hotels, motels, hospitals, or institutional residences. Multi-family structures, which are allowed in many zones, then, would include single- room occupancy units. The existing zoning ordinance also defines “efficiency unit,” which is effectively the same as a single-room occupancy unit.

### **Emergency Shelters, Transitional Housing, and Supportive Housing**

The zoning ordinance was amended during the 5<sup>th</sup> cycle Housing Element to allow transitional housing and emergency shelters on a short-term basis for individuals and families in PQP/Public and Quasi-Public districts. State law (Government Code 65583 (4) (A) requires that emergency shelters be permitted by right in one or more zones without a conditional use permit or other discretionary action, with certain exceptions, including flexibility for jurisdictions to provide emergency shelters in coordination with other agencies. Legislation requires that at least one site provide year-round housing in these zones or other to ensure availability. Emergency shelters, transitional housing and supportive housing are conditionally permitted in PQP districts only for a period of 6 months or less. The PQP zone also indicates emergency housing for short term for an undefined length of time is permitted. State law requires certain findings for denial of emergency shelters and supportive and transitional housing. The zoning ordinance will be updated to comply with the provisions of State law. The code was modified for clarification and to meet SB2 as well as the three types of housing; emergency, transitional, and supportive. The code provides zoning for transitional and supportive housing permitted as a residential use subject to restrictions that apply to other residential dwellings of the same type in the same zone. Refer to Housing Plan, section 3.

### **Housing for Persons with Disabilities**

The City of Gridley permits state-licensed residential care facilities serving six or fewer persons in all its residential zoning districts by right. “Residential care facility” is defined in the zoning ordinance as a building designed or used as a residence for individuals who require any form of institutional care or supervision where such care or supervision is maintained on the premises during a 24-hour day. These include residential care facilities for persons with disabilities/special needs.

Residential care facilities serving seven to twelve persons are conditionally permitted in AR, RS, R1, R2, and R3 districts. The conditional use permit process is described below in the Processing and Permitting Procedures section. No special permits, separation or siting requirements are imposed for special needs housing developments.

The city ensures that new housing developments comply with California building standards (Title 24 of the California Code of Regulations) including handicapped accessibility requirements. The city also incorporates equal housing opportunity and discrimination prevention practices as addressed by the Americans with Disabilities Act, the Federal Fair Housing Act and the California Fair Employment and Housing Act of 1964. When a case of discrimination is alleged, the City refers interested persons to the appropriate agencies, such

as the Community Legal Information Center, Mediation Center of the North Valley, Butte County Housing Authority, and Legal Services of Northern California. The city engages in public education efforts by supplying informational literature on fair housing in English and Spanish at public buildings and on the website.

The city currently has procedures in place to make reasonable accommodations for persons with disabilities. Through provisions set forth in the General Plan, the city annually evaluates its policies and practices to identify any constraints to housing development for persons with disabilities. The analysis includes monitoring of existing land use controls, permit and processing procedures and building codes. If any constraints are identified in these areas, the city's Planning Department initiates actions to remove the constraints or provide special accommodations. Although the City has procedures in place to ensure that reasonable accommodations can be made throughout the approval process, the zoning ordinance does not include mention of reasonable accommodations. The lack of specific provisions in the code for reasonable accommodations or exceptions to obtain permit approval could pose a constraint for persons with disabilities to receive permit approval.

The City provides incentives for rehabilitation of housing for disabled persons through the provision of small grants to retrofit or rehabilitate owner-occupied dwellings for moderate- and low-income persons with disabilities. The code was modified to revise its definition of "family" to comply with Fair Housing law (42 U.S.C. Sec. 3601, et. seq.). This is no longer a government constraint.

### **Housing for Agricultural Workers**

The zoning ordinance addresses agricultural employee housing in agricultural zoning districts as required by state law (Health and Safety Code Sec. 17021.6), which requires jurisdictions to consider agricultural employee housing as a permitted use in all agriculturally zoned districts within that jurisdiction. This was addressed in the previous plan period. In 2011 the code was amended to ensure agricultural employee housing is permitted in all agriculturally zoned districts. This is no longer a constraint. The city will continue to monitor this area of potential need in the future.

### **Analysis of Land Use Controls and Development Standards**

Based on the previous analysis of land use and development standards, the city has concluded that it generally facilitates the construction of a wide variety of housing types. Land use controls and development standards that may pose potential constraints on the provision of housing in the City of Gridley exist to some degree in that developers often believe municipalities are looking for ways to hinder development.

The city does lack of a reasonable accommodation ordinance (Universal Design) that provides clear language on permit procedures and development standards for housing that meets the needs of persons with disabilities. This lack of specific language could affect the ability of persons with disabilities to comply with city codes or obtain exceptions. Refer to the Housing Plan for

implementation strategies addressing the development of an ordinance added to Title 17.

### **Site Improvement Standards**

The Public Works Department implements on- and off-site improvement requirements. The city requires developers of new subdivisions to improve all streets, pedestrian ways or easements and public utilities in, and adjacent to the subdivision. Standards for site improvements must comply with public works construction standards. All improvements are generally completed as conditions of tentative map approval and are developer financed.

The city may also require exactions (property dedications) for new subdivisions including:

- ✓ Dedication for streets, alleys, including access rights and abutter's rights, drainage, public utility easements and other public easements.
- ✓ Bicycle paths in any subdivision containing two hundred or more lots as specified in the Subdivision Map Act.
- ✓ Parks and recreation, in accordance with the General Plan, specified by the provision of the Subdivision Map Act, except where the subdivider pays an in-lieu fee in accordance with standards approved by the City Council.
- ✓ Other public purposes as the planning commission may deem necessary, provided the amount of real property required to be dedicated bears a reasonable relationship to
- ✓ The increased need for public facilities created by the subdivision.

Compliance with certain site improvements may pose a constraint on the provision of housing, particularly housing for lower-income levels if the cost of such improvements is passed on to the residential consumer. To provide some flexibility to the developer in fulfilling site improvements requirements, the zoning ordinance permits property owners to enter into a deferred improvement agreement with the city.

Provision of financial assistance towards the cost of infrastructure improvements may also help mitigate constraints to the development of housing. The city is focusing on seeking out state grants to provide the funds to assist with infrastructure requirements. Amendment of certain public works constructions standards for residential projects might reduce financial constraints posed by the fulfillment of site improvement requirements. Flexibility in street standards may allow increased land area and density, resulting in an overall reduction in the cost per lot. These are standards the city is considering and will implement such modifications provided public health and safety are not impacted.

### **Planning and Processing Fees**

Planning and processing fees cover administrative review of proposed developments by the Planning, Engineering, Electric Department, and Public Works Department. Gridley has adopted city-wide processing fees for all developments including single-family and multi-family developments. The City has retained a consulting City Engineer who provides plan

check services for the entitlement process as well as the construction process to issue a grading permit. These costs vary and are dependent on the scope and complexity of a project.

### **Development Impact Fees**

A variety of development impact fees are assessed on new residential projects. These fees fund infrastructure, public facilities, and transportation efforts associated with the impacts that new units have on the city. Another component of project costs involves utility service connection fees (e.g. sewer and water connection fees). To ensure that impact fees reflect the actual cost of infrastructure, the City conducted a Nexus study of its impact fees in 2005 and established the fees in 2007. Table 39 provides typical fee breakdowns for the City of Gridley for single-family projects. The costs for single-family and multi-family per unit are the same excepting the Sutter Butte Basin Regional Levee Improvement Development Impact Fee. The fees have not been adjusted since adoption in 2007.

The city conducted a Nexus Study in 2011 to determine if increases in rates were valid; the study indicated that to ensure the city meets its obligations to maintain infrastructure while new growth occurs, it suggested increasing the impact fees. The City Council determined not to take action and did not increase the fees which would have increased construction costs.

### **AB 516**

On October 11, 2023, California Governor Gavin Newsom signed Assembly Bill 516 (AB 516) into law. AB 516 amends certain portions of the Mitigation Fee Act (AB 1600), commencing with Government Code Section 66000. AB 1600 governs Development Impact Fees that municipalities can collect to fund infrastructure needed to mitigate the impacts of new development. Specifically, AB 1600 requires California agencies to report annually on the Development Impact Fees collected throughout the fiscal year and their uses. Within 180 days after the last day of each fiscal year, agencies must make the following information available for each fee:

- Brief description of the type of fee in the account or fund
- Amount of the fee
- The beginning and ending balances in the account
- The fee amounts collected during the preceding year and the interest earned
- The projects the fees funded and the percentage of the total project costs funded with fees
- The expected start date for construction on incomplete fee-funded improvements for which sufficient funds have been collected
- A description of any inter-fund transfers or loans, the interest the account will receive for the loan, and the date on which the loan will be repaid
- The identification of any refunds made

In addition, every five years, agencies must:

- Identify the fee's purpose
- Demonstrate a reasonable relationship between the fee and its purpose
- Identify all sources and amounts of funding anticipated to complete financing for incomplete improvements in the fee program
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

Agencies are required to present this information at the next regularly scheduled public meeting no less than 15 days after making it available. Agencies must also publish the information listed above on their website. The city's website, along with the current fee schedule and an archive of impact fee nexus studies and cost of service studies.

#### How AB 516 modifies AB 1600

There are three important changes that AB 516 updates and expands on AB 1600, including additional reporting requirements, additional information agencies must provide to an applicant paying Development Impact Fees, and new grounds on which an applicant may request an audit on Development Impact Fee expenditures.

#### *1. Annual and Five-year Report Requirements:*

Annual and five-year reports must now include the following information:

- Identification of each public improvement identified in the previous report, and whether construction began on the approximate date noted
- For previously identified projects that did not start construction on the approximate date identified in the prior report, a reason for the delay and a revised approximate construction start date
- For any refunds made, the number of persons or entities identified to receive those refunds

#### *2. Fee Application Requirements*

Agencies must also now provide the following information to an applicant requesting Development Impact Fees:

- Their right to request an audit pursuant to Government Code section 66023
- Their right to file a written request to receive a mailed notice of the local agency's annual report review meeting
- A link to the location on the agency's website, which includes fee account or fund information for public review

#### *3. Audit Requirements*

Prior law authorized a person to request an audit to determine whether a local agency's fee or charge "exceeded the amount reasonably necessary to cover the cost of a product, public facility, or service provided by the agency." AB 516 allows a person to request an audit to determine when the revenue generated by a fee is scheduled to be expended and when the

public improvement is scheduled to be completed. (Harris & Associates, Boule, Quinn & Ludke, April 26, 2023)

The city will need to comply with the requirements of AB 516 which has not been done to date. Applicants are not aware of their ability to request the required reports that support the collection of fees. Some municipalities are removing their codes that allow impact fees to be collected (Shasta County). The city will be working on compliance with this legislation in 2025.

Fees have not increased to reflect increased costs of infrastructure. As such, development impact fees do not appear to pose constraints to the development of housing, particularly low-income housing.

