



OROVILLE CITY COUNCIL

Council Chambers
1735 Montgomery Street
Regular Meeting

JUNE 3, 2014
CLOSED SESSION 5:00 P.M.
OPEN SESSION 6:00 P.M.
AGENDA

Oroville - California's best opportunity for a safe and diverse quality of life.

CLOSED SESSION (5:00 P.M.)

ROLL CALL

Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

CONVENE TO CLOSED SESSION (ITEMS LISTED ON PAGE NO. 5 AND 6)

RECONVENE TO OPEN SESSION

OPEN SESSION (6:00 P.M.)

PLEDGE OF ALLEGIANCE

PROCLAMATION / PRESENTATION

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation or ask questions regarding the agenda item. Following your remarks, Council and/or staff may respond to your comments or questions. **Presentations are limited to three minutes per person.** Under Government Code Section 54954.3 the time allotted for presentations may be limited.

CONSENT CALENDAR

1. **APPROVAL OF THE MINUTES OF THE MAY 20, 2014 REGULAR MEETING AND MAY 27, 2014 SPECIAL MEETING OF THE OROVILLE CITY COUNCIL** – minutes attached

2. **3RD ANNUAL OROVILLE 5K RIVER-RUN** – staff report

The Council may consider directing staff to issue a check in the amount of \$157.70 to the Oroville YMCA from remaining sponsor funds processed by the City of Oroville. **(Bob Marciniak, Program Specialist)**

Council Action Requested: **Authorize the issuance of a check in the amount of \$157.70 to the Oroville YMCA from remaining sponsor funds processed by the City of Oroville.**

3. **MODIFICATION TO CALHOME REHABILITATION LOAN PROGRAM** – staff report

The Council may consider a proposed modification to the City of Oroville CalHome Housing Rehabilitation Program Guidelines and a supplemental appropriation to establish a budget for the CalHome Revolving Loan Fund. **(Pat Clark, Director of Business Assistance and Housing Development)**

Council Action Requested:

1. **Authorize the modification to the CalHome Housing Rehabilitation Program Guidelines, as indicated in the June 3, 2014 staff report.**
2. **Approve Supplemental Appropriation No. 2013/14-XXXX-XX to transfer \$25,000 from Fund Balance to establish a budget for the CalHome Revolving Loan Fund as indicated in the June 3, 2014 staff report.**

4. **2014 ROAD MAINTENANCE PROJECT CURRENT YEAR BUDGET** – staff report

The Council may consider the appropriation of funds in Transportation Fund 112 for previously approved roadwork. **(Glenn Lazof, Interim Director of Finance)**

Council Action Requested: **Approve Supplemental Appropriation No. 2013/14-0603-XX as indicated in the June 3, 2014 staff report.**

5. **ESTABLISHMENT OF THRESHOLD FOR FIXED ASSETS** – staff report

The Council may consider establishing a threshold of \$1,000 for Fixed Assets and Equipment. **(Randy Murphy, City Administrator and Glenn Lazof, Interim Director of Finance)**

Council Action Requested: **Approve the establishment of a \$1,000 threshold for Fixed Assets and Equipment.**

6. **CHANGE IN POSITION TITLE - DEPUTY CITY CLERK TO ASSISTANT CITY CLERK** – staff report

The Council may consider changing the title of the Deputy City Clerk to Assistant City Clerk. **(Randy Murphy, City Administrator)**

Council Action Requested: **Approve the position title change of the Deputy City Clerk to Assistant City Clerk.**

7. **MUNICIPAL AUDITORIUM MURAL PROJECT** – staff report

The Council will receive a report on the potential to utilize the west wall of the Municipal Auditorium as a

school mural project. (**Donald Rust, Director of Community Development and Luis Topete, Associate Planner**)

Council Action Requested: **Direct staff to contact local schools for interest and allow the west wall of the Municipal Auditorium to be used for a High School Senior Art Project.**

8. PACIFIC GAS AND ELECTRIC COMPANY TURNKEY LED STREETLIGHT CONVERSION PROJECT – staff report

The Council may consider an Agreement with the Pacific Gas & Electric Company for the conversion of approximately 681 existing high pressure sodium streetlights to light emitting diode street lights. (**Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer**)

Council Action Requested:

1. **Adopt Resolution No. 8217 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH PACIFIC GAS AND ELECTRIC COMPANY FOR THE REPLACEMENT OF APPROXIMATELY 681 HIGH PRESSURE SODIUM STREET LIGHTS WITH LIGHT EMITTING DIODE (LED) REPLACEMENTS - (Agreement No. 3067).**
2. **Authorize staff, after execution of the Agreement with Pacific Gas and Electric Company (PG&E), to coordinate with PG&E regarding the completion of Exhibit A to the Agreement, which will detail the final project cost and specific street light replacement list and indicate any future budget action to reflect a no-net cost to the City.**

9. NON-FORECLOSURE OF CITY INTEREST ON PROPERTIES LOCATED AT 2795 MONTGOMERY STREET AND 3040 CLEMO AVENUE – staff report

The Council may consider the non-foreclosure of City interest on properties located at 2795 Montgomery Street (APN 013-032-005) and 3040 Clemo Avenue (APN 013-061-012), Oroville, which are not financially feasible for the City to cure the underlying first loan mortgage defaults and payoff of the first mortgage loans. (**Pat Clark, Director of Business Assistance and Housing Development**)

Council Action Requested: **Authorize the non-foreclosure of City loan interest on the properties located at 2795 Montgomery Street and 3040 Clemo Avenue, Oroville.**

PUBLIC HEARINGS

10. REGULATIONS FOR DISTRIBUTIVE ANTENNA SYSTEMS – staff report

The Council will conduct a public hearing and may consider amendments to Section 26-04.020 of the Oroville Municipal Code and adding Section 26-16.175 for the purpose of specifying the City's regulations for Distributed Antenna Systems as an alternative telecommunications technology within the City of Oroville. (**Donald Rust, Director of Community Development and Luis Topete, Associate Planner**)

Council Action Requested: **Waive the first reading and introduce by title only, Ordinance No. 1805 – AN ORDINANCE OF THE OROVILLE CITY COUNCIL AMENDING CHAPTER 26 OF THE OROVILLE MUNICIPAL CODE FOR THE PURPOSE OF SPECIFYING CITY REGULATIONS REGARDING DISTRIBUTIVE ANTENNA SYSTEMS IN THE CITY RIGHT OF WAY.**

11. HOUSING ELEMENT RE-ADOPTION FOR THE 2014-2022 PLANNING PERIOD – staff report

The Council will conduct a public hearing and may consider adopting an updated version of the City's Housing Element of the General Plan for the "5th Cycle" planning period which runs from June 15, 2014 to June 15, 2022. **(Donald Rust, Director of Community Development and Luis Topete, Associate Planner)**

Council Action Requested: **Adopt Resolution No. 8218 – A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING AN AMENDMENT TO THE HOUSING ELEMENT OF THE GENERAL PLAN FOR THE 2014-2022 PLANNING PERIOD.**

12. FISCAL YEAR 2014/15 APPROPRIATIONS LIMIT – staff report

The Council will conduct a public hearing and may consider continuing the adoption of the Fiscal Year 2014-2015 Appropriations Limit. **(Glenn Lazof, Interim Director of Finance)**

Council Action Requested: **Adopt Resolution No. 8219 - A RESOLUTION OF THE OROVILLE CITY COUNCIL SETTING THE APPROPRIATIONS LIMIT (PROPOSITION 4) FOR FISCAL YEAR 2014/15.**

13. 2014/15 PRELIMINARY ANNUAL BUDGET – staff report

The Council will conduct a public hearing relating to the 2014/15 Preliminary Annual Budget which was received by Council on May 20, 2014. **(Randy Murphy, City Administrator and Glenn Lazof, Interim Director of Finance)**

Council Action Requested: **Direct staff as necessary.**

REGULAR BUSINESS

14. FEATHER RIVER TRAIL AND PARK ENFORCEMENT AND CLEAN-UP – staff report

The Council may consider directing staff in regards to enforcement and clean-up issues relating to the Feather River Trails and Parks. **(Randy Murphy, City Administrator)**

Council Action Requested: **Direct staff as necessary.**

15. REINSTATEMENT OF PROGRAM ANALYST I POSITION AND MODIFICATION TO THE JOB DESCRIPTION AND SALARY INCREASE FOR MANAGEMENT ANALYST III POSITION – staff report

The Council may consider the reinstatement of the Program Analyst I position and increasing the salary range and a new job description for the Management Analyst III position. **(Pat Clark, Director of Business Assistance and Housing Development Department)**

Council Action Requested:

- 1. Approve the Reinstatement of the Program Analyst I position and approve time this individual spent in Step F count in the current classification as time served towards the next step increase (Longevity Step G) in the new classification.**
- 2. Approve the salary increase and new job description for the Management Analyst III position and approve time this individual spent in Step G classification as time served towards the next step increase (Longevity Step G) in the new classification.**

16. SUPPLEMENTAL BUDGET APPROPRIATION – staff report

The Council may consider a supplemental budget adjustment. **(Glenn Lazof, Interim Director of Finance)**

Council Action Requested: **Approve Supplemental Appropriation No. 2013/14-0603-XX, as indicated in the June 3, 2014 staff report.**

SUCCESSOR AGENCY - None

MAYOR/ COUNCIL REPORTS

COUNCIL ANNOUNCEMENTS/COMMITTEE REPORTS (A verbal report may be given regarding any committee meetings attended.)

CITY ADMINISTRATOR/ ADMINISTRATION REPORTS

CORRESPONDENCE

- Oroville Area Chamber of Commerce, received May 12, 2014
- California Water Service Company, received May 28, 2014
- California Public Employees' Retirement System, received February 3, 2014

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to 3 minutes.** Under Government Code Section 54954.2, The Council is prohibited from taking action except for a brief response by the Council or staff to a statement or question relating to a non-agenda item.

CLOSED SESSION

The Council will hold a Closed Session on the following:

1. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the Oroville City Employee's Association.
2. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the Oroville Fire Fighter's Association.
3. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the Oroville City Confidential Association.
4. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the Oroville Mid Manager's Association.
5. Pursuant to Government Code Section 54957(b), the Council will meet with the City Administrator and City Attorney to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: Assistant Fire Chief.

6. Pursuant to Government Code Section 54957(b), the Council will meet with Labor Negotiators, City Attorney and Director of Public Safety to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: Assistant Chief of Police.

7. Pursuant to Government Code section 54956.9(b), the Council will meet with the City Administrator and the City Attorney regarding potential litigation – four cases.

ADJOURNMENT

The meeting will be adjourned. The next regular meeting of the Oroville City Council will be held on Tuesday, June 17, 2014 at 5:00 p.m.

Accommodating Those Individuals with Special Needs – In compliance with the Americans with Disabilities Act, the City of Oroville encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at City Hall, 1735 Montgomery Street, Oroville, California.

**OROVILLE CITY COUNCIL MEETING MINUTES
MAY 27, 2014 – 4:00 P.M.**

The agenda for the May 27, 2014 special meeting of the Oroville City Council was posted on the bulletin board at the front of City Hall and on the City of Oroville's website locate at www.cityoforoville.org on Friday, May 23, 2014 at 3:18 p.m.

The May 27, 2014 special meeting of the Oroville City Council was called to order by Mayor Dahlmeier at 4:00 p.m.

ROLL CALL

Present: Council Members Berry, Bunker, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
Absent: Council Members Andoe (excused), Pittman, (excused)

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Dahlmeier.

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS - None

SPECIAL BUSINESS

1. PURCHASE OF A RADIO COMMUNICATION SYSTEM THROUGH THE ASSISTANCE TO FIREFIGHTERS GRANT – staff report

The Council may consider the purchase of a Radio Communication System from Motorola Solutions in the amount \$40,149.65, utilizing the Assistance to Firefighters Grant. **(Bill LaGrone, Director of Public Safety)**

Following discussion, a motion was made by Council Member Bunker, seconded by Vice Mayor Wilcox, to:

Authorize the purchase of a Radio Communication System from Motorola Solutions in the amount \$40,149.65, utilizing the Assistance to Firefighters Grant.

The motion was passed by the following vote:

Ayes: Council Members Berry, Bunker, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: Council Members Andoe, Pittman

ADJOURNMENT

The meeting was adjourned at 4:05 p.m. to a regular meeting of the Oroville City Council to be held on Tuesday, June 3, 2014 at 5:00 p.m.

Randy Murphy, City Clerk

Linda L. Dahlmeier, Mayor

**CITY COUNCIL MEETING MINUTES
MAY 20, 2014 – 5:00 P.M.**

The agenda for the May 20, 2014 regular meeting of the Oroville City Council was posted on the bulletin board at the front of City Hall and on the City of Oroville's website located at www.cityoforoville.org on Thursday, May 15, 2014, at 3:35 p.m.

The May 20, 2014 regular meeting of the Oroville City Council was called to order by Mayor Dahlmeier at 5:01 p.m.

ROLL CALL

Present: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox,
Mayor Dahlmeier
Absent: None

Staff Present:

Randy Murphy, City Administrator
Rick Walls, Interim City Engineer
Donald Rust, Director of Planning & Development Services
Liz Ehrenstrom, Human Resource Analyst II
Glenn Lazof, Interim Director of Finance

Sean De Burgh, Acting City Attorney
Bill La Grone, Director of Public Safety
Jamie Hayes, Deputy City Clerk
Karolyn Fairbanks, City Treasurer
Luis Topete, Associate Planner

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Kyla Hicks.

PROCLAMATIONS / PRESENTATIONS

Mayor Dahlmeier presented Alissa Chapdelaine with a New Business Acknowledgement and Welcome to Oroville for Hair Chix.

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS - None

CONSENT CALENDAR

A motion was made by Council Member Bunker, seconded by Vice Mayor Wilcox, to approve the following Consent Calendar:

1. **APPROVAL OF THE MINUTES OF THE MAY 6, 2014 REGULAR MEETINGS OF THE OROVILLE CITY COUNCIL** – minutes attached
2. **MEMORANDUM OF UNDERSTANDING WITH OROVILLE UNION HIGH SCHOOL DISTRICT FOR FULL-TIME SCHOOL RESOURCE OFFICER** – staff report

The Council considered a Memorandum of Understanding with Oroville Union High School District for a full-time School Resource Officer for 2014/15. **(Bill LaGrone, Director of Public Safety) (Continued from May 6, 2014)**

Council Action Requested: Adopt Resolution No. 8216 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH OROVILLE UNION HIGH SCHOOL DISTRICT FOR ONE FULL-TIME SCHOOL RESOURCE OFFICER FOR 2014/15 – (Agreement No. 1932-5).

3. STANDARD INTERAGENCY AGREEMENT WITH REGIONAL GOVERNMENT SERVICES – staff report

The Council considered a Standard Interagency Agreement with Regional Government Services (RGS), in the amount of \$110,000, for Interim Director and Municipal Finance Advisory Services. **(Randy Murphy, City Administrator) (Continued from May 6, 2014)**

Council Action Requested:

1. Adopt Resolution No. 8213 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE A STANDARD INTERAGENCY AGREEMENT WITH REGIONAL GOVERNMENT SERVICES, IN THE AMOUNT OF \$110,000, FOR INTERIM DIRECTOR AND MUNICIPAL FINANCE SERVICES, AS NEEDED – (Agreement No. 3065).

2. Approve Supplemental Appropriation No. 2013/14-0520-50 as indicated in the May 20, 2014 staff report.

4. RESCISSION OF SUPPLEMENTAL BENEFITS FUND COMMITMENT FOR EXPENSE REIMBURSEMENT TO THE CITY OF OROVILLE FOR THE WHITEWATER ENVIRONMENTAL STUDY – staff report

The Council considered rescinding a portion of a previously accepted grant in the amount of \$141,800, from the Supplemental Benefits Fund for assistance in completing an environmental study for an envisioned Whitewater Park. **(Randy Murphy, City Administrator)**

Council Action Requested: Rescind a portion of the previously accepted grant in the amount of \$141,800, from the Supplemental Benefits Fund for assistance in completing an environmental study for an envisioned Whitewater Park.

5. CHINESE TEMPLE WALLS RECONFIGURATION – staff report

The Council received a report on the potential reconfiguration of wall items in the Fong Lee Building at the Chinese Temple and Museum Complex. **(Donald Rust, Director of Community Development and Luis Topete, Associate Planner)**

Council Action Requested: Direct staff to reconfigure wall items within the Fong Lee Building at the Chinese Temple and Museum Complex with the Chan family providing the cost of materials needed and the City providing the labor required for the completion of the work.

6. THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR (SEE BELOW)

7. PURCHASE OF TRAFFIC CONTROL EQUIPMENT FROM WESTERN PACIFIC SIGNAL, LLC – staff report

The Council considered the purchase of traffic control equipment from Western Pacific Signal, LLC, in the amount of \$80,528, in support of the currently funded Congestion Mitigation Air Quality Grant. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested:

- 1. Authorize the purchase of fifteen (15) MS Sedco traffic detection modules and other ancillary traffic control equipment from Western Pacific Signal, LLC, in the amount of \$80,528, in support of the currently funded Congestion Mitigation Air Quality Grant.**
- 2. Approve Supplemental Appropriation No. 2013/14-0520-51 as indicated in the May 20, 2014 staff report.**

8. PURCHASE AND INSTALLATION OF A RADIO COMMUNICATION SYSTEM THROUGH THE ASSISTANCE TO FIREFIGHTERS GRANT – staff report

The Council considered the purchase and installation of a secondary radio repeater site for the Public Safety Radio Communication System, in the amount of \$32,134.39, through a “piggy-back” bid with Western States Contracting Alliance Contract, from the sole listed vendor, Day Wireless Systems, utilizing the Federal Emergency Management Administration’s Assistance to Fire Fighter Grant funds.

The Council also considered authorizing a supplemental appropriation, in an amount not to exceed \$5,000, for the future purchase of an Aviation Beacon for the Public Safety Radio Communication System. **(Bill LaGrone, Director of Public Safety)**

Council Action Requested:

- 1. Authorize the purchase and installation of a secondary radio repeater site for the Public Safety Radio Communication System, in the amount of \$32,134.39, through a “piggy-back” bid with Western States Contracting Alliance Contract, from the sole listed vendor, Day Wireless Systems, utilizing the Federal Emergency Management Administration’s Assistance to Fire Fighter Grant funds.**
- 2. Authorize a 10% contingency for any necessary work order changes related to the purchase and installation of a secondary radio repeater site for the Public Safety Radio Communication System**
- 3. Authorize supplemental appropriation, in an amount not to exceed \$5,000, for the future purchase of an Aviation Beacon for the Public Safety Radio Communication System.**

The motion to approve the above Consent Calendar was passed by the following vote:

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor
Wilcox, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: None

ITEMS REMOVED FROM THE CONSENT CALENDAR

6. CORRECTION TO THE EMPLOYER PAID MEMBER CONTRIBUTIONS RESOLUTION BETWEEN THE CITY OF OROVILLE AND THE OROVILLE FIRE FIGHTERS' ASSOCIATION – staff report

The Council considered approving a correction to Resolution No. 8203, regarding Employer Paid Member Contributions relating to the Oroville Fire Fighters' Association that was first approved by the City Council on April 1, 2014. **(Liz Ehrenstrom, Human Resource Analyst)**

This item was removed from the Consent Calendar at the request of Human Resource Analyst, Liz Ehrenstrom, for corrections.