**Table 40: City of Gridley Development Impact Fees plus Utility Collection and Connection Fees**

| Item  | Fee             |                      |
|---|-----------------|----------------------|
|   | Single Family   | Multi-Family Project |
| Sewer (development impact + connection + collection)  | \$14,570        | \$14,570             |
| Water (development impact + distribution, connection) | \$5,026         | \$5,026              |
| Electrical connection/capacity fees                   | \$2,700         | \$2,700              |
| Fire and Police                                       | \$1,720         | \$1,720              |
| Parks and Recreation                                  | \$3,659         | \$3,659              |
| Streets and Roads                                     | \$1,461         | \$1,461              |
| <b>Total Fees Per Unit</b>                            | <b>\$29,136</b> | <b>\$29,136</b>      |
| School Impact fees(\$5.17/sf-2023-2024) <sup>1</sup>  | Varies          | Varies               |
| Sutter Buttes Basin Levee Improvement Fee             | \$428/1,000 sf  | \$269/1,000 sf       |

<sup>1</sup> Level 1 Developer Fee Study for Gridley Unified School District, April, 2024, Jack Schreder & Associates

### Analysis of Fees and Exactions

The City of Gridley charges various planning review and processing fees, development impact fees (see above), and utility service connection fees to meet City service standards and provide necessary facilities and infrastructure due to the growth of the city. The city's required fees and exactions have been established based on processing costs, the cost of providing improvements to new developments based on the 2007 Nexus Fee Study.

The City's development fees and exactions could pose potential constraints in the following manner:

- ✓ Development impact fees and planning fees represent a significant proportion of the total development cost. These costs may pose a constraint to the development of housing, particularly for lower-income housing, as these costs are then passed on to residential consumers. However, the city's improvement requirements are not unreasonable, and the requirement that undeveloped properties pay the full cost of curb, gutter, and sidewalk improvements along the property frontage is necessary to meet minimum health and safety requirements.
- ✓ Compliance with certain site improvements may pose a constraint on the provision of housing, particularly housing for lower-income households.



### Processing, permit procedure and code enforcement

The development review and permitting process is used to receive, evaluate, and consider approval of new development applications. The development review process ensures that new residential projects reflect the goals and policies of the General Plan and meet the intent and requirements of the zoning ordinance. Code enforcement of development and building standards ensures maintenance of the City's housing stock. Descriptions of permits processing procedures and code enforcement are provided in the following subsections.

#### **Processing and Permit Procedure**

Applications for development permits are made in writing to the Planning Department. Applications vary depending on the permit being requested. In addition, some planning applications require public hearings, such as Planned Development districts. The City of Gridley meets state-required timelines for approval of development permits, as described below. There are entitlement reviews and building permit reviews. The city has contracted with the Butte County Building Department for all services related to new construction of any type, retrofits, and rehabilitation of structures.

Project application review is varied depending on the entitlement requested. Project review will evaluate consistency with the General Plan, character of adjacent land uses, adequate size and shape of lots, zoning compliance, and conformance with design standards. The basic steps for development entitlement processing are as follows:

1. Applicant submits an application and electronic files for plans related to the requested review/entitlement.
2. Copies of site plan and other relevant information are circulated to all concerned City departments (Planning, City Engineer, Public Works, Electrical, Fire, Police, Finance) for review and comments.
3. Plans are reviewed for compliance with applicable municipal codes (this takes place concurrently with City departmental review).
4. All department comments are sent to the applicant through the efforts of the Planning Department and Administrative Services.
5. After comments are received from the departments, the project is scheduled for a public hearing with the Planning Commission and may be required to be considered by the City Council.

#### Planned Development District

A Planned Development District (PD) requires review by the Planning Commission and approval by the City Council. The application process is as follows:

1. Applicant may consult with the planning director to obtain information and guidance before making commitments or incurring substantial expense in the preparation of plans, surveys and other data.
2. The applicant submits a site development plans to the Planning Department.
3. Copies of site plan and other relevant information are circulated to all concerned City departments (Planning, City Engineer, Public Works, Electrical, Fire, Police, Finance) for review and comments.
4. After application is reviewed by all relevant City staff and deemed complete, the Planning Commission reviews the proposed project, which includes a public hearing. The Planning Commission can recommend changes that time.
5. The Planning Commission approves of recommended changes if necessary and recommends the proposed project be forwarded to the City Council.
6. The City Council considered the application and draft concept plan and may approve of the PD district if the is consistent with the General Plan and the PD district is compatible and complementary to existing and potential development in the general vicinity.
7. Once the application and draft concept plan have been approved by the City Council additional materials such as: the proposed faculties for improvements and drainage, water, sewer, power, grading plans, and the grades, widths and cross-sectional design of the proposed streets must be submitted prior to the issuance of building permits.

### **Conditional Use Permit**

The conditional use permit process is described in the City's zoning ordinance under Chapter 17.08. A conditional use permit is a zoning instrument used to review the location, site development, or conduct certain land uses. These are uses that generally have a distinct impact on the area in which they are located or are capable of creating special problems for adjacent properties unless given special attention. A conditional use permit may be granted at the discretion of the planning director, planning commission, or city council and is not the automatic right of any applicant. Although technically allowed under the City's Code, the Conditional Use Permit (CUP) process has historically involved the Planning Commission.

Conditional use permits are not generally required for single-family or multi-family units. The City's conditional use permit process has not historically presented problems in terms of processing time, expense, or to the development of affordable and/or multi-family housing developers. There are no development standards that would create a constraint for higher-density housing or mixed-use projects with a higher-density component.

The City of Gridley would require a Conditional Use Permit (CUP) for residential development within a commercial zoning district in order to ensure the health, safety and welfare of the residents are not negatively impacted by commercial activity. For example, commercial businesses have the potential to negatively impact the residential use with excessive noise and traffic. Typical downtown commercial businesses include retail, bars, restaurant and offices. These uses may generate odors and operate later in the evening. The Planning Commission generally reviews these types of applications only to ensure that both land uses are compatible and that any change of use or new development would meet standard Building and Fire Code requirements. The standards for granting a Use Permit include specific findings, as described below.

#### **Findings**

Findings for approval of a Use Permit are that "the establishment, maintenance, or operation of the use or building applied for will not under the circumstances of the particular case, be detrimental to the health, safety, peace, comfort and general welfare of persons residing or working in the neighborhood of such proposed use, or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city or substantially impede enactment of the comprehensive plan."

1. The request for a Use Permit to for single- or multi-family residence will not under the circumstances of the particular case, be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use because the residential use will blend well with the existing buildings and multi-family residential buildings as well as surrounding commercial uses. In addition, the proposed use will revitalize a currently vacant downtown area.
2. The residential use will not be injurious or detrimental to property and improvement in the neighborhood or to the general welfare of the city because the proposal is consistent with the surrounding neighborhood mix of commercial and residential uses.
3. The project complies with the City's General Plan Land Use Element policies by encouraging infill and compact development and by promoting a balance of housing opportunities for all ethnic groups, age and income levels. The project will provide safe, affordable housing by encouraging new construction of a currently underutilized, vacant church building.

#### **Process**

When reviewing the CUP application, the Planning Commission would examine the site plan, building, landscaping or fencing, parking and if applicable the environmental impacts.

Most projects benefit from a preliminary review at a project management meeting. These meetings are held upon request to the Planning Department. The applicant can meet with representatives from all City Departments to obtain feedback on the proposal. At this time, staff will outline the development process. The Project Management team is composed of members from the following City Departments: Municipal Utilities, Public Works, Engineering, Fire, and Planning Departments. Sometimes the City Administrator will participate,

In order to initiate the Conditional Use Permit process, the applicant must submit all required plans and fees. The day of submission will determine the Planning Commission Agenda dates. If a complete project is submitted, the project can be placed on the next available Commission meeting (meetings are held the third Monday of every month). Staff will work with the applicant to make sure they understand submittal requirements.

The Planning Commission takes final action on a CUP project. For each item on an agenda for Planning Commission, the Planning staff will present a report. The Chairperson will ask the applicant or any interested person if they have comments on the project. After testimony is completed, the applicant will be allowed rebuttal. Since the Planning Commission is the final approval body for the application any party may appeal the project to the City Council if they complete the application requirements. The appeal period is ten (10) days from the Commission action. The City Council is the Final Acting Body there is no appeal other than filing suit in civil court. After the final approval the applicant may submit plans for plan check to the Butte County Building Department for a building permit.

### **Environmental Review Process**

Various development review and approval activities, such as General Plan amendments, rezones, and specific plans, maybe subject to the California Environmental Quality Act and require the preparation of an environmental document (i.e. environmental impact report, negative declaration) before a project can be approved. The requirement to prepare an environmental document can substantially lengthen the development review process

### **Building Code Enforcement**

The City of Gridley contracts with Butte County to administrate and issue building permits. The County works with the city to ensure other requirements are met related to Planning, site work, and electrical as well as public works prior to issuing a permit. The city Police Department has the responsibility to field review cases where codes are considered violated and will coordinate with the County if it entails a building code issue. Zoning code enforcement is coordinated between the Gridley Police Department, City Administration and the Planning Department. Code enforcement is conducted on a complaint basis.

### **Processing, Permit Procedure, and Code Enforcement**

The costs associated with development project review will vary between projects. Gridley utilizes an efficient and comprehensive approach towards development review and permitting

that allows for quick response to developer applications. The city utilizes many practices to expedite application processing, reduce costs, and clarify the process to developers and homeowners. Increased development costs resulting from delays related to incomplete applications for review for the city's development review are delays outside of the city's responsibility.

Code enforcement of development and building standards and amendments to these standards do not constrain the production or improvement of housing in the city. The presence of an active code enforcement effort serves to maintain the condition of the city's housing stock.

### **Market Constraints**

Market constraints are those factors outside of local government that limit the availability of housing and/or the feasibility of building affordable housing. The assessment of these constraints provides a basis for possible actions by the city to offset potential effects on housing supply and cost. However, the city has little or no control over many of the governmental factors that influence the cost and availability of housing.

### **Land Costs**

The availability and cost of land can impact the cost of housing and the feasibility of developing affordable housing for low- and moderate-income households. Therefore, developers sometimes seek to obtain city approvals for the largest number of lots allowable on a parcel of land. This allows the developer to distribute the costs for infrastructure improvements (i.e., streets, sewer lines, water lines, etc.) over the maximum number of homes. In 2014, raw land for residential development was approximately assessed at \$30,000-\$50,000 per acre. These costs had increased 40-60% in 2022 creating a greater impact to development.