A motion was made by Council Member Bunker, seconded by Council Member Pittman, to:

Adopt Resolution No. 8203 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING EMPLOYER PAID MEMBER CONTRIBUTIONS THROUGH CALPERS FOR THE OROVILLE FIRE FIGHTERS' ASSOCIATION.

The motion was passed by the following vote:

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor
Wilcox, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: None

PUBLIC HEARING – None

REGULAR BUSINESS

9. COMPLETION OF THE OFFICIAL ASSESSMENT BALLOT FOR BUTTE COUNTY MOSQUITO & VECTOR CONTROL DISTRICT – staff report

The Council considered its position toward the increased assessment for the Butte County Mosquito and Vector Control District. **(Randy Murphy, City Administrator)**

Matt Ball, Butte County Mosquito & Vector Control District (District) Manager, spoke in support of the proposed increased assessment for fiscal year 2014/15 for services provided

by the District.

Following discussion, a motion was made by Council Member Andoe, seconded by Council Member Simpson, to:

Direct staff to submit the Butte County Mosquito and Vector Control District ballots in favor of the proposed increased assessment for fiscal year 2014/15 for services provide by the District.

The motion was passed by the following vote:

Ayes: Council Members Andoe, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
Noes: Council Members Berry, Bunker
Abstain: None
Absent: None

10. DESIGNATION OF VOTING DELEGATES AND ALTERNATES FOR LEAGUE OF CALIFORNIA CITIES 2014 ANNUAL CONFERENCE – staff report

The Council considered appointing a voting delegate and two alternates for City representation at the League of California Cities (League) Annual Conference to be held later this year. **(Randy Murphy, City Administrator)**

Mayor Dahlmeier continued the appointments of: Mayor Dahlmeier, Voting Delegate, Vice Mayor Wilcox and City Administrator, Randy Murphy, as Alternate Voting Delegates for City representation at the League of California Cities Annual Conference.

11. RECEIPT OF PRELIMINARY ANNUAL BUDGET FOR FISCAL YEAR 2014/15 AND SETTING OF COUNCIL BUDGET WORKSHOPS – staff report

The Council received the Preliminary Annual Budget for fiscal year 2014/15. **(Randy Murphy, City Administrator and Glenn Lazof, Interim Director of Finance)**

Following discussion, a motion was made by Vice Mayor Wilcox, seconded by Council Member Bunker, to:

- 1. Acknowledge receipt of the 2014/15 Preliminary Annual Budget.**
- 2. Set Budget workshops relating to the 2014/15 Annual Budget for June 24, 2014 from 5:00 p.m. to 7:00 p.m. and July 17, 2014 from noon to 2:00 p.m.**
- 3. Call a Special Meeting of the Oroville City Council for August 12, 2014 at 5:00 p.m. to discuss and approve the initial revisions to the 2014/15 Preliminary Budget and adopt the Final 2014/15 Budget.**
- 4. Direct staff to schedule quarterly budget reviews at the second meetings in October 2014, January 2015, and April 2015.**

The motion was passed by the following vote:

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor
Wilcox, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: None

12. MONTHLY SUMMARY OF INVESTMENTS AND MONTHLY FINANCIAL REPORTS FOR APRIL 2014 – reports attached

The Council acknowledged receipt of the April 2014 Monthly Summary of Investments and Monthly Financial Reports.

SUCCESSOR AGENCY - None

MAYOR/ COUNCIL REPORTS

Council Member Pittman reported that the Butte County Continuum of Care Council had adopted the 10 Year Plan to End Homelessness.

Vice Mayor Wilcox reported that she had attended the Fellow's Club Top Ten Awards with Mayor Dahlmeier, Council Member Berry and Council Member Bunker. The Council praised the efforts and accomplishments of the local High School Award Recipients.

Council Member Bunker announced an upcoming community Feather River Clean-Up event to be held at Riverbend Park on May 31, 2014.

Council Member Pittman reported that the Oroville Area Chamber of Commerce is now offering additional services through Chamber Nation. In addition, the Chamber would soon be touring the SC-OR facility on South 5th Avenue, Oroville.

CITY ADMINISTRATOR/ ADMINISTRATION REPORTS

- Department of Public Safety – activity report
- Department of Community Development – activity report

Bill LaGrone, Director of Public Safety, reported that the Police Department had been awarded a \$32,000 grant from the California Department of Alcohol and Beverage Control. Mr. LaGrone also reported that the Police Department had recently formulated a strategy for addressing recent criminal activities within the community.

Donald Rust, Director of Community Development, reported:

- Permits have been issued for the Oroville Ford Expansion Project
- Oroville Fire Department and Public Works Department are concurrently working together on weed abatement projects
- Public Scoping meeting will be held on May 22, 2014, in regards to the Supplemental Environmental Impact Report (SEIR) for targeted updates to the Oroville 2030 General Plan, Municipal Code, and Design Guidelines, as well as the Oroville Climate Action Plan and Balanced Mode Circulation Plan

- Oroville Super Walmart Environmental Impact Report has been released for review and public comment
- Arts, Culture and Entertainment District was recently awarded the Section Excellence Award for the category of Planning and Economic Development by the Sacramento Valley Region of the American Planning Association – California Chapter

Pat Clark, Director of Business Assistance and Housing Development reported that the State Department of Housing and Community Development could potentially be significantly changing the use Program Income for Cities and Counties.

CORRESPONDENCE

- Department of Alcohol & Beverage Control, received May 12, 2014
- The Fellows Club of Oroville, received May 12, 2014
- California Water Service Company, received May 13, 2014
- Butte County Public Health, received May 13, 2014

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON NON-AGENDA ITEMS

Wendell Vantine voiced concerns relating to the safety of local parks and lack of public safety officials in Oroville.

CLOSED SESSION

The Council held a Closed Session on the following:

1. Pursuant to Government Code section 54957.6, the Council met with Labor Negotiators and City Attorney to discuss labor negotiations for the Oroville City Employee's Association.
2. Pursuant to Government Code section 54957.6, the Council met with Labor Negotiators and City Attorney to discuss labor negotiations for the Oroville Fire Fighter's Association.
3. Pursuant to Government Code section 54957.6, the Council met with Labor Negotiators and City Attorney to discuss labor negotiations for the Oroville City Confidential Association.
4. Pursuant to Government Code section 54957.6, the Council met with Labor Negotiators and City Attorney to discuss labor negotiations for the Oroville Mid Manager's Association.
5. Pursuant to Government Code Section 54957(b), the Council met with the City Administrator and City Attorney to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: Assistant Fire Chief.
6. Pursuant to Government Code Section 54957(b), the Council met with Labor Negotiators, City Attorney and Director of Public Safety to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: Assistant Chief of Police.

7. Pursuant to Government Code section 54956.9(b), the Council met with the City Administrator and the City Attorney regarding potential litigation – three cases.
8. Pursuant to Government Code section 54956.9(a), the Council held the following closed sessions relating to existing litigation: City of Oroville, et al. v. Department of Finance, et al., Sacramento County Superior Court Case No. 34-2013-80001543.
9. Pursuant to Government Code Section 54957(b), the Council met with the City Administrator and City Attorney to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: Deputy City Clerk.

Mayor Dahlmeier announced that no actions had been taken in Closed Session and direction had been given to staff.

ADJOURNMENT

The meeting was adjourned at 7:32 p.m. A regular meeting of the Oroville City Council will be held on Tuesday, June 3, 2014 at 5:00 p.m.

Randy Murphy, City Clerk

Linda L. Dahlmeier, Mayor

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

FROM: BOB MARCINIAK, PROGRAM SPECIALIST

RE: 3RD ANNUAL OROVILLE 5K RIVER-RUN

DATE: JUNE 3, 2014

SUMMARY

The Council may consider directing staff to issue a check in the amount of \$157.70 to the Oroville YMCA from remaining sponsor funds processed by the City of Oroville.

DISCUSSION

This years 3rd annual Oroville 5K River-Run was promoted by the City of Oroville with the understanding that in-kind services would be provided by the Program Specialist and any actual expenses would be reimbursed from the event. The Executive Committee approved participation in the event and selected the Oroville YMCA as the beneficiary of all net proceeds from the 5K River Run. For accounting purposes the YMCA processed all fees, sponsor contributions and expenses related to the event, however the City received one check in the amount of \$500.00 from a sponsor. After discussion with the Interim Director of Finance and the Director of the YMCA, staff was directed to process the check through the City Fund 100 account and to pay any expenses billed to, or by, the City. Previous recipients of the 5K River-Run were the Hope Center and the Oroville Police Association Shoes for Kids program.

FISCAL IMPACT

Check received from event sponsor:	\$500.00
Mile marker signs/Vista Press:	-115.30
Runner/participant refreshments/Mug Shots:	-155.00
Copy expense 1200 X .06/City of Oroville:	- 72.00
Remaining balance:	\$157.70

RECOMMENDATION

Authorize the issuance of a check in the amount of \$157.70 to the Oroville YMCA from remaining sponsor funds processed by the City of Oroville.

ATTACHMENTS

None

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: PAT CLARK, DIRECTOR OF BUSINESS ASSISTANCE
AND HOUSING DEVELOPMENT**

**RE: MODIFICATION TO THE CALHOME HOUSING
REHABILITATION LOAN PROGRAM GUIDELINES AND
ESTABLISH BUDGET FOR CALHOME REVOLVING LOAN
FUND**

DATE: JUNE 3, 2014

SUMMARY

The Council may consider a proposed modification to the City of Oroville, CalHome Housing Rehabilitation Program Guidelines and a supplemental appropriation to establish a budget for the CalHome Revolving Loan Fund.

DISCUSSION

Staff is proposing a modification to the CalHome Rehabilitation Program Guidelines that are in alignment with CalHome requirements. The only change being made at this time is to increase the allowable maximum loan amount of 105% of after-rehab appraised value.