### **Construction Costs**

Information from the city and a nonprofit developer provide an estimate of construction costs for single-family housing. The city estimates construction costs of a typical wood framed single-family home \$84 per square foot plus land costs. The costs dramatically increased to 40-60% during the 2020-2022. Disruptions of material suppliers and labor increased during those years of the COVID-19 pandemic resulting in greater inflations to cost. Counties sustaining impacts from wildfires were also increased oftentimes up to \$250-\$500 per square foot plus land costs due to contractor labor shortages. The cost fluctuates depending upon the interior finishes and other construction materials. Increases of labor and material costs directly impact development.

### **Soft Costs**

Soft costs are costs unrelated to the construction of housing, and may include engineering and architectural fees, insurance, financing, and administrative costs. Once a vacant parcel is purchased, the contractor must complete site improvements to prepare for building on the property. If labor or material costs increased substantially, the cost of construction in Gridley

could rise to a level that impacts the price of new construction and rehabilitation. However, because construction costs are consistent throughout the region, the City of Gridley can do little to reduce this constraint.

### **Analysis of Land Costs and Construction Costs**

In 2014, total development costs for a new single-family home are estimated in the range of \$130,000 to \$170,364 for typical homes ranging in size from about 1,000 square feet to 1,500 square feet. Assuming costs of between \$55,000 and \$135,000 for a ready to build single-family lot, the total cost for a single-family home may range from a low of \$185,000 to an estimated high of \$305,364, if individual lots were purchased for home construction. In 2022, the increased construction and land costs noted above have increased housing costs in Gridley from a low cost of \$285,000 to \$550,000.

In 2014, the estimated development costs of a multi-family unit of 600 square feet, including land purchase and soft costs, is approximately \$102,700 per unit. While development costs indicate that at least some of the new housing stock may be affordable to moderate- and lower-income households, some larger homes and apartments may be unaffordable for some lower-income households, particularly for larger households. The same increases noted above are impacting multi-family residential development to costs of \$165,000 per unit in a rural area. Federal and state programs have been expanded in an effort to increase the available affordable housing.

### **Availability of Financing**

The difficulty of credit availability constrains financing for home building, purchase or rehabilitation in the region, state and nation as a whole. Typically, fluctuating interest rates can eliminate many potential homebuyers from the housing market or render a housing project infeasible that could have successfully developed or marketed at lower interest rates.

The increased use of alternative mortgage products over the past two decades has allowed buyers to pay lower initial interest rates and monthly payments and receive larger home loans than they might otherwise qualify for based on their income. Even during periods of high interest rates, these alternative products allow more buyers to qualify for homeownership, thus minimizing the swings in home sales that accompany changes in interest rates. However, long term costs are less predictable with these loan types. If a buyer has an adjustable-rate mortgage, for example, the “resetting” of the interest rate to a higher rate can lead to significant increases in monthly payments, even though the amount of principal owed remains the same. The unpredictability of an interest rate rise on an adjustable-rate mortgage can be especially troublesome to a homeowner who barely qualified for a home loan at the initial low interest rate. The availability of these loans has declined in response to the subprime mortgage crisis (2006-2008), reducing the number of homebuyers with sufficient income or wealth to qualify for mortgage financing.

Most governmental programs that seek to increase homeownership among low- and moderate-income households rely on loan products that provide fixed interest rates below prevailing market rates, either for the principal loan or for a second loan that provides part

of the down payment for home purchase. As such, the lack of available credit may create further challenges to homeownership opportunities despite government programs to assist low- and moderate-income homebuyers.

### **Equal Opportunity in Financing**

Discrimination in the loan review process present further barriers to credit access for traditionally underserved communities. According to public data available through the Home Mortgage Disclosure Act (HMDA), lenders more frequently deny loan requests to minority applicants than White applicants as whole within the County. This continues to be a constraint, but out of the city's control as a government constraint.

### **Analysis of the Availability of Financing**

Based on the information presented above, access to credit represents a constraint on the availability and affordability of housing. Continued volatility in the subprime loan market and increased foreclosures may result in continued tightening of the credit market in the future. Lack of access to equal credit due to potential racial and ethnic discrimination by financial institutions may create additional barriers for residential consumers, particularly for borrowers with lower incomes and credit ratings. Tighter credit markets may also affect the ability of developers to finance construction of new housing. These constraints limiting access to housing are out of the control or aid of the city.

## Chapter 7: PROGRAM EVALUATION

An evaluation of the city's accomplishments under the existing Housing Element is necessary to ensure progress towards its stated goals. In accordance with Government Code Section 65588, the City of Gridley is required to review its Housing Element to evaluate the following:

- ✓ The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.
- ✓ The effectiveness of the housing element in attainment of the community's housing goals and objectives.
- ✓ The progress of the city, county, or city and county in implementation of the Housing Element.

Gridley's Housing Element 2014-2022 included housing goals that concentrated on five broad aspects of the housing market and formed the basis for housing policy and programs for five years. These goals include the following:

- ✓ Housing Quality: Promote the development of new housing which meets safety standards, offers a variety of housing types in a variety of locations, and enhances existing neighborhoods, services and the environment.
- ✓ Housing Quantity: Encourage the preservation of existing housing and the construction of new housing at a cost and in quantities to meet the needs of all income groups, including very-low, low-, and moderate-income groups.
- ✓ Affordable Housing: Promote affordability of housing of all types to meet the present and projected needs of households of all income levels.
- ✓ Equal Housing Opportunity: Assure that discrimination is not a factor in the ability of households to obtain housing.
- ✓ Natural Resources: Promote the conservation of natural resources and energy in housing production.

Demonstrating its ongoing commitment to affordable housing, the city has approved several projects with affordable housing components during the previous planning period. The city approved a 37-unit senior affordable rental unit project and three, family affordable multi-family developments. The city supports investment in the existing housing stock through the Gridley Program Income Housing Rehabilitation Loan Program. The city provided funding to homeowners to renovate and upgrade their homes. The State of California abolished Redevelopment Agencies in 2011, eliminating the funding source for the rehabilitation program, however, Gridley has insured a continued commitment for affordable housing.



The city has partnered with local housing authorities to serve lower-income and special needs households. The city works with Regional Housing Authority of Sutter and Nevada Counties to provide information to income-qualified families to renovate their homes. The City Administrator continues in open dialogue with the Authority throughout the year to support programs for affordable housing. The city also took action to reduce permit processing constraints on developers to encourage the production of housing.

The city has a Planned Development Overlay that has been applied to new subdivisions. The overlay zone allows project architectural review to be conducted within the subdivision, streamlining the changes of materials related to the aesthetics of a development thus reducing city review requirements linking architecture to the entitlement action.

Gridley supports the special needs “at-risk” populations by processing code amendments to address State law requirements for emergency shelters and transitional and supportive housing. The revised Zoning Code permits emergency shelters “by right” in the Light Manufacturing (LM) and Public/Quasi Public (PQ) zones, and includes definitions for transitional and supportive housing that allow these uses the same level of review given to other residential housing types. The city will revisit this code amendment to increase the time period from 6 months to one year per the State requirements.

### Other Accomplishments

The City of Gridley has achieved or made notable progress during the extended economic downturn in implementing its housing goals under the 2014-2022 Housing Element planning period:

- ✓ During the **2014-2022 Housing Element Planning Period** the following new residences were constructed:

| <u>Units</u>                         | <u>Affordability</u> |
|--------------------------------------|----------------------|
| • 157 multi-family residential units | 30-55% AMI           |

**Total = 157 units**

- ✓ The city began the review process for a comprehensive amendment to Title 17 of the Gridley Municipal Code to bring zoning into compliance with the General Plan 2030;
- ✓ The city amended the zoning code for the R-1 Single Family Residential District to have four lot sizes from 1,200 sf – 7,000 legalizing small lots and supporting small lot development.

### Housing Production Unmet Need (2022-2030)

The regional target set by BCAG through its Regional Housing Needs Allocation (RHNA) for the 2014-2022 planning period plus the 4<sup>th</sup> cycle unmet need was 1,068 units. The city was able to show available land inventory for 778 housing units. The remaining 290 units anticipated a rezone of land to accommodate the unmet need from commercial and industrial sites.

Gridley had a RHNA goal of 1,068 housing units consisting of units not met from the 4<sup>th</sup> cycle RHNA allocation. While the Housing Element demonstrated it had sufficient sites to accommodate 783 units, it contained a rezone program to accommodate the 288 units remaining need for lower and moderate-income households. The city experienced a significant increase in applications and the completion of previously approved subdivisions. This resulted in a reduction of the unaccommodated need in the 5<sup>th</sup> cycle Housing Element where there remained only 231 Very Low-Income units and 99 Moderate Income units from the total calculated of 1,068 units.

The 5<sup>th</sup> cycle was successful in that 69% of the allocation was provided for by construction and land area zoned for residential development. The unmet need plus the 6<sup>th</sup> cycle allocation is described above in Chapter 5, Housing Resources.

**CITY OF GRIDLEY, CALIFORNIA**  
**Table 49 - Housing Plan**  
**Progress Toward Meeting 2014-2022 Housing Element Goals and Objectives**  
(Govt. Code Section 65588)

| Policy/Program Description  | Housing Implementation Strategy (HIS)  | Objective Quantified /Qualified | Evaluation/Status of Implementation   |
|---|--|---------------------------------|---|
| HP 1.1: The City will maintain and enforce development standards and building standards that provide housing and safe neighborhoods for housing at all income levels. | Analyze other cities programs and what programs are in place for absentee owners. Provide information on the City website related to what a code violation is, what the community can do about nuisances, and what the abatement process is. Update and develop a database of code violations. | 2015-2016                       | This is an on-going effort continued throughout the year. The City has established access on its website for information related to code enforcement and the process. Code enforcement is a collaboration between the city administration and police department; a database of complaint, compliance, and past violations has been created and updated annually.  |
| HP 1.2: The City will encourage the development and redevelopment of neighborhoods that include a variety of housing types and sizes.                                 | Develop community outreach to encourage better exterior energy and aesthetic maintenance and loan programs for roofing, painting, and window replacement. Outreach related to water conservation, better yard plantings, and improved curb appeal.   | 2015-2016                       | Although the program was identified to be completed in 2015 - 2016, the City has a continuous program to use CDBG Program Income Funds to support rehabilitation of existing homes.   |
| HP 1.3: The City will encourage the maintenance of existing housing to prevent deterioration and promote dwelling lifespan.   | Provide financial assistance to 30 owner and renter lower income households, publicize the Housing Rehabilitation Program and publish an article to inform the public.   | Annually                        | The City has continued interest to coordinate with the Housing Authority related to the first time homebuyers program and loans for repair and rehabilitation of property through its CDBG Program Income funds. The State put both programs in abeyance and it is not known when it will begin again. The city is creating a list of residents interested in the programs so when funds do become available, they can be readily expended. |

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| Policy/Program Description  | Housing Implementation Strategy (HIS)   | Objective Quantified /Qualified | Evaluation/Status of Implementation   |
|---|---|---------------------------------|---|
| HP 2.1: The city will encourage infill development through reduced or delayed payment of impact fees, priority in entitlement review, or other methods. | Provide data on the website depicting vacant sites that could be built upon. Provide data on the website related to building permits issued. Contact builders and agencies for site availability.   | Annually                        | The city adopted a temporary reduction of development impact fees for residential infill and new housing construction. The two programs sunset and no reduction of development impact fees are in effect. There are reduced impact fees for second units. |
| HP 2.2: The city will encourage the construction of second units within existing a proposed residential lots.   | City staff will meet with developers informally or via telephone conferencing related to incentives for infill development and new housing opportunities. Staff will review programs developed in other cities of similar size that could be informative and provide innovative ideas that would stimulate development. | Biannually/Odd Years            | City staff continues to support the construction of infill sites and second units. Programs offered by other cities is always being reviewed for ideas to use in the Gridley community.   |

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| <b>Policy/Program Description</b>   | <b>Housing Implementation Strategy (HIS)</b>   | <b>Objective Quantified /Qualified</b> | <b>Evaluation/Status of Implementation</b>   |
|---|--|--|--|
| <b>HP 2.3:</b> The city will encourage compact development, the use of drainage swales for stormwater conveyance, multi-use public facilities, and lands, and other planning and design strategies to reduce the cost of infrastructure to serve new housing. | Encourage production of at least 10 second units in this housing element planning horizon. Encourage second units and revisit the Nexus Fee Study and Impact Fee update. | 2015-2016                              | The city continues to actively work with developers and homeowners in the support of the construction of second units/adu's.                     |
| <b>HP 2.4:</b> The city will encourage infill development in meeting the housing needs required by expanding populations.   | Facilitate production of three large rental units per year and continue outreach related to funding opportunities for residents and developers.                          | 2016-2017                              | This program element was completed during the timeframe; however, the city continues to work towards finding opportunities to support this goal. |
| <b>HP 2.5:</b> The infill and new growth housing incentives should be designed to achieve not only the city housing goals, but also economic, social, and environmental goals through programs identified in the General Plan.                                | Meet with developers to encourage the development of infill sites, mixed use developments, and housing renovation opportunities.   | Annually                               | This is an on-going effort that continues to be a top priority.  |

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| <b>Policy/Program Description</b>  | <b>Housing Implementation Strategy (HIS)</b>  | <b>Objective Quantified /Qualified</b> | <b>Evaluation/Status of Implementation</b>   |
|--|---|--|--|
| <b>HP 2.6: The city will maintain adequate sites with appropriate zoning and development standards, access to public infrastructure and facilities needed to facilitate a variety of types of housing for the needs of all income levels and special needs groups, including rental housing, factory built, or manufactured.</b> | The city will ensure the sites identified for development to meet RHNA allocation are available. A mixture of income housing type within development will be supported. | Annually                               | This is an on-going effort that continues to be a top priority. In 2022, the city supported the annexation of lands to meet RHNA requirements. This is ongoing through 2023. |
| <b>HP 3.1: The City shall maintain a zoning ordinance, Municipal Code and development review process that is free of constraints for the development of housing to achieve the City's regional share of estimated future housing needs for all housing types and incomes.</b>  | Ensure the Zoning Ordinance implements the General Plan.  | Annually                               | The city continues to evaluate the Zoning Code to meet the General Plan and housing goals.   |

**CITY OF GRIDLEY, CALIFORNIA**  
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| <b>Policy/Program Description</b>  | <b>Housing Implementation Strategy (HIS)</b>   | <b>Objective Quantified /Qualified</b> | <b>Evaluation/Status of Implementation</b>  |
|--|--|--|---|
| HP 3.2: The city will review the Housing Element on an annual basis to determine the effectiveness in achieving its goals and objectives.  | Ensure the Housing Element is achieving its goals and objectives.                      | Annually                               | The City continues to evaluate the progress of the Housing Element to implement its goals and policies.                                   |
| HP 3.3: The city will amend the Zoning Ordinance to allow emergency shelters in the PQP and M-1 zoned for year-round use without the need for a conditional use permit or other discretionary action.  | Ensure the Zoning Ordinance amendment meets the requirements of the State legislation. | 2015-2016                              | The City amended the Zoning Ordinance to allow emergency housing year-round in accordance with state legislation.                         |
| HP 3.4: The city will amend the Zoning Ordinance to define and allow transitional and supportive housing in all residential zones, subject to the same development standards as would apply to a residential structure of the same housing type. | Facilitate the development of transitional and supportive housing.                     | 2015-2016                              | The city amended the Zoning Ordinance to define locations where transitional and supportive housing can be located; the code was amended. |



**CITY OF GRIDLEY, CALIFORNIA**  
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(Govt. Code Section 65588)

| <b>Policy/Program Description</b>  | <b>Housing Implementation Strategy (HIS)</b>                         | <b>Objective Quantified /Qualified</b> | <b>Evaluation/Status of Implementation</b> |
|--|--|--|--|
| HP 4.1: The city will promote the preservation of subsidized affordable housing developments.  | Preservation of affordable housing units.                            | Annually                               | This is an on-going effort.                |
| HP 4.2: The city will require replacement housing per state law within the housing rehabilitation projects for subsidized housing.   | Facilitate five new self-help housing units within the city by 2014. | Annually                               | This is an on-going effort.                |
| HP 4.3: Support housing needs of special groups such as senior, disabled persons, farmworkers, those in need of temporary shelter, single parent families, and large families.                 | Support first time homebuyers.                                       | Annually                               | This is an on-going effort.                |
| HP 4.4: Assist in the development of housing affordable to extremely low, very low-, and low-income households through financial and or technical assistance to affordable housing developers. | Research funding mechanisms to increase affordable housing projects. | 2016                                   | This is an on-going effort.                |

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| Policy/Program Description  | Housing Implementation Strategy (HIS)   | Objective Quantified /Qualified  | Evaluation/Status of Implementation  |
|---|---|----------------------------------|--|
| HP 4.5: The city should proactively identify and apply for funding to expand affordable local housing opportunities.  | Pursue at least one funding opportunity for affordable housing construction every other year. | Meet annually or as appropriate. | This is an on-going effort.  |
| HP 5.1: Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color.  | Assist in the referral of fair housing matters.   | Ongoing                          | This is an on-going effort.  |
| HP 5.2: The city will encourage universal design in new housing construction, as well as integration of accessibility features in existing housing structures. The city will promote awareness of accessibility requirements and opportunities for builders, developers, and residents. | Research a universal design ordinance for adoption by the City Council.                       | 2015                             | Planning researched the adoption of an ordinance; however, the model ordinances provide only recommendations for developers. The City works with developers to support universal design. 2023-The City Council has determined there is no interest to pursue an ordinance to enforce Universal Design. |

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| Policy/Program Description   | Housing Implementation Strategy (HIS)   | Objective Quantified /Qualified | Evaluation/Status of Implementation  |
|--|---|---------------------------------|--|
| HP 6.1: In order to reduce long term household utility costs, the City will promote new housing construction and retrofits designed to consume less energy and produce and use renewable energy as well as consume less water. | Ensure new development is designed to reduce ongoing building energy costs to future residents. | Annually                        | This is an on-going effort.  |
| HP 6.2: In order to reduce household transportation costs, the city will promote housing development in mixed use settings, near commercial and public services and in areas served by public transit.                         | Ensure compliance with programs.  | Annually                        | This is an on-going effort.  |
| HP 6.3: Consider fee increases/decreases to stimulate development  | Re-evaluate the existing Nexus Study for adoption if appropriate.                               | Annually                        | This is an on-going effort and discussion internally. The previous Nexus Study and Impact Fee analysis is no longer viable as its date is 2011. The city will move forward to retain a consulting firm to develop and update the study. 2023-The city has not determined a time to initiate an RFP for a Nexus Fee Study at this time. |

## Chapter 8: HOUSING PLAN

This chapter presents the City of Gridley's Housing Plan, outlining its goals, policies, and implementation strategies to achieve local, state, and regional objectives for housing.

Based on its past accomplishments, some of the previous programs were appropriate to support progress toward the State housing goal. Those that were not have been modified or combined with other programs to better meet the 2022-2030 Housing Element Goals and Policies.

The purpose and intent of Gridley's housing plan is to:

- ✓ Promote the preservation, improvement, and development of housing appropriate to meet the needs of the full range of household types and incomes.
- ✓ Encourage neighborhood stability and reinvestment in order to accommodate a variety of housing types and densities, as compatible with non-residential uses throughout the city.
- ✓ Ensure that new growth areas will accommodate a variety of housing that is planned and developed in coordination with nearby commercial and public services in the Planned Growth Area.
- ✓ Accommodate housing in both existing and new neighborhoods to serve for all socio-economic groups, a balance between homeownership and rental, multi-modal travel options, access to jobs, schools, and parks, and other civic and commercial services.

The City's housing strategies are important to achieving the City's overall economic, environmental, and social objectives, as described throughout the 2030 General Plan. The City's housing goal, policies, and implementation strategies are specifically drawn to compliment goals and policies in other elements of the new General Plan.

Please refer to the Land Use, Circulation, Open Space, Community Character and Design, and Public Facilities elements of the 2030 General Plan for other housing-related goals and policies.

### Goals, Policies, and Implementation Strategies

The Housing Element includes seven goals, supported by policies and implementation strategies targeting housing needs during the planning period. The goals, policies, and strategies create a process the city can be guided by. The goals in this Element build on the previous housing elements and are:

1. Housing Quality
2. Housing Quantity
3. Remove Constraints to Housing
4. Affordable Housing
5. Equal Housing Opportunity (*Affirmatively furthering fair housing and equal housing opportunity*)
6. Natural Resources and Energy Conservation

## **HOUSING GOALS**

Housing goals are the desired outcome for the development of housing the city is committed to providing for its community. The goals establish measurable policies and implementation strategies to achieve during the 2022–2030-time frame.

## **POLICIES**

Policies outline a course of action that can be implemented. The policies are designed as a directive in designing an implementation strategy that will quantify the city goals to meet its housing requirements.

## **IMPLEMENTATION STRATEGIES**

The implementation strategies further define quantifiable actions to execute this plan. Specifically, these strategies help translate the goals and policies into practical actions the city can take to achieve its goals.

These build on the policies in the previous 2014-2022 Housing Element. They have been modified to reflect the successes Gridley has been able to accomplish. The goal and policies in this section support the development of a wide range of housing types in the city.

## **Housing Quality**

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| <b>Goal HE-1:</b> | To promote the development of a range of housing types throughout the city. |
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**Housing Policy 1.1:** The City will maintain and enforce development and building standards that provide housing and safe neighborhoods for all income levels.

**Housing Policy 1.2:** The City will encourage the development and redevelopment of neighborhoods that include a variety of housing types and sizes.

**Housing Policy 1.3:** The City will encourage the maintenance of existing housing to prevent deterioration and promote dwelling lifespan.