Staff is also requesting a supplemental appropriation to establish a budget for the CalHome Revolving Loan Fund for the 2013/14 fiscal year. The current fund balance in this fund is \$103,785.

FISCAL IMPACT

Approve Supplemental Appropriation No. 2013/14-xxxx-xx to utilize \$25,000 of fund balance to establish a budget for the CalHome Revolving Loan Fund as follows:

Increase Expenditures:

454-7961-8454	\$23,750
454-9010-8454	\$1,250

RECOMMENDATIONS

1. Authorize the modification to the CalHome Housing Rehabilitation Program Guidelines, as indicated in this staff report, dated June 3, 2014.
2. Approve Supplemental Appropriation No. 2013/14-XXXX-XX to transfer \$25,000 from Fund Balance to establish a budget for the CalHome Revolving Loan Fund as indicated the fiscal impact of this staff report, dated June 3, 2014.

ATTACHMENTS

Pg. 5 of the CalHome Rehabilitation Program Guidelines

A complete copy of the CalHome Rehabilitation Loan Program Guidelines is available to review in the Business Assistance and Housing Development Department by request

that when added to the outstanding indebtedness relating to the property, creates a total indebtedness that does not exceed 105% of the after rehabilitation market value estimate. Further, if combined with other funds, the maximum loan amount may go up to \$60,000 as long as only \$40,000 of CalHome funds are being used; and, that the combined loans when added to the outstanding indebtedness relating to the property, creates a total indebtedness that does not exceed 105% of the after rehabilitation appraised value. However, the *combined* maximum loan amount may be waived by the Loan Advisory Committee based on applicant need, housing deficiencies, and loans and/or liens subordinate to housing rehabilitation loans made by the Oroville Redevelopment Agency.

Deleted: 0

Deleted: 0

- C. Maximum Loan Term - The maximum loan term will not exceed thirty years for deferred loans. Any extensions of the loan term will be reviewed on an individual basis and approved by the Loan Advisory Committee in accordance with CalHome Program Guidelines and Regulations.
- D. Interest Rate - The interest rate will be 3%.
- E. Maximum Debt Ratio-The maximum debt to income ration will be 28%.
- F. Housing Expense Ratio-The housing expense ratio will be at least 28%
- E. Loan Assignment - All loans shall become due and payable upon the transfer or sale of the borrower's interest in the property, change of use from residential to commercial, a noncompliance with the rehabilitation plan, if the property is no longer occupied by the borrower and/or is being rented and at maturity of the loan.
- F. Loan Security - The loan will be evidenced by a Promissory Note executed by the borrower and will be secured by a Deed of Trust, with assignment of rents and a rehabilitation loan repayment agreement, both of which shall be recorded against the property. A manufactured home in a mobile home park or on leased land that is not on a permanent foundation will be secured by an HCD 480.7 or HCD 484 Statement of Lien.
- G. Includable Loan Costs - Costs eligible for inclusion in the rehabilitation loan include those cost attributable to the rehabilitation of the subject property as follows:
 - 1. Credit report.
 - 2. Policy of title insurance.
 - 3. Structural pest control report.
 - 4. Inspection fees: appraisal, market value estimate, property inspection reports and all building permit fees.

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

FROM: GLENN LAZOF, INTERIM DIRECTOR OF FINANCE

RE: 2014 ROAD MAINTENANCE PROJECT CURRENT YEAR BUDGET

DATE: JUNE 3, 2014

SUMMARY

The Council may consider the appropriation of funds in Transportation Fund 112 for previously approved roadwork.

DISCUSSION

The Council approved a Mutual Aid Road Repair Project (Project) in conjunction with the County of Butte on May 6, 2014. The proposed Supplemental Adjustment is to provide adequate funding for projects expected to be completed in the current fiscal year. The balance of funding the Project will be reflected in the Adopted Preliminary Budget for Fiscal Year 2015.

FISCAL IMPACT

There is no impact to the General Fund. Following completion of this road work during Fiscal Year 2015, staff anticipates that Fund 112 will have a fund balance of \$361,000.

Approve Supplemental Appropriation No. 2013/14-0603-XX :

Increase	112-4470-7400	\$200,000
Increase	112-7010-7400	\$200,000

RECOMMENDATION(S)

Approve Supplemental Appropriation No. 2013/14-0603-XX, as indicated in the fiscal impact of this staff report, dated June 3, 2014.

ATTACHMENTS

None

**OROVILLE CITY COUNCIL/OROVILLE PUBLIC FINANCING AUTHORITY
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS;
CHAIRPERSONS AND COMMISSIONERS**

**FROM: RANDY MURPHY, CITY ADMINISTRATOR;
GLENN LAZOF, INTERIM DIRECTOR OF FINANCE**

RE: ESTABLISHMENT OF THRESHOLD FOR FIXED ASSETS

DATE: JUNE 3, 2014

SUMMARY

The Council may consider establishing a threshold of \$1,000 for Fixed Assets and Equipment.

DISCUSSION

Staff located a typewritten Fixed Asset Policy, approved by the City Administrator 18 years ago. This Policy is in need of a substantial rewrite. The Finance Department plans to submit a Fixed Asset Policy to the Council during fiscal year 2014/15. Meanwhile, staff believes it is imperative to complete, in conjunction with all City Departments, an annual physical inventory of equipment and other assets. Adoption of proper inventory procedures will require establishing a threshold which focuses our control efforts on valued assets.

Per the 1996 Policy, the Fixed Asset Policy threshold was \$500. For many years the City's Independent Auditors used an effective Fixed Asset threshold of \$5,000, as a base of their reviews, although a lesser review was done of some items of lesser value. Staff is recommending that the threshold be set at \$1,000, which is currently the threshold for requiring a City Purchase Order.

RECOMMENDATIONS

Approve the establishment of a \$1,000 threshold for Fixed Assets and Equipment.

ATTACHMENTS

None

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND COUNCIL MEMBERS

FROM: RANDY MURPHY, CITY ADMINISTRATOR

RE: CHANGE IN POSITION TITLE - DEPUTY CITY CLERK TO ASSISTANT CITY CLERK

DATE: JUNE 3, 2014

SUMMARY

The Council may consider changing the title of the Deputy City Clerk to Assistant City Clerk.

DISCUSSION

On September 3, 2013, the Council established a salary schedule for the position of Deputy City Clerk and appointed someone to that position, among other actions. A copy of the September 3, 2013 staff report is attached for your reference. The Oroville City Charter outlines the position of Deputy City Clerk, however the Charter outlines some provisions which are not feasible to implement at this time.

As a brief review, an Administrative Assistant was working out of class and performing the duties of Deputy/Assistant City Clerk. An agreement was entered into which provided that within 18 months of April 2012, a decision would be made as to whether the Administrative Assistant would be reclassified. The former Interim City Administrator recommended that the reclassification occur and that the Administrative Assistant be reclassified as a Deputy City Clerk. The Council accepted the recommendation and reclassified the Administrative Assistant on September 3, 2013.

At the time, Staff did not review the Charter in determining whether the reclassification would create unforeseen issues for the employee. It has been determined that the Administrative Assistant should have been reclassified to the position of Assistant City Clerk, instead of Deputy City Clerk. Staff is requesting the Council to amend the Deputy City Clerk position title to Assistant City Clerk.

FISCAL IMPACT

None.

RECOMMENDATION

Approve the position title change of the Deputy City Clerk to Assistant City Clerk.

ATTACHMENT(S)

None

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
LUIS A. TOPETE, ASSOCIATE PLANNER (530) 538-2408
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: MUNICIPAL AUDITORIUM MURAL PROJECT

DATE: JUNE 3, 2014

SUMMARY

The Council will receive a report on the potential to utilize the west wall of the Municipal Auditorium as a school mural project.

DISCUSSION

At the March 10, 2013 Arts Commission meeting, staff informed the Commission on vandalism that had occurred at the Municipal Auditorium. Commissioner Wilcox suggested the potential of placing art on the wall to prevent any future graffiti, and Commissioner Britton proposed using the west exterior wall of the Municipal Auditorium as an art canvas that could be utilized for murals as follows:

- At the beginning of each school year, the west wall of the Municipal Auditorium could be made available for a senior class, either at Las Plumas or Oroville High School, or both schools, as a location where a mural could be placed as proposed by the senior class and approved by the City.
- At the beginning of each school year, the new senior class would then be provided the same opportunity so that each year the new senior class will have an opportunity to paint a mural.

Staff can work closely with both schools to see if there is any interest. The details on what school will be selected will be determined once interest is verified. If both schools show interest, options could include a yearly rotation between the schools, cooperative murals, or finding another location so that both schools will have an area where they can paint a mural. Any mural design would have to be first reviewed by the Arts Commission, which would send a recommendation to the City Council who would approve or deny the request. The cost of supplies would be the responsibility of the school.

The Arts Commission recommends the City Council direct staff to contact schools for interest and allow the west wall of the Municipal Auditorium be used for a senior art

CC-7

project as described in this report.

FISCAL IMPACT

None.

RECOMMENDATIONS

Direct staff to contact local schools for interest and allow the west wall of the Municipal Auditorium be used for a High School Senior Art Project.

ATTACHMENT

None.

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR
RICK WALLS, INTERIM CITY ENGINEER
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: PG&E TURNKEY LED STREETLIGHT CONVERSION PROJECT

DATE: JUNE 3, 2014

SUMMARY

The Council may consider an Agreement with the Pacific Gas & Electric Company (PG&E) for the conversion of approximately 681 existing high pressure sodium (HPS) streetlights to light emitting diode (LED) street lights.

DISCUSSION

Since May 2012 the City has replaced 377 HPS street lights with LED equivalents, installed in two phases. The City received LED conversion rebates of \$41,275 for both LED conversion phases. This effort to date, which focused on the replacement of the highest lamp wattages in the City's street light system (400, 250, 200 and 150) has reduced that City's PG&E annual street light bill by about \$26,000 per year.