**Housing Policy 1.4:** The City will ensure that adequate property is zoned to provide housing for very low- and low-income affordable housing.

**Housing Implementation Strategies (HIS):** The following strategies are action items to implement the housing policies.

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| <b>HIS 1.1:</b> | <p>The city will request the County of Butte Building Department to inspect buildings for health and safety standards and building code violations on an as needed basis. Buildings found in violation will be required to be rehabilitated to current Codes and Standards.</p> <p>The City will evaluate options for addressing code violation problems and determine how to encourage landowners to rehabilitate their properties. The City Code Enforcement Officer/Gridley Police Department will provide recommendations to the City Council for consideration and determine a course of action for the City</p> |
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|                 | <p>Administrator to implement.</p> <p>Timing: Ongoing</p> <p>Responsible Agency/Department: Gridley Police Department/Code Enforcement Officer, City Administrator</p> <p>Funding Sources: City General Fund</p> <p>Objective: Proactive investigation into Code violations and resolve them in a timely manner.</p>   |
| <b>HIS 1.2:</b> | <p>The Planning Department will update the Housing Condition Survey completed in 2014 in order to determine the housing in the City in need of rehabilitation to help prioritize and apply the City's efforts and application of funding for housing rehabilitation.</p> <p>Timing: 2026</p> <p>Responsible Agency/Department: Planning Department</p> <p>Funding Sources: City General Fund</p> <p>Objective: Update City's knowledge of local housing conditions.</p>  |
| <b>HIS 1.3:</b> | <p>In coordination with the Regional Housing Authority of Sutter County, the City will continue the Gridley Housing Rehabilitation Program to provide financial assistance to owner and renter lower-income households for housing rehabilitation during this planning cycle.</p> <p>Timing: Ongoing</p> <p>Responsible Agency/Department: Planning Department</p> <p>Funding Sources: CDBG, HOME Funds, USDA Rural Development Services</p> <p>Quantified Objective: Provide financial assistance to property owners for housing rehabilitation during this Planning Cycle.</p>   |
| <b>HIS 1.4:</b> | <p>In accordance with SB 166, when a site identified in the Housing Element as available to accommodate the lower-income portion of the RHNA and subsequently developed for a higher income group, the City must either (1) identify, and rezone if necessary, an adequate substitute site or (2) demonstrate that the land inventory already contains an adequate substitute site.</p> <p>Timing: Ongoing</p> <p>Responsible Agency/Department: Planning Department</p> <p>Funding Sources: CDBG, HOME Funds, USDA Rural Development Services</p> <p>Quantified Objective: Ensure the sites identified in the Housing Element are developed according to the RHNA housing needs</p> |

## Housing Quantity

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| <b>Goal HE-2:</b> | To facilitate the preservation and construction of housing to meet the needs of Gridley residents, including all household types and incomes. |
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**Housing Policy 2.1:** The City will encourage infill development.

**Housing Policy 2.2:** The City will encourage the construction of accessory dwelling units within existing and proposed residential lots.

**Housing Policy 2.3:** The City will encourage compact development, the use of drainage swales for storm water conveyance, multi-use public facilities and lands, and other planning and design strategies to reduce the cost of infrastructure to serve new housing.

**Housing Policy 2.4:** The City will encourage infill development in meeting the housing needs required by expanding populations.

**Housing Policy 2.5:** The City will create infill and new growth housing incentives designed to achieve not only the City's housing goals, but also economic, social, and environmental goals of the City.

**Housing Policy 2.6:** The City will maintain adequate sites with appropriate zoning, development standards, access to public infrastructure, and facilities, needed to facilitate a variety of types of housing for the needs of all income levels and special needs groups, including rental housing.

**Housing Policy 2.7:** The City will create the mechanisms to support transitional and supportive housing for compliance to State legislation.

**Housing Policy 2.8:** The city will amend Title 17, Zoning Code, for compliance with State Legislation related to accessory and junior accessory dwelling units.

**Housing Implementation Strategies (HIS):** The following strategies are action items to implement the housing policies.

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| <b>HIS 2.1:</b> | <p>The Planning Department will continue to update its information on vacant infill properties to make readily available data that is helpful to builders and land developers</p> <p>Timing: On-going</p> <p>Responsible Agency/Department: Planning Department.</p> <p>Funding Sources: General Fund</p> <p>Objective: Facilitate infill development.</p> |
| <b>HIS 2.2:</b> | <p>The City will research potential incentives that could encourage development of vacant and underutilized properties in and near downtown Gridley. The city will support the rezoning of commercial empty structures allowing multi-family uses to be constructed.</p> <p>Timing: On-going;</p>  |



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|                 | <p>Responsible Agency/Department: Planning Department</p> <p>Funding Sources: General Fund</p> <p>Objective: Facilitate infill development.</p>  |
| <b>HIS 2.3:</b> | <p>The city will develop support a variety of lot sizes in new subdivisions and ensure joint use facilities for public and private use.</p> <p>Timing: Ongoing;</p> <p>Responsible Agency/Department: Planning Department</p> <p>Funding Sources: General Fund</p> <p>Quantified Objective: Identify necessary public infrastructure necessary to support new development.</p>   |
| <b>HIS 2.4:</b> | <p>The city will encourage the rehabilitation of existing multi-family housing, adding bedrooms to existing housing, and conversion of existing nonresidential buildings to serve the needs of Gridley's larger families.</p> <p>City staff will continue outreach with local housing authorities on the opportunity to rehabilitate single and multi-family structures.</p> <p>The City will support collaborative development of a revolving loan program through a local housing authority, other public programs, or the City's Redevelopment Agency.</p> <p>Timing: On-going</p> <p>Responsible Agency/Department: Planning Department, Planning Commission, City Council.</p> <p>Funding Sources: General Fund</p> <p>Objective: Facilitate production of at least one larger rental unit per year</p> |
| <b>HIS 2.5:</b> | <p>The Infill Design Guidelines will be reviewed to ensure that infill site development is consistent with existing neighborhood.</p> <p>Timing: On-going</p> <p>Responsible Agency/Department: Planning Department, Planning Commission, City Council.</p> <p>Funding Sources: General Fund</p> <p>Objective: Ensure infill structures fit well within the neighborhood.</p>  |
| <b>HIS 2.6:</b> | <p>Reference HIS 2.1 above.</p>  |

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| <b>HIS 2.7</b>  | <p>Title 17 will be amended to become compliant with AB 2162 and AB 101 to provide for a Low Barrier Navigation Center to ensure By Right transitional housing and Permanent Supportive Housing are available without constraints and no conditional use permit is required for such development.</p> <p>Timing: 2026</p> <p>Responsible Agency/Department: Planning Services, Planning Commission, City Council.</p> <p>Funding Sources: General Fund</p> <p>Objective: Ensure Title 17 is amended to meet AB 2162 and AB 101</p> |
| <b>HIS 2.8:</b> | <p>Title 17, Chapter 17.82, Second Units, will be amended to include the vernacular and requirements of ADU legislation under AB 2299 (2016), SB 1069 (2016), AB 494 (2017), SB229 (2017), AB 68 (2019), AB 881 (2019), AB587 (2019), SB 13 (2019), and AB 671 (2019).</p> <p>Timing: 2025</p> <p>Responsible Agency/Department: Planning Department, Planning Commission, City Council.</p> <p>Funding Sources: General Fund</p> <p>Objective: Ensure Title 17 is amended to meet Accessory Dwelling Unit Requirements.</p>       |

### ***Remove Constraints to Housing***

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| <b>Goal HE-3:</b> | To reduce and remove constraints to development and redevelopment of housing. |
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**Housing Policy 3.1:** The City shall maintain a zoning ordinance and development review process that is free of constraints for the development of housing to achieve the City’s regional share of estimated future housing needs for all housing types and incomes.

**Housing Policy 3.2:** The City shall review the zoning ordinance on an ongoing basis to determine its effectiveness in achieving the goals of the General Plan and its compliance with State law.

**Housing Policy 3.3:** The City shall ensure that transitional and supportive housing is accommodated in residential zones.

**Housing Policy 3.4:** Property within the City boundary zoned as Agriculture or Residential Suburban may be utilized to support Farmworker Housing compliant with state legislation for cities to provide for it.

**Housing Policy 3.5:** The City will establish a forum for developers/applicants/city leadership to discuss preliminary designs for development prior to applications submitted.

**Housing Implementation Strategies (HIS):** The following strategies are action items to implement the housing policies.

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| <b>HIS 3.1:</b> | <p>The City shall review the zoning ordinance on an ongoing basis to determine its effectiveness in achieving the goals of the General Plan and its compliance with State law. The city will amend Title 17 to provide a procedure to process projects to meet the mandates of SB 35.</p> <p>Timing: Annually</p> <p>Responsible Agency/Department: Planning Department, Planning Commission, City Council</p> <p>Funding Sources: General Fund</p> <p>Objective: Ensure zoning achieves the General Plan goals, and, Title 17 is consistent with the Housing Plan policies and the General Plan policies.</p>   |
| <b>HIS 3.2:</b> | <p>The city will review the Housing Element on an annual basis to determine the effectiveness in achieving goals and objectives.</p> <p>The city will provide annual reports as to the implementation of the Housing Element to the Planning Commission, City Council, and the Department of Housing and Community Development, as required by Government Code Section 65400.</p> <p>The city will consider revisions to Housing Element programs, if necessary, to address issues of efficacy relative to goals and objectives.</p> <p>The city will monitor its development and processing/review procedures on an ongoing basis to minimize the time required for review by the city. The city will consider measures to reduce the plan review time needed by City staff by prioritizing review of permit applications for affordable housing projects, when proposed.</p> <p>Timing: Annually</p> <p>Responsible Agency/Department: Planning Department, Planning Commission, City Council</p> <p>Funding Sources: General Fund</p> <p>Objective: Ensure the Housing Element is achieving its goals and objectives. Ensure City's entitlement process does not impede higher density housing and mixed-use development.</p> |

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| <b>HIS 3.3:</b> | <p>The city will amend the zoning ordinance to define and allow transitional and supportive housing in all residential zones, subject to the same development standards as would apply to a residential structure of the same housing type. The city may require a reasonable design review process for housing proposed to provide 7 or more units, or as required by the City’s zoning ordinance for other types of higher-density housing. The city may require that operators provide evidence of applicable state licensing, where appropriate.</p> <p>The City shall revise the zoning ordinance to specifically define and allow single-room occupancy units (SROs), boarding houses, apartment hotels, community apartments, and stock cooperative apartments in the R-2 and R-3 zone by right.</p> <p>Timing: 2026; Within 12 months of Housing Element adoption</p> <p>Responsible Agency/Department: Planning Department, Planning Commission, City Council.</p> <p>Funding Sources: General Fund</p> <p>Objective: Facilitate development of transitional and supportive housing. Comply with current state law requirements.</p> |
| <b>HIS 3.4:</b> | <p>The city will amend the zoning ordinance to define and allow agricultural employee housing as a permitted use within the Agricultural Residential District and the Residential Suburban zoning districts, as required by the California Health and Safety Code (Sec. 17021.6) and according the requirements of the Employee Housing Act (sections 17000 – 170652.5). The city will update the Title 17 to allow farmworker housing in City agricultural (AR) and very low density (R-S) zoning districts, in compliance with Health and Safety Code Section 17021.6.</p> <p>Timing: 2027; Within 18 months of Housing Element adoption.</p> <p>Responsible Agency/Department: Planning Department, Planning Commission, City Council</p> <p>Funding Sources: General Fund</p> <p>Objective: Facilitate development of farmworker housing. Comply with current state law requirements.</p>   |
| <b>HIS 3.5:</b> | <p>The city will use weekly Project Management Meetings to facilitate development proposals. These meetings are intended to promote development by addressing the development requirements and concerns early in the process. Department heads and applicants attend the meeting and it is free of charge.</p> <p>Timing: Ongoing</p> <p>Responsible Agency/Department: Planning Department, City Administrator; Project Development Team, Council Committee Member</p>   |

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|  | <p>Funding Sources: General Fund, permit fees</p> <p>Objective: Streamline approval of development proposals that are consistent with the General Plan.</p> |
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## Affordable Housing

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| <b>Goal HE-4:</b> | To promote development and redevelopment of affordable housing. |
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**Housing Policy 4.1:** The City will promote the preservation of subsidized affordable housing developments.

**Housing Policy 4.2:** The City will require replacement housing or relocation of displaced residents for subsidized housing proposed for demolition.

**Housing Policy 4.3:** Seek and support housing needs of special groups such as seniors, disabled persons, farmworkers, those in need of temporary shelter, single-parent families, and large families

**Housing Policy 4.4:** Assist in the development of housing affordable to extremely low, very-low, and low-income households to affordable housing developers.

**Housing Policy 4.5:** The City will research feasible funding opportunities to expand affordable housing development.

**Housing Policy 4.6:** The City will promote increased density in single-family and multi-family development supporting the use of density bonus.

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| <b>HIS 4.1:</b> | <p>The City will coordinate with the Butte County Housing Authority, Community Housing Improvement Program (CHIP), Consolidated Area Housing Authority of Sutter County, and other non-profit affordable housing organizations, along with property owners of privately-owned, government-subsidized affordable housing projects to maintain the affordability status of affordable housing units in Gridley.</p> <p>The City will contact property owners of such affordable housing projects at least one year in advance of the date where properties could convert to market rate. The city will coordinate with area agencies and nonprofits to examine options for maintaining affordability status. The City will assist in identifying funds to maintain the affordability of rental units. If the owner expresses an interest in selling or converting their properties, the City will notify potential operators of subsidized affordable housing to determine interest in acquisition and operation of such properties, or will get assistance in seeking another interested investor or nonprofit housing corporation to acquire and continue operating the rental development for low-income households.</p> <p>Contact property owners of publicly assisted rental housing at least one year prior to the expiration of the affordable housing covenant for each property</p> |
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|                 | <p>to determine future ownership plans; implement preservation strategy if owners indicate desire to sell or convert their properties.</p> <p>Timing: Annually and ongoing through 2030.</p> <p>Responsible Agency/Department: Planning Department</p> <p>Funding: CDBG, HOME, Multi-family Housing Program, California Housing Finance Agency Preservation, Acquisition Financing Mortgage Insurance for Purchase/Refinance (HUD)</p> <p>Objective: Preservation of affordable rental housing units.</p>  |
| <b>HIS 4.2:</b> | <p>Contact possible sources of self-help housing, such as Community Housing Improvement Program (CHIP), the area housing authorities, or Habitat for Humanity. Coordinate with these groups to identify incentives or resources needed to facilitate self-help housing development. The city will consider incentives, such as fee reductions, delay in development impact fee payments, and streamlining of the entitlement review process to encourage development of self-help housing. The city will help promote the self-help housing to the public through information made available at City Hall and on the City's website.</p> <p>Timing: Ongoing through 2014.</p> <p>Responsible Agency/Department: Planning Department, City Administration</p> <p>Funding Sources: General Fund</p> <p>Quantified Objective: Coordinate and meet with self-help housing on a bi-annual basis to develop housing strategies</p> |
| <b>HIS 4.3</b>  | <p>The city will create a subcommittee formed to determine process to serve the development of special needs housing.</p> <p>Refer to HIS 3.3 and 3.4</p> <p>Timing: Ongoing through 2030</p> <p>Responsible Agency/Department: Planning Department, City Administration</p> <p>Funding Sources: General Fund</p> <p>Quantified Objective: Coordinate and meet with self-help housing and other social programs to aid in providing housing for special needs groups</p>   |
| <b>HIS 4.4</b>  | <p>The City will consult with local housing authorities and non-profits regarding opportunities for financing programs, such as mortgage credit and bond financing, as feasible, to provide assistance to lower- and moderate-income homebuyers and first-time homebuyers.</p> <p>The city will determine the feasibility of participating in a consortium with other public agencies to take advantage of tax- exempt bond financing for affordable housing and for assistance to lower- and moderate-income households. Feasibility will be based on the amount of funding that could</p>  |

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|                | <p>be used within the city in relation to the cost of participation and the attractiveness of these certificates to first- time homebuyers. The City will also need to consider administrative capacity for any management responsibility for financing programs.</p> <p>The availability of financing for affordable housing should be advertised locally through brochures, quarterly newsletters, the City's website, local newspapers, civic buildings, and local finance agencies, and real estate offices.</p> <p>Timing: Ongoing through 2030</p> <p>Responsible Agency/Department: Planning Department, City Administrator, Finance Department</p> <p>Funding Sources: General Fund</p> <p>Quantified Objective: Increase financing options for affordable housing projects targeting extremely low and very low incomes.</p>  |
| <b>HIS 4.5</b> | <p>The City will cooperatively pursue funding for affordable housing projects with the Consolidated Area Housing Authority of Sutter County and the Butte County Housing Authority.</p> <p>A representative of the City will meet annually and additionally during the year as needed with representatives of each housing authority to determine their interest in, and plans for, constructing affordable housing in Gridley.</p> <p>The City will consult with the State Department of Housing and Community Development for assistance in identifying the most appropriate state and/or federal funding sources for the affordable housing most needed in Gridley and with the housing authorities to administer affordable housing development.</p> <p>Responsibility: Planning Department, Finance Department.</p> <p>Timing: Meet annually ongoing through 2030.</p> <p>Funding: General Fund.</p> <p>Quantified Objective: Pursue at least one funding opportunity for affordable housing construction every year.</p> |
| <b>HIS 4.6</b> | <p>The city will update Title 17 to promote increased opportunities for the use density bonus and expand incentives in compliance with Government Code Section 65919.</p> <p>Responsibility: Planning Department, Finance Department.</p> <p>Timing: 2025</p> <p>Funding: General Fund.</p> <p>Quantified Objective: Amend Title 17, Ch 17.28 Density Bonus</p>  |



## Equal Housing Opportunity

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| <b>Goal HE-5:</b> | To ensure equal opportunity and access to housing for all residents. |
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**Housing Policy 5.1:** Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

**Housing Policy 5.2:** The City will encourage universal design in new housing construction, as well as integration of accessibility features in existing housing structures.

**Housing Policy 5.3:** The City will promote awareness of accessibility requirements and opportunities for builders, developers, and residents.

**Housing Policy 5.4:** The City will provide equal access to its development policies, practices, and procedures to all residents of the City.

**Housing Policy 5.6:** The City shall provide information related to fair housing services to residents and property owners.

**Housing Policy 5.7:** The City shall support programs and housing developments that support inclusive, racially and ethnically diverse, and mixed-income residential communities throughout the city, such as inclusionary housing programs, intergenerational housing, and large family units.

**Housing Policy 5.8:** The City shall support ongoing efforts of federal, state, regional, and local efforts to affirmatively further fair housing through the enforcement of fair housing laws and prohibiting discrimination in the development, financing, rental, or sale of housing.

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| <b>HIS 5.1</b> | <p>The City will refer interested persons to the appropriate agencies, such as the Community Legal Information Center, Mediation Center of the North Valley, Butte County Housing Authority, and Legal Services of Northern California for assistance in fair housing matters. The city will act as an independent third-party to discrimination complaints, as they arise. The city will continue to provide informational fair housing brochures in English and Spanish available to the public at City Hall, the library, the U.S. Post Office, Butte County Family Services, Gridley Family Health Center, and on the City's website.</p> <p>Timing: Ongoing</p> <p>Responsible Agency/Department: Planning Department, City Administration</p> <p>Funding Sources: General Fund</p> <p>Objective: Assist in referral for fair housing matters.</p> |
| <b>HIS 5.2</b> | <p>Amend the Municipal Code definition of "family" to comply with the Federal Fair Housing Act (42 U.S.C. Sec. 3601, et. seq.) provisions for persons with disabilities. Provide for unrelated persons who jointly occupy and have equal access to all areas of a dwelling unit and who function together as an integrated unit.</p> <p>Timing: 2025</p>  |

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|                | <p>Responsible Agency/Department: Planning Department</p> <p>Funding Sources: General Fund</p> <p>Objective: Accommodate a variety of household types.</p>  |
| <b>HIS 5.3</b> | <p>The city will amend Title 17 to create a Universal Design Ordinance that requires 10% of all housing units to be designed for the senior and disabled populations.</p> <p>Timing: 2025</p> <p>Responsible Agency/Department: Planning Department</p> <p>Funding Sources: General Fund</p> <p>Objective: Housing to accommodate senior, sensory, and/or disabled population.</p>  |
| <b>HIS 5.3</b> | <p>The city will amend its annual budget review process and meet the requirements of AB 516 identifying the funds the impact fees are in, its balances, provide an annual report to the City Council and a 5-year report.</p> <p>Timing: 2025</p> <p>Responsible Agency/Department: Finance Department</p> <p>Funding Sources: General Fund</p> <p>Objective: Transparency of the fund availability of development impact fees, amounts, planned uses, reporting, and information disbursement to developers.</p> |

### ***Natural Resources and Energy Conservation***

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| <b>Goal HE-6:</b> | To reduce household costs and conserve natural resources and energy in housing production |
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**Housing Policy 6.1:** In order to reduce long-term household utility costs, the City will promote new housing construction and retrofits designed to consume less energy, produce and use renewable energy, consume less water.

**Housing Policy 6.2:** In order to reduce household transportation costs, the City will promote housing development in mixed-use settings near commercial and public services and in areas served by public transit.

**Housing Implementation Strategies (HIS):** The following strategies are action items to implement the housing policies.