The PG&E rebate levels for the conversion of street lights from HPS to LED range from \$175 to \$75 per lamp dependent upon the wattage of the HPS lamp being replaced. PG&E has recently announced that the rebate levels will be reduced significantly in the near future. PG&E has presented to staff an agreement and proposal to convert an additional 681 HPS lights to LED using the current LED rebate schedule. The concept of this proposal is that the energy savings realized from the lower electrical cost per LED lamp would be used to pay the financing costs for PG&E to purchase and install the 681 LED lamps. All work would be completed by PG&E contractors at no direct cost to the City. PG&E has agreed to install Leotek LED lights, which will match the City's existing LED lights. PG&E has informed the City that PG&E's contractors are paid prevailing wage for the work. Staff will need to prepare a street light pole number list for the conversions (currently underway) and will need to monitor the conversions so that the City's GIS street light data base can be updated. The PG&E proposed financing arrangements are summarized below:

- Estimated No. of HPS Lights to be Replaced with LED: 681
- Project Price: \$294,771
- Cost per Light Before Rebate: \$432.85
- PG&E Rebates Applied: \$45,425
- Project Cost After Applied Rebate: \$249,346
- Cost per Light After Rebate: \$366.14
- Balance Financed Through PG&E Agreement: \$249,346

- Estimated Energy Savings/Year (Est. PG&E) : \$31,198

- Agreement Payback to PG&E Thru Energy Savings: 8 Years @ \$31,200 per year

The above PG&E financing summary would allow the City, pursuant to the Agreement, to pay PG&E for the LED installations through the annual estimated energy savings through PG&E's "On Bill Financing" program. There would be no increase in the City's current street light electrical bill, other than annual energy cost increases. After the end of the financing period (8 years), the City's annual electric cost to PG&E should drop by a minimum of \$31,200. This amount does not account for the normal annual energy cost increases by PG&E which would increase the annual savings. The financing cost per light, both before and after rebate, reflect the current market price for these LED lights.

The "Exhibit A" attached to the Agreement is considered a place holder. The final form of "Exhibit A" will include the final project cost, and a project specific street light replacement list, which will not exceed the aforementioned \$249,346 after rebate. This will also include a revised Cost and Payment Schedule reflecting the On Bill Financing. A separate financing agreement reflecting the final project cost will be brought back to the Council for consideration before project work starts.

FISCAL IMPACT

None. There are no outside costs to the City for this project. There will be minor staff time to prepare the street light conversion list and monitor and record the conversions, by location.

RECOMMENDATION(S)

1. Adopt Resolution No. 8217 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH PACIFIC GAS AND ELECTRIC COMPANY FOR THE REPLACEMENT OF APPROXIMATELY 681 HIGH PRESSURE SODIUM STREET LIGHTS WITH LIGHT EMITTING DIODE (LED) REPLACEMENTS – (Agreement No. 3067).

2. Authorize staff, after execution of the Agreement, to coordinate with PG&E regarding the completion of Exhibit A to the Agreement, which will detail the final project cost and a specific street light replacement list, and indicate any future budget action to

reflect the no-net cost to the City.

ATTACHMENTS

**PG&E Street Light Replacement Proposal
Resolution No. 8217
Agreement No. 3067**



PG&E LED Street Light Turnkey Replacement Service

Non-binding price estimate to be used for budgetary purposes only

City of:

Oroville

Date of this estimate:

22-Jan-2014

Expiration date of this estimate:

21-Feb-2014

Number of Lights to be Replaced	Voltage	Type	Wattage	Rate	Suggested Replacement LED	Rebate	Total
36	240	HPS	200	LS-2	BXSP-A-0-3-H-D-U-S-N	125	4500
22	240	HPS	150	LS-2	BXSP-A-0-2-H-F-U-S-N	100	2200
303	120	HPS	100	LS-2	BXSP-A-0-2-G-F-U-S-N	75	22725
320	120	HPS	70	LS-2	BXSP-A-0-2-G-F-U-S-N	50	16000
681							

Total Rebate

45425

Total Project Price:

\$294,771

Avg Cost/Lamp = \$432.85

Total PG&E Rebates:

\$45,425

Net Estimated Price:

\$249,346

The rebates are subject to funding availability and are administered on a first come, first-serve basis. If rebate funding is depleted, customer must pay Total Project Price.

Energy cost savings in first year*:

\$31,198

Energy savings (kWh/year):

227,930

CO2 reduction (lbs/year):

119,436

Avoided maintenance expenses in first year**:

\$4,767

Simple Payback (Energy Only):

7.99

**CITY OF OROVILLE
RESOLUTION NO. 8217**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE PACIFIC GAS AND ELECTRIC COMPANY (PG&E) FOR THE REPLACEMENT OF APPROXIMATELY 681 HIGH PRESSURE SODIUM (HPS) CITY STREET LIGHTS WITH LIGHT EMITTING DIODE (LED) REPLACEMENTS

(Agreement No. 3067)

NOW THEREFORE, be it hereby resolved by the Oroville City Council as follows:

1. The Mayor is authorized and directed to execute an Agreement with PG&E for the replacement of approximately 681 HPS City owned street lights with LED replacements. A copy of the Agreement is attached to this Resolution.
2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on June 3, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

PG&E PRODUCTS AND SERVICES AGREEMENT

This PG&E Products and Services Agreement (the “**Agreement**”) is made and entered into as of _____, 20__ (“**Effective Date**”) by and between City of Oroville with offices at 1735 Montgomery Street, Oroville, CA 95965 (“**Customer**”) and Pacific Gas and Electric Company (“**PG&E**”).

RECITALS

WHEREAS, Customer requires street light replacement services and PG&E desires to do so pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements set out in this Agreement, Customer and PG&E agree as follows:

AGREEMENT

1. The Service. PG&E offers street light replacement service (the “**Service**”) which comprises a turnkey project that includes: the ordering of Customer specified street light fixtures by PG&E at Customer’s expense, and installation of these PG&E-authorized street light fixtures as replacements to existing Customer-owned street lights operating at 120 or 240 volts. As part of the Service, PG&E will also process Customer-requested rate changes to PG&E rates and any applicable PG&E rebate applications as requested by Customer. PG&E will arrange for waste disposal of removed street light fixtures.

2. Development, Acceptance, and Performance of Proposals. Upon receipt of a request for Service, PG&E will consult with Customer and develop a Proposal covering the Service in the form of proposal attached hereto as Exhibit A. Once a Proposal is signed by both Customer and PG&E, the Proposal will become a binding contract and shall be deemed an “**Accepted Proposal**” for purposes of this Agreement. Accepted Proposals shall be numbered sequentially and must reference this Agreement specifically. The terms of this Agreement are incorporated into each Proposal as if fully set forth therein by virtue of this reference. If any conflict arises between the terms of an Accepted Proposal and the terms of this Agreement, the terms of this Agreement shall prevail. PG&E agrees to provide the Service in accordance with the Accepted Proposal subject to the terms and conditions of this Agreement. PG&E will notify Customer upon its completion of the work specified in an applicable Accepted Proposal, and Customer shall have five (5) business days to review and accept, after which time PG&E’s performance responsibilities under the Accepted Proposal will be deemed to have been fulfilled. If Customer identifies any outstanding items to be corrected, a punch list will be developed to reflect such items, and PG&E will correct them. Any change to an Accepted Proposal must be agreed to by both Customer and PG&E in writing. Upon completion of the Service described in the Accepted Proposal and Customer’s payment of said Service, title to the installed street light fixtures described in the Acceptable Proposal shall pass to Customer. Such transfer of title shall be for the installed street light fixtures “as is, where is,” and with no implied warranties or express warranties, except as otherwise set forth below in Section 5.2 (Limited Material Warranty).

3. Additional Work. If in the process of performing the Service, a condition is discovered that prevents PG&E from performing the Service as specified such as but not limited to 1) access to the street light such as overgrown trees or blocked roadway, 2) broken street light bracket, or 3) wiring defect that prevents delivery of energy to the street light fixture, PG&E will notify Customer in writing of such condition and the work necessary to remedy the condition using Exhibit B (Additional Repair Work Agreement). If the work required is estimated by PG&E at less than \$1,000, then PG&E may perform such work and invoice Customer periodically for actual time and materials to perform such work without completing Exhibit B.

If, for any reason, Customer chooses not to correct such condition, as specified in Exhibit B (Additional Repair Work Agreement), PG&E shall be relieved of any and all responsibility for performing the Service for that street light or group of street lights.

If in the process of performing the Service, active bird nests, and/or bee hives, wasps are discovered, PG&E will notify Customer of such condition and discontinue work on affected equipment.

4. Fees. Customer shall pay PG&E for Service performed in accordance with the payment terms set forth in each Accepted Proposal. Work specified in any Additional Repair Work Agreement will be done on a time and materials basis, at PG&E's then current hourly commercial rates as specified in Exhibit B and with reimbursement of PG&E's actual out-of-pocket expenses. Customer shall pay PG&E for the Service based on the payment schedule set forth in the applicable Accepted Proposal. Each payment made by Customer must reference this Agreement, the Accepted Proposal and invoice number and be mailed to:

PACIFIC GAS AND ELECTRIC COMPANY
Attn: Sales and Service Manager, Business Development
P.O. Box 770000, Mailcode: N10D
San Francisco, CA 94177

5. Limited Warranties.

5.1. Limited Service Warranty. PG&E warrants that the Service will be performed in a commercially reasonable manner consistent with the level of care and skill exercised by others when performing services of a similar nature under similar circumstances. Customer must notify PG&E of any defect in workmanship within one (1) year of completion of installation of all streetlight fixtures ("**Installation**"). If Customer notifies PG&E within one year of installation of a potential defect in workmanship, and PG&E confirms the defect, PG&E will either re-perform the Service at no additional charge to Customer, or, if PG&E so elects, refund the applicable fees paid to PG&E by Customer for the Service. This warranty extends to Customer only and cannot be assigned by Customer. This warranty is in lieu of all other warranties. All other warranties are expressly disclaimed.

5.2. Limited Material Warranty. The manufacturer of the material to be installed will provide a warranty which is attached as Exhibit C. PG&E will provide to the Customer all documentation covering the warranty including contact information for the manufacturer or manufacturer's warranty agent. During the first year following completion of Installation, Customer may contact PG&E (as part of the Limited Service Warranty) to request that PG&E remove the defective light and reinstall the repaired light or an equivalent replacement light. For

those years following the Limited Service Warranty period but still within the Limited Material Warranty period, Customer must contact the manufacturer to make a warranty claim. Customer is responsible for removal of the equipment, arranging and paying for shipping and insurance for the equipment to and from the manufacturer's designated facility (and for all risk of loss to the equipment while in transit), and installation of the equipment upon return, unless otherwise instructed in the manufacturer's designated warranty. This warranty extends to Customer only and cannot be assigned by Customer. This warranty is in lieu of all other warranties relating to installed materials. ALL OTHER WARRANTIES (WHETHER EXPRESS OR IMPLIED) RELATING TO INSTALLED MATERIAL ARE HEREBY EXPRESSLY DISCLAIMED.

5.3. Disclaimers. Except for warranties expressly set forth in Sections 5 and 6 of this Agreement, PG&E HEREBY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES (WHETHER EXPRESS OR IMPLIED OR ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE, AND INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY, INTEROPERABILITY, AND FITNESS FOR A PARTICULAR PURPOSE) RELATING TO THE SERVICE. Customer acknowledges and agrees that the specific remedies described in Sections 5 and 6 of this Agreement respectively shall be Customer's sole and exclusive remedies for any and all warranty claims arising under or pertaining to this Agreement.

6. Customer's Responsibilities. To the extent that performance of the Service by PG&E depends upon approvals or other decisions by Customer, or on Customer furnishing particular documents or information, including but not limited to work permits, and that Customer does not timely perform or provide the same, the minimum time estimate for PG&E's completion of the Service shall be extended to take into account Customer's delay with respect thereto. Customer shall reimburse PG&E for the costs on any required work permits. If Customer or a competent governmental authority requires any other compliance efforts, including but not limited to flagging, traffic control, or neighborhood notifications, as a condition for work to proceed, then Customer shall reimburse PG&E for the costs related to these efforts. Notwithstanding PG&E's arrangement or performance of waste disposal services for removed street light fixtures (or any other materials an applicable Accepted Proposal may specify for removal), Customer acknowledges and agrees that it is the "generator" of such fixtures and/or materials and therefore bears ultimate responsibility for their proper disposition. Provided that PG&E adheres to any disposal instructions contained in an Accepted Proposal, Customer agrees to hold PG&E harmless from any and all claims brought by third parties (including by governments or regulators) relating to the disposal services arranged or performed by PG&E.

7. Data. Customer shall own any documents or information prepared or created by PG&E during the performance of the Service under this Agreement ("**Data**"). PG&E may retain copies of Data for PG&E use, but shall keep the Data confidential and shall not publish or otherwise disclose or knowingly permit PG&E employees to publish or otherwise disclose any Data without Customer's prior written consent unless such disclosure is required by law or by a court or regulatory agency having authority over PG&E.

8. PG&E's Utility Obligations. Customer acknowledges that PG&E has an obligation to maintain, repair and service PG&E-owned facilities in order to perform its duties as a public utility. If PG&E determines at any time, in its sole discretion, that it requires any personnel or resources previously committed to the performance of services for Customer under this Agreement in order to maintain adequate service to PG&E's other customers or to fulfill its duties

as a public utility, then PG&E shall have the right to divert the use of such personnel or resources to satisfy such requirements. PG&E shall be excused from whatever performance is affected by such action, all to the extent and for the duration its resources are so constrained, and PG&E shall not be considered in default under this Agreement by virtue of such diversion of resources. PG&E shall use diligent efforts to resume and complete its performance of the Service when diverted resources become available again.

9. Limitation of Liability. In the event that PG&E is held liable to Customer or to any party claiming by or through Customer for damages arising under or pertaining to this Agreement, the aggregate liability of PG&E to Customer or to any party claiming by or through Customer shall be limited to the lesser of (a) the estimated price for the Service giving rise to the claim, or (b) the amount actually paid to PG&E with respect to such Service. IN NO EVENT SHALL PG&E BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, COST OF DELAYS, REPLACEMENT OF POWER, OR LOSS OF PROFITS, LOSS OF OR FAILURE TO REALIZE ANTICIPATED SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND EVEN IF ANY SUCH CONSEQUENCES WERE FORESEEABLE. The parties agree that the limitations on liability expressed in this Agreement will apply at all times, whether in contract, equity, tort or otherwise, regardless of the fault, negligence (in whole or in part), strict liability, breach of contract or breach of warranty of PG&E, and will extend to the affiliates, subsidiaries, parent company, officers, managers, directors, agents and employees of PG&E. Customer acknowledges and agrees that the limitations of liability set forth in this section may be far less than Customer's loss in the event of any loss or damage to Customer's equipment while in PG&E's care or custody, and Customer expressly assumes the risk of any such deficiency of recovery. The parties acknowledge and agree that the limitations of liability set forth in this Section 9 are an essential element of their bargain as well as a material inducement for PG&E's entry into this Agreement, and that PG&E's price for the Service reflects their inclusion in this Agreement.

10. Term and Termination. The term of this Agreement shall be for five years from the Effective Date unless sooner terminated by Customer or PG&E as permitted by this Agreement. Each party may terminate this Agreement or any Accepted Proposal at any time for convenience by giving the other party 5 days written notice, provided, however, that any such termination shall neither affect PG&E's obligation to perform under any Accepted Proposals during the 5 day notice period, nor Customer's obligation to pay PG&E for material procured or services rendered under any Accepted Proposal through the effective date of termination, including during the 5-day notice period. Termination of any individual Accepted Proposal by either party shall not affect the continued validity of this Agreement or of any other Accepted Proposals. Additionally, each party may terminate this Agreement and any then-outstanding Accepted Proposals upon written notice to the other party if the other party: (i) is in default of any obligation hereunder which default is incapable of being cured, or which, being capable of being cured, has not been cured within seven days after receipt of written notice of such default; or (ii) becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or has been liquidated, voluntarily or otherwise. Also, PG&E may terminate this Agreement immediately and without prior notice in the event that the California Public Utilities Commission issues a ruling or order prohibiting or otherwise preventing PG&E from fulfilling, or substantially interfering with PG&E's ability to fulfill, its

obligations under this Agreement, or finding that this Agreement is contrary to the policies of the California Public Utilities Commission. The following Sections of this Agreement shall survive expiration, cancellation or other termination of this Agreement: 4 Fees, 5 Limited Warranties, 6 Customer Responsibilities, 7 Data, 9 Limitation of Liability and 11 General. Any other provisions of this Agreement that would generally be construed as intended to survive the expiration, cancellation or other termination of this Agreement shall also survive such expiration, cancellation or other termination.

11. General.

11.1. Assignment. This Agreement may not be assigned or otherwise transferred by either Customer or PG&E without the prior written consent of the other party, such consent not to be unreasonably withheld. Notwithstanding the foregoing, PG&E may, without such consent, assign this Agreement to a parent, subsidiary or other affiliate. PG&E may also subcontract all or part of the Service. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon Customer and PG&E and their respective successors and assigns.

11.2. Force Majeure. Neither PG&E nor Customer shall be considered in default in the performance of its obligations under this Agreement, to the extent that (and only for so long as) the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected party; provided, however, that Customer shall be excused from the obligation to make payments hereunder for services which PG&E is prevented from performing due to circumstances beyond its reasonable control.

11.3. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows, with notice deemed given as indicated: (i) by personal delivery, when delivered personally; (ii) by overnight courier, upon written verification of receipt; or (iii) by certified or registered mail, return receipt requested, upon verification of receipt. Notices shall be addressed, if to Customer, to the primary business contact address given in the Accepted Proposal and, if to PG&E, to the address set forth above for payment.

11.4. Reporting Requirements. Customer must notify PG&E whether or not federal funds granted or otherwise awarded to Customer by or through the United States Department of Energy (collectively, the "Federal Funds") will be used to pay PG&E for the Service. If Customer decides to use such Federal Funds in connection with an Accepted Proposal, then Customer must notify PG&E within 5 days of its decision to use such Federal Funds. If Customer is required by any law or regulation to amend or revise the terms and conditions of any Accepted Proposal in a manner unacceptable to PG&E or if in PG&E's sole discretion PG&E determines it cannot comply with such obligations as amended or revised, whether or not PG&E has begun to perform such Accepted Proposal, PG&E shall have the right, in its discretion, to terminate such Accepted Proposal upon five (5) days' notice without further obligation or liability to Customer (except for the return of any funds Customer may have pre-paid for the Service and which remain uncommitted as of the effective date of such termination). CUSTOMER HEREBY WAIVES ANY CLAIM OF PROMISSORY ESTOPPELS WITH RESPECT TO PG&E'S TERMINATION OF ANY ACCEPTED PROPOSAL UNDER THE CIRCUMSTANCES DESCRIBED IN THE FOREGOING SENTENCE.

11.5. Disputes. The parties will negotiate in good faith to expeditiously resolve any dispute, claim or controversy arising under or relating to this Agreement (including, without



limitation, as to its formation, validity, binding effect, interpretation, performance, breach, or termination, as well as non-contractual claims) on a negotiated basis. If, in either party's reasonable judgment, such negotiations do not result in an amicable outcome after such party's good faith efforts over a period of at least thirty (30) days, such party shall be free to pursue all available remedies under law in any competent forum.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed as of the Effective Date first set forth above.