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| <b>HIS 6.1</b> | <p>Project applicants for building permits must show compliance with the state's energy conservation requirements at the time building plans are submitted.</p> <p>The city will continue to be responsible for implementing the state's energy conservation standards. This includes coordination of plan check processes with</p> |
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|                | <p>Butte County showing compliance and the inspection of construction to ensure that the dwelling units are constructed according to those plans.</p> <p>Timing: Ongoing</p> <p>Responsible Agency/Department: Planning Department</p> <p>Funding Sources: General Fund</p> <p>Objective: Support building permit process implements State requirements.</p>         |
| <b>HIS 6.2</b> | <p>The city will support mixed use developments in the HCC zoning district and support rezoning of commercial corridor sites to HCC to promote mixed use development.</p> <p>Timing: Ongoing</p> <p>Responsible Agency/Department: Planning Department</p> <p>Funding Sources: General Fund</p> <p>Objective: Housing to be located in mixed use zoned districts</p> |

### Quantified Objectives

The California Government Code, Section 65583(b)) requires the Housing Element contain quantified objectives for the maintenance, preservation, improvement, and development of housing during the planning period. State law recognizes that the total housing needs as defined by the RHNA identified by a community may exceed available resources and the community's ability to satisfy this need. Under these circumstances, the quantified objectives need not be identical to the total housing needs, however, the quantified objectives shall establish the number of housing units by income category that can be realistically constructed, rehabilitated, and conserved over the eight-year planning period of July 1, 2022 to June 30, 2030.

The quantified objectives estimate the number of units likely to be constructed, rehabilitated or conserved/preserved by income level during the planning period. The quantified objectives do not represent a ceiling on development, but rather set a target goal for the jurisdiction to achieve based on needs, resources and constraints. The implementation of the quantified objectives is determined by actual funding available to the city and a developer's ability to construct during the slowed economic recovery experienced today and projected into the next 8 years. According to economic analysis for Congress, economic growth will continue to recover into 2025 and may flatten thereafter, further impacting the housing construction industry affecting the construction of affordable housing during the 2022-2030 planning period.

The city has shown adequate lands are available to meet the current housing allocation with a substantial reserve in place for future needs beyond 2030 noted above in Chapter 5, Housing Resources, Table 40. The Housing Condition Survey conducted indicates the integrity of the housing stock in Gridley. The survey indicates that most residences exhibit structural integrity. The development of housing affordable for future residents may use CDBG or HOME funds for land write-downs to facilitate new construction rather than for rehabilitation loans.

The Construction objective refers to the number of new units that potentially may be constructed using public and/or private sources over the planning period of the element given the locality's land resources, constraints and proposed programs and represent the RHNA numbers.

The Rehabilitation objective refers to the number of existing units expected to be rehabilitated during the planning period.

The Conservation/Preservation objective refers to the preservation of the existing affordable housing stock throughout the planning period. A subset of the conservation objective is the number of federal, State and locally assisted at-risk units to be preserved.

Additionally, the city has included policy and programs in support of alternate affordable housing opportunities such as second units and self-help residential units.

Each quantified objective is detailed by income level as illustrated in the following table:

**Table 42: Summary of Quantified Objectives: 2022-2030**

| Program   | Extremely Low   | Very Low | Low | Moderate | Above Moderate   | Objective |
|---|---|----------|-----|----------|--|-----------|
| New Construction <sup>1</sup>   | 174   | 175      | 41  | 129      | 156  | 675       |
| Rehabilitation <sup>2</sup>   |   | 56       | 34  | 5        | 5  | 100       |
| Conservation <sup>3</sup>   |   | 5        | 5   | 5        |  | 15        |
| <sup>1</sup> New construction reflects the RHNA numbers for new and unmet needs for the City of Gridley as allocated by BCAG. The<br><sup>2</sup> Rehabilitation of units are for senior housing "The Oaks" (56) and "Evergreen Assisted Living"(34). 10 units for Moderate and Above Moderate are homes identified in the Housing Condition Survey 2014 that need improvements and were not done.<br><sup>3</sup> Conservation of units would be funded to improve single-family homes in acute disrepair that might be lost should repairs not be made as identified in the Housing Condition Survey 2014 that were not repaired. |   |          |     |          |  |           |
| <b>Affordable Housing</b>   |   |          |     |          |  |           |
| HP 2.2  | The city will research the potential conversion of commercial structures in the Downtown area.                      |          |     |          | ▪ Encourage conversion of underutilized commercial structures in the Downtown Hazel Street area.             |           |
| HP-2.8  | The city will amend Title 17 for compliance to state legislation for accessory dwelling units.                      |          |     |          | ▪ Comply with state legislation in the construction of accessory dwelling units as affordable housing units. |           |
| HP-4.1  | The city will promote the preservation of subsidized affordable housing developments.                               |          |     |          | ▪ Coordinate funding opportunities to maintain affordable units  |           |
| HP-4.4  | The city will assist in the development of housing affordable to extremely low, very-low and low-income households. |          |     |          | ▪ Coordinate funding opportunities.  |           |
| HP-4.6  | The city will promote increased density in single-family and multi-family developments.                             |          |     |          | ▪ Support increased density for smaller homes to increase affordable units for sale and rent.                |           |





## City of Gridley

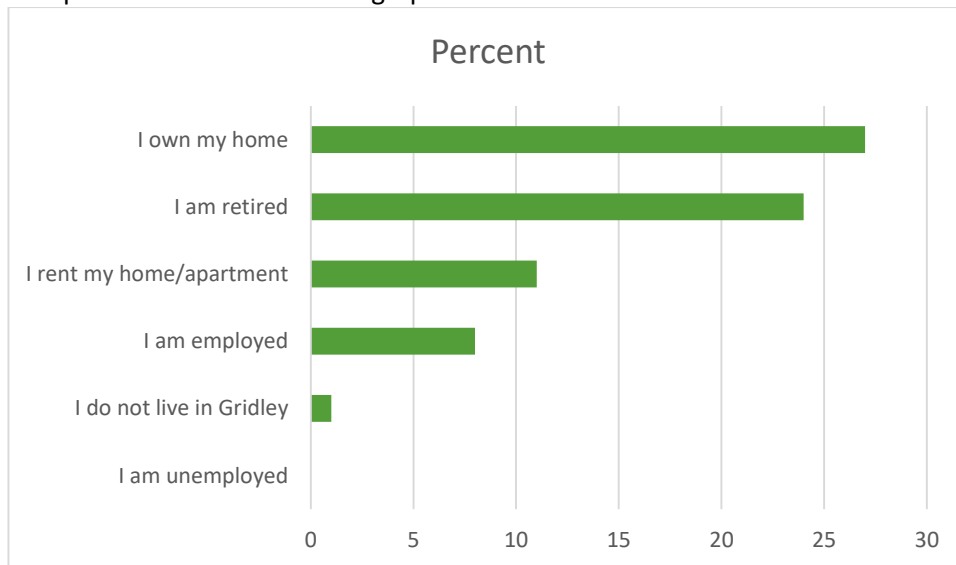
### 2022-2023 Housing Element Update Survey Results

#### HOUSING ELEMENT SURVEY REPORT

The City launched a community survey to gather input on housing needs and policy programs. The survey was mailed to each resident having a utility billing address. It was mailed independent of billing in June, 2024 to be returned to the City by July 19, 2024.

#### DEMOGRAPHICS

The City received 75 responses; approximately 1% of the population. Of the respondents, 63 provided their age. The median age of the respondents is 65 years of age; 1.5% of the respondents were in their 20's, 3.2% were in their 30's, 7.9% were in their 40's, 15.8% were in their 50's, 28.6% were in their 60's, 27% were in their 70's, and 16% were in their 80's. This report details the feedback from the group of respondents who also provided additional demographic data:



Additional general comments were also provided from the group:

- *I was raised and worked on a farm.*
- *I am disabled.*
- *I think Gridley has enough housing. I'd rather see downtown get revitalized and bring in businesses again. Many homes that already exist need to be better maintained, sale prices and rents need to be more reasonable.*

This purpose of this survey was to determine what residents believe are the housing types and potentially where growth should be located. The responses have provided vital information to the city while developing the 2022-2030 Housing Element Update.



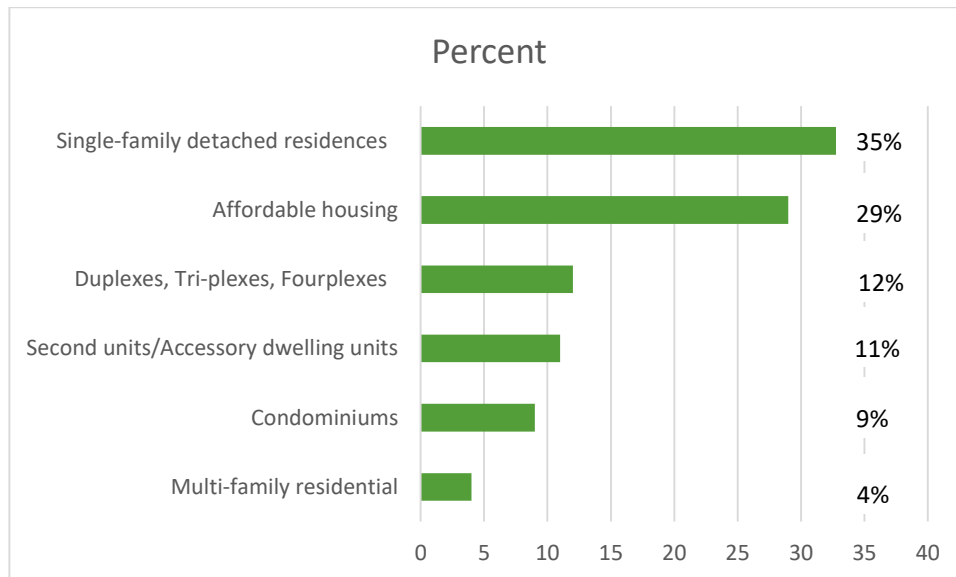


## City of Gridley

### 2022-2023 Housing Element Update Survey Results

#### HOUSING TYPE NEEDS

The survey asked participants to select the housing type they felt was most important and needed in the community. Participants favored the addition of more single-family detached housing –also expressing a need for affordable housing.