CUSTOMER

PACIFIC GAS AND ELECTRIC COMPANY

Print Name:

Print

Name:

Signature:

Signature:

Date:

Date:



**EXHIBIT A: FORM OF ACCEPTED PROPOSAL
PROPOSAL NUMBER _____**

This Proposal is made and entered into as of _____, 20__ by and between City of Oroville (“Customer”) and Pacific Gas and Electric Company (“PG&E”). This Proposal is subject to the terms and conditions of the PG&E Products and Services Agreement between Customer and PG&E dated as of _____, 20__ (the “Agreement”).

DESCRIPTION OF SERVICES

Scope of Work: _____

Estimated minimum number of days to complete scope of work: _____

Date work is estimated to begin: _____

Customer sites where work is to be performed (may attach spreadsheet of street lights):

Type and number of street light fixtures to be replaced (may attach spreadsheet):

Locations may change if street lights are added to or deleted from the project during installation. A final spreadsheet will be given to Customer upon completion of the work.

If in the process of performing the Service, active bird nests, and/or bee hives, wasps are discovered, PG&E will notify Customer of such condition and discontinue work on affected equipment.

Contact information and warranty for the LED street light manufacturer is attached to this Proposal.

MATERIALS DISPOSAL

Customer will make space available at Customer-owned property for material storage and disposal during construction. PG&E will hold Customer harmless for damage to stored materials while on Customer’s property. Customer site where PG&E may store materials and waste disposal bins:

Address: _____

PG&E’s Contractor will keep the lights that have been replaced in a locked container until taking them to PG&E’s yard. Contractor will separate the lamp from the fixture and put them in the appropriate bins. PG&E will label the bins and ship them to a registered disposal facility.



TRAFFIC CONTROL PLAN

PG&E Contractor shall be required to comply with all applicable federal, state, and local laws, rules, regulations, permits, and codes including without limitation such laws, rules, regulations, permits, and codes with respect to safety and traffic control.

COST AND PAYMENT SCHEDULE

PG&E estimates the services under this Proposal will cost \$ _____. However, Customer will be invoiced for actual installations (location and size of fixture). The estimate will not be exceeded without Customer's prior approval.

This price does does not subtract the value of the LED streetlight rebates from the cost to provide the Services.

Payment Schedule:

Initial Payment: Upon ordering of materials, Customer will be invoiced 50% of the total amount of the contract.

Final Payment: Customer will be invoiced for final 50% payment upon completion of this Proposal or when punch list items (if any) have been completed.

If Customer chooses to terminate this Proposal prior to completion of the Services, then Customer shall pay PG&E for all costs accrued up to the date of termination, including all materials purchased.

PG&E will submit invoices to Customer based on the Payment Schedule. Each invoice will reference the Agreement and this Proposal and be submitted to Customer's billing address as set forth below. Customer will remit payment to PG&E within 14 days after receipt of the invoice.

BUSINESS CONTACTS

PG&E's primary business contact for this Proposal:

Name: Michelle Ward
Title: Business Development Manager
Address: 245 Market Street, MC N10D, San Francisco CA 94105
Telephone: 415-973-4495
Email: M3PA@PGE.COM

Customer's primary business contact for this Proposal:

Name: Rick Walls, P.E.
Title: City Engineer/Airport Manager
Address: 1735 Montgomery Street, Oroville, CA 95965
Telephone: (530) 538-2507
Email: wallsr@cityoforoville.org



CUSTOMER BILLING CONTACT

Customer's billing contact for this Proposal:

Name: Rick Walls, P.E.
Title: City Engineer/Airport Manager
Address: 1735 Montgomery Street, Oroville, CA 95965
Telephone: (530) 538-2507
Email: wallsr@cityoforoville.org

IN WITNESS THEREOF, the parties agree to be bound by this Proposal as of the date first set forth above.

CUSTOMER

PACIFIC GAS AND ELECTRIC COMPANY

Print Name:

Print
Name:

Signature:

Signature:

Date:

Date:



**EXHIBIT B
FORM OF ADDITIONAL REPAIR WORK AGREEMENT**

REPAIR WORK AGREEMENT NUMBER _____

This Additional Repair Work Agreement is made and entered into as of _____, 20__ by and between City of Oroville ("Customer") and Pacific Gas and Electric Company ("PG&E"). This Repair Work Agreement is subject to the terms and conditions of the PG&E Products and Services Agreement between Customer and PG&E dated as of _____, 20__ (the "Agreement").

PG&E has informed the Customer of a repairable condition as described below. The Customer has requested that PG&E provide the necessary labor, equipment, and material to repair, replace or correct the condition on the Customer's equipment described below.

Description of repairable condition:

PG&E will invoice the Customer on a time and materials basis at the following labor rates (rates valid through 12/31/___):

Straight time (8AM-5PM M-F): \$ ___/hour
Overtime: \$ ___/hour

Executed this ___ day of _____, 20__.

Facility name: _____

IN WITNESS THEREOF, the parties agree to be bound by this Repair Work Agreement as of the date first set forth above.

CUSTOMER

PACIFIC GAS AND ELECTRIC COMPANY

Print Name:

Print Name:

Signature:

Signature:

Date:

Date:



**EXHIBIT C
MANUFACTURER'S WARRANTY INFORMATION**

Street light manufacturer's contact information:

The street light manufacturer's contact information and warranty will be attached to each Proposal.

Leotek Electronics USA Corp.
1330 Memorex Drive, Santa Clara, CA 95050
Phone: 888-806-1188
Fax: 408-980-0538
customerservice@leotek.com

Warranty period:

5 years.

Photo control warrantor's contact information:

Ripley Lighting Controls
2023 Platt Springs Road
P.O. Box 3229
West Columbia, SC 29169
Phone: 803-939-4700
Fax: 803-939-4777

Warranty period:

8 years.

Warranty is attached.

RIPLEY LIGHTING CONTROLS

DIVISION OF SOUTHCONN TECHNOLOGIES INC

2023 Platt Springs Road
P.O. Box 3229
West Columbia, SC 29169
Phone: 803-939-4700
Fax: 803-939-4777

WARRANTY

The 6300 Series carries an 8-year warranty. If the product fails due to manufacturing defect within its warranted period, Ripley Lighting Controls will choose to either replace or repair the lighting control unit. This warranty does not cover damage caused by accident, abuse, misuse or lightning strikes. Ripley's liability hereunder shall be limited to replacement or repair and shall not cover the cost of removal or installation of the unit, nor any consequential damages. Ripley Lighting Controls assumes no further liability with respect to the sale or use of this product. This warranty is in lieu of other warranties, expressed or implied, including the warranty of merchantability. Ripley Lighting Controls makes no warranty with respect to the suitability of the user's particular application. This warranty gives the user specific legal rights.

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: PAT CLARK, DIRECTOR OF BUSINESS ASSISTANCE
AND HOUSING DEVELOPMENT 530-538-2495**

**RE: NON-FORECLOSURE OF CITY INTEREST ON PROPERTIES
LOCATED AT 2795 MONTGOMERY STREET AND 3040 CLEMO
AVENUE**

DATE: JUNE 3, 2014

SUMMARY

The Council may consider the non-foreclosure of City interest on properties located at 2795 Montgomery Street and 3040 Clemo Avenue Oroville, which are not financially feasible for the City to cure the underlying first loan mortgage defaults and payoff of the first mortgage loans.

DISCUSSION

Staff is seeking authorization from the Council not to take action by initiating foreclosure on these properties where the borrowers obtained a loan through the City of Oroville First Time Home Buyer Program. Due to the fact that there is considerably more owed on these properties than the current market value, it would be better for staff not to pursue curing the defaults. The following are the properties for which staff is presenting for Council consideration:

PROPERTY DESCRIPTION	AMOUNT DUE TO PRIMARY LENDER (includes reinstatement)	AMOUNT OF LOAN	VALUE BASED ON COMPARABLES
Robert & Marie Hamilton 2795 Montgomery Street	\$231,700	\$90,620	\$154,500
Nicole Thompson 3040 Clemo Avenue	\$125,480	\$101,250	\$134,250

FISCAL IMPACT

The fiscal impact will be the loss of the City loan principal amounts and interest accrued which would have been due at time of payoff, or the principal amounts only which would have been due in 30 years upon maturity of the loan.

There is no impact to the General Fund.

RECOMMENDATION

Authorize the non-foreclosure of City loan interest on the properties located at 2795 Montgomery Street (APN 013-032-005) and 3040 Clemo Avenue (APN 013-061-012), Oroville.

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
LUIS A. TOPETE, ASSOCIATE PLANNER (530) 538-2408
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: REGULATIONS FOR DISTRIBUTIVE ANTENNA SYSTEMS (1st Reading)

DATE: JUNE 3, 2014

SUMMARY

The Council will conduct a public hearing and may consider amendments to Section 26-04.020 of the Oroville Municipal Code (OMC) and adding Section 26-16.175 for the purpose of specifying the City's regulations for Distributed Antenna Systems (DAS) as an alternative telecommunications technology within the City of Oroville.

BACKGROUND

DAS is a hybrid collection of smaller wireless antennas, commonly referred to as nodes (usually located on existing or replacement utility poles, light poles or similar structures) spread over a specific geographic area and connected by fiber optic lines to a centrally located distribution source (hub) to provide mobile and land based telecommunication services for a variety of individual carriers. Specifically, the node contains a series of pole mounted low-powered universal antennas that may be used by all telecommunications carriers. These antennas receive and transfer a signal by fiber optic lines to a ground-mounted hub site where the individual carriers' telecommunication equipment is housed and the signal is processed before being distributed to the individual carriers' network. The hub site may be a standalone facility or a component of an existing telecommunication facility generally associated with a larger monopole supporting multiple carriers. DAS provide an effective means of filling signal gaps for better delivery which may help avoid the installation of larger antennas.