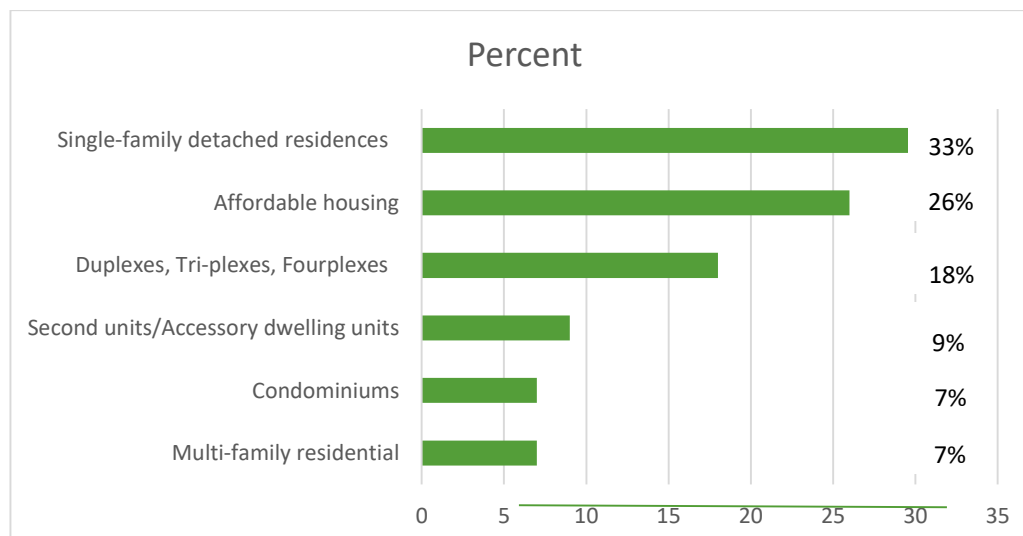


Additionally, comments were added and are provided below:

- *Those [homes in the] downtown that are deteriorating and contributing to decline of businesses and to the abandonment of downtown; why are you not putting valuable resources to supporting downtown buildings?*

#### PRIORITY HOUSING TYPES

Participants were asked to select three housing types from the previous survey question to prioritize in future developments. Overall, the data shows that participants favored Single-Family Detached Residential, Affordable Housing, and Duplexes, Tri-plexes, Four-plexes.



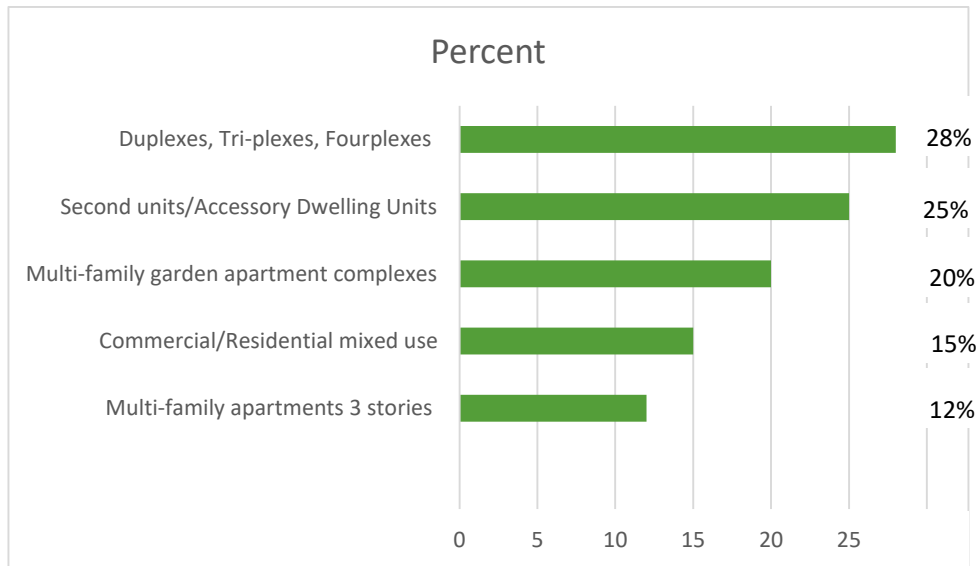


## City of Gridley

### 2022-2023 Housing Element Update Survey Results

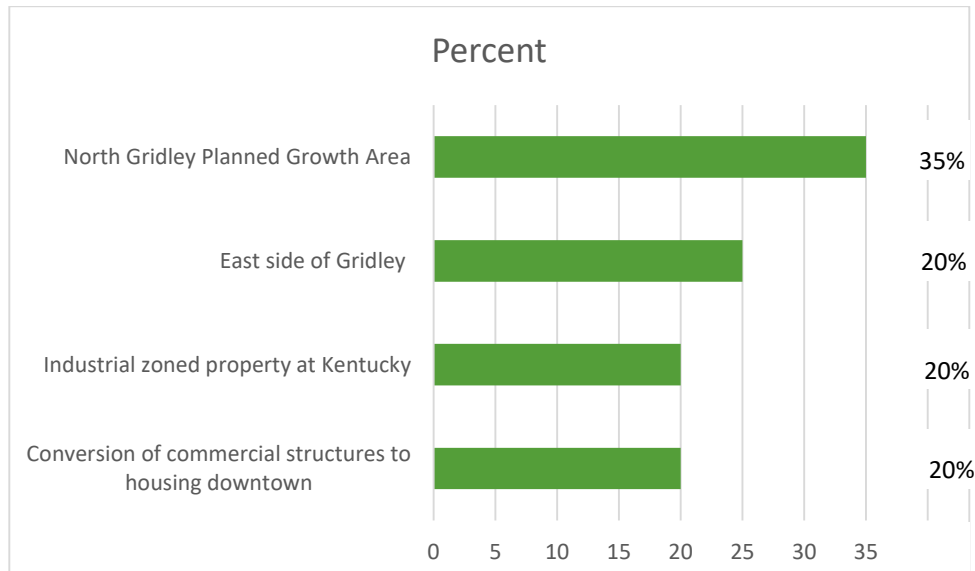
#### HOUSING TYPES IN EXISTING SINGLE-FAMILY NEIGHBORHOODS

To assess other housing opportunities, the survey asked participants what housing types they could see being added in existing single-family neighborhoods. The development of additional housing in neighborhoods should be Duplexes, Tri-plexes, Four-plexes, followed by accessory dwelling units/second units.



#### AREAS FOR HOUSING DEVELOPMENT

The survey asked participants if there were any areas where they think future housing should be developed. The responses highly favored the North Gridley Planned Growth Area followed by the East side of Gridley. This would require an amendment to the Sphere of Influence for the city to grow in that direction. The respondents also supported converting the Industrial zoned property at the south terminus of Kentucky Street and to allow the conversion of commercial structures in the downtown area for housing.



Other comments included:

- *Restoration of residential structures to housing downtown.*

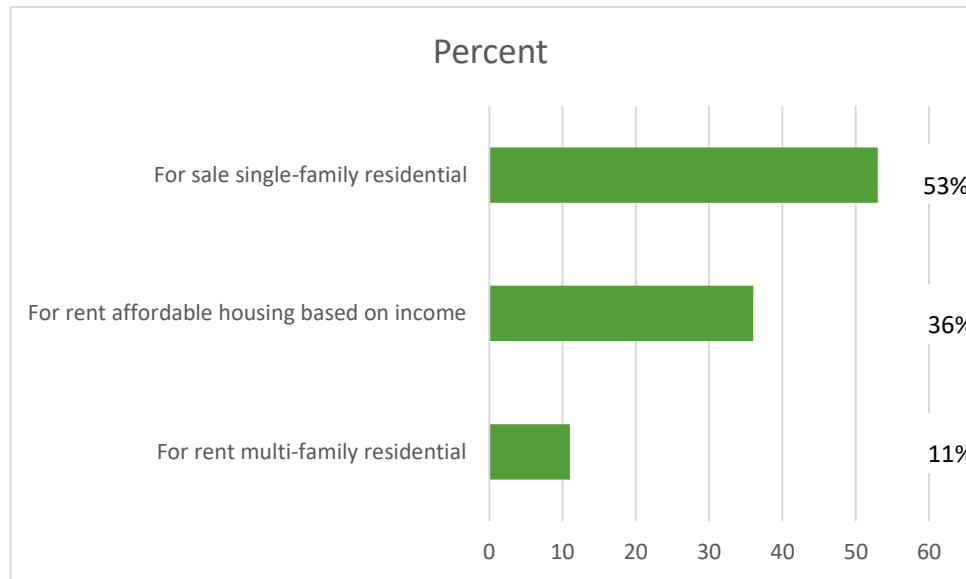


## City of Gridley

### 2022-2023 Housing Element Update Survey Results

#### HOUSING PRIORITY

Participants were asked to identify housing type priority to meet to meet the housing demand. The greatest needs were identified in the order of importance as Single-Family Residential, For rent affordable, and For rent multifamily.



#### Comments

- *Yes, as long as the renter pays all this rent and that no taxpayers pay any of the rent.*
- *Single family in the downtown*

#### PROGRAMS COMMUNITY ASSISTANCE

| Programs                          | Rank | Percent | Programs  | Rank | Percent |
|-----------------------------------|------|---------|---|------|---------|
| Housing Information <sup>1</sup>  | 5    | 35      | Housing Rental <sup>3</sup>   | 5    | 29      |
|                                   | 4    | 14      |   | 4    | 27      |
|                                   | 3    | 19      |   | 3    | 17      |
|                                   | 2    | 7       |   | 2    | 8       |
|                                   | 1    | 25      |   | 1    | 19      |
| Property Maintenance <sup>2</sup> | 5    | 38      | 1. Information on affordable housing opportunities and funding available to the public.<br>2. Information on affordable housing opportunities and funding available to the public.<br>3. Identify funding assistance for renters - rental assistance and aging in place |      |         |
|                                   | 4    | 21      |   |      |         |
|                                   | 3    | 31      |   |      |         |
|                                   | 2    | 5       |   |      |         |
|                                   | 1    | 5       |   |      |         |

The results of this query indicate that with 5 indicating least importance and 1 more important, there are no strong opinions if these programs are important in the community.



## City of Gridley

### 2022-2023 Housing Element Update Survey Results

#### FAIR HOUSING

The results of this query indicate that with 5 indicating least importance and 1 more important, there are no strong opinions if these programs are important in the community or not.

| Programs                               | Rank | Percent | Programs                          | Rank | Percent |
|--|------|---------|-----------------------------------|------|---------|
| Supportive Housing <sup>1</sup>        | 5    | 16      | Senior Housing <sup>3</sup>       | 5    | 40      |
|  | 4    | 11      |                                   | 4    | 36      |
|  | 3    | 26      |                                   | 3    | 15      |
|  | 2    | 28      |                                   | 2    | 0       |
|  | 1    | 19      |                                   | 1    | 9       |
| Persons with disabilities <sup>2</sup> | 5    | 27      | Promote Fair Housing <sup>4</sup> | 5    | 33      |
|  | 4    | 24      |                                   | 4    | 21      |
|  | 3    | 27      |                                   | 3    | 14      |
|  | 2    | 15      |                                   | 2    | 10      |
|  | 1    | 7       |                                   | 1    | 22      |

1. Provide for emergency short and long-term housing needs.
2. Encourage the development of housing accessible to persons with disabilities.
3. Encourage the development of housing that is accessible and supportive for senior citizens.
4. Provide programs and policies to address fair housing issues.

#### SPECIAL HOUSING NEEDS GROUPS

The respondents indicated the primary special housing groups to be Seniors, Veterans, and Disabled followed closely by Female-Headed Households.