Until recently, DAS was originally used to provide service in high use areas such as public arenas, office buildings, convention centers, shopping malls, airports and college campuses. Telecommunications companies are now expanding the use of DAS to public rights of way. While the City's current code has been effective in regulating the location of cell towers, DAS are not specifically regulated by the City. Staff believes that specifying the City's regulations regarding DAS would strengthen its existing Wireless Communication Facilities Ordinance.

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DISCUSSION

The advantages DAS can provide include better distribution and consistency of cellular coverage and signal strength throughout the community, with smaller scale and less powerful, but more frequently occurring, equipment. A DAS network provides an ability to deliver greater wireless service within residential areas in a manner that is more aesthetically compatible than macro sites. As a result, the City could avoid fewer large scale telecommunication facilities, such as monopoles, in exchange for smaller, less visible and easier to conceal equipment. Additionally, DAS provides alternatives for installation of wireless services in geographically challenging areas where topography and obstructions interfere with signal propagation and/or in areas where a less visually obstructive telecommunications network is desirable.

The proposed Ordinance has been drafted with a strong emphasis on aesthetics, understanding that specific designs and heights vary by location and number of carriers. All accessory equipment would be located on the poles, within the poles, or adjacent to the facility in an above-ground cabinet or underground vault. The proposed Ordinance would permit the establishment of a DAS as a by-right use in all zoning districts subject to all applicable regulations.

ENVIRONMENTAL REVIEW

This action has been determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to the California Code of Regulations, Title 14, Section 15305, "Minor Alterations in Land Use Limitations" and Section 15303, "New Construction or Conversion of Small Structures." Class 5 consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density. Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.

FISCAL IMPACT

Potential revenue source for the City through lease agreements with telecommunication providers for rental space on City owned streetlights, facilities, and structures.

Pursuant to Public Resources Code Section 21089, and as defined by the Fish and Wildlife Code Section 711.4, fees (\$50) are payable by the project applicant (City of Oroville) to file the Notice of Exemption with Butte County within five working days of approval of this project.

RECOMMENDATION

Waive the first reading and introduce by title only, Ordinance No. 1805 – AN ORDINANCE OF THE OROVILLE CITY COUNCIL AMENDING CHAPTER 26 OF THE OROVILLE MUNICIPAL CODE FOR THE PURPOSE OF SPECIFYING CITY REGULATIONS REGARDING DISTRIBUTIVE ANTENNA SYSTEMS IN THE CITY RIGHT OF WAY.

ATTACHMENTS

- A – Notice of Exemption
- B – Ordinance No. 1805
- C – Newspaper Notice



City of Oroville

Donald Rust
DIRECTOR

COMMUNITY DEVELOPMENT DEPARTMENT

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2430 FAX (530) 538-2426
www.cityoforoville.org

NOTICE OF EXEMPTION

TO: Butte County Clerk
25 County Center Drive
Oroville CA, 95965

FROM: City of Oroville
1735 Montgomery Street
Oroville, CA, 95965

Project Title: ZC 14-02: Distributive Antenna Systems

Project Location – Specific: Citywide

Project Location - City: City of Oroville

Project Location – County: Butte County

Description of Nature, Purpose, and beneficiaries of project: The City of Oroville is proposing to amend Section 26-04.020 of the Oroville Municipal Code and add Section 26-16.175 for the purpose of specifying the City's regulations for Distributed Antenna Systems as an alternative telecommunications technology within the City of Oroville.

Name of Public Agency Approving Project: City of Oroville

Name of Person or Agency Carrying Out Project: City of Oroville – Community Development Department

Exempt Status (Check One):

Ministerial (Sec. 21080(b)(1); 15268)

Declared Emergency (Sec. 21080(b)(3); 15269(a))

Emergency Project (Sec. 21080(b)(4); 15269(b)(c))

Categorical Exemption: State type & section number: Class 5 Categorical Exemption - Minor Alterations in Land Use Limitations; Title 14, CCR, §15305; and Class 3 Categorical Exemption - New Construction or Conversion of Small Structures; Title 14, CCR, §15303.

Statutory Exemption: State code number:

Reasons why project is exempt: This action has been determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to the California Code of Regulations, Title 14, Section 15305, "Minor Alterations in Land Use Limitations" and Section 15303, "New Construction or Conversion of Small Structures." Class 5 consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density. Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project? Yes No

Lead Agency Contact Person: Luis A. Topete

Telephone: (530) 538-2408

Signature: _____

Date: _____

Signed by Lead Agency

Signed by Applicant

**CITY OF OROVILLE
ORDINANCE NO. 1805**

AN ORDINANCE OF THE OROVILLE CITY COUNCIL AMENDING CHAPTER 26 OF THE OROVILLE MUNICIPAL CODE FOR THE PURPOSE OF SPECIFYING CITY REGULATIONS REGARDING DISTRIBUTIVE ANTENNA SYSTEMS IN THE CITY RIGHT OF WAY

WHEREAS, the Federal Telecommunications Act authorizes the City to regulate the placement of wireless telecommunication towers and facilities through proper zoning procedures, so long as wireless service coverage is not prohibited; and

WHEREAS, Federal Telecommunications Act allows local governments to provide for reasonable regulations over the location, expansion, height, and maintenance of telecommunications structures; and

WHEREAS, advances in wireless telecommunication facilities include a network of small wireless Distributive Antenna Systems ("DAS"); and

WHEREAS, the City finds that in order to ensure proper installation and operation of DAS facilities and preserve the structural soundness thereof, as well as preserve the safety and welfare of the citizens, compliance with regulations regarding the installation and use of DAS facilities in the right of way is desired; and

WHEREAS, pursuant to Section 26-56.090 of the Oroville Municipal Code, an amendment to the Zoning Code may be initiated by resolution of the Planning Commission; and

WHEREAS, at a noticed public hearing, the Planning Commission considered the comments and concerns of public agencies, property owners, and members of the public who are potentially affected by the approval of the code amendments described herein, and also considered the City's staff report regarding the project.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF OROVILLE DO ORDAIN AS FOLLOWS:

SECTION I. Environmental Assessment:

This action has been determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to the California Code of Regulations, Title 14, Section 15305, "Minor Alterations in Land Use Limitations" and Section 15303, "New Construction or Conversion of Small Structures." Class 5 consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density. Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.

SECTION II. Section 26-04.020 of the Oroville Municipal Code is hereby amended as follows,

with all additions shown in an underlined format:

A. Definitions, "A".

Antenna Hub Site. An equipment structure that serves telecommunication antennas when there are no antennas located on the same lot as the equipment structure.

D. Definitions, "D".

Distributive Antenna Systems ("DAS"). A single, or network of spatially separated antenna nodes connected to a common source via transport medium that provides wireless service within a geographic area or structure.

SECTION III. Section 26-16.175 of the Oroville Municipal Code is hereby added as follows, with all additions shown in an underlined format:

26-16.175 Distributive Antenna Systems

A. General Requirements

Distribute Antenna Systems ("DAS") shall be a permitted use in all zoning districts, subject to all applicable regulations, including, but not limited to the requirements in this section:

1. Applicant must demonstrate that a "significant gap" in service exists to necessitate the proposed system.
2. A lease/right of way agreement shall be required for all utilization of street lights within the Oroville City limits for the placement of DAS networks.
3. No lighting or other forms of illumination shall not be permitted on any DAS network in residential districts.
4. All DAS networks shall fully comply with the City's Noise Ordinance, as found in Chapter 13A of the Oroville Municipal Code.
5. No commercial advertising shall be allowed on any antenna or associated equipment.
6. Installation of all systems shall require a City issued building permit.
7. Any DAS system on private property shall be subject to the requirements specified in Section 26-16.170 of the Oroville Municipal Code.

B. Design Requirements

1. DAS networks shall not exceed a maximum height of 50 feet without discretionary approval from the Planning Commission.
2. DAS network components/equipment shall be minimized or "stealthed" as much as feasibly possible.
3. Preference of the City is to place ground equipment in underground vaults whenever feasible. While undergrounding the equipment would be the baseline requirement, there may be cases where undergrounding is not feasible due to soil, water table, or space constraints. Ground mounted equipment may be housed in cabinets that can

have a variety of architectural treatments to blend in as best as possible with the surroundings.

4. Applicant must demonstrate that no viable design alternatives of the proposed system exist that would provide for a more compatible design with the surroundings.
5. Applicant shall make a good faith effort to properly design all components/equipment, which best conceals the components for least visual disturbance possible.
6. Designs shall require approval of the Development Review Committee.

C. Antenna Hub Sites

Antenna hub sites may be developed subject to the performance standards below.

1. Antenna hub sites shall be classified as a "utility building or substation" for land use related purposes.
2. Antenna hub sites shall comply with the development standards of the applicable district in which they are located.
3. Antenna hub sites shall be compatible with development in the vicinity with regards to the setting, color, lighting, design and materials. To the maximum extent feasible, related unmanned equipment at antenna hub sites shall be enclosed within a structure.
4. Related unmanned equipment not housed within a structure shall be screened by a solid fence, wall or berm. If equipment is added to an existing screened enclosure that contains telecommunication uses and/or structures, the screening requirements may be satisfied with the existing screening.
5. Designs shall require approval of the Development Review Committee.

PASSED AND ADOPTED by the City Council of the City of Oroville at a regular meeting held this ----, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk



City of Oroville

Donald Rust
DIRECTOR

COMMUNITY DEVELOPMENT DEPARTMENT

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2430 FAX (530) 538-2426
www.cityoforoville.org

NOTICE OF PUBLIC HEARING BEFORE THE CITY OF OROVILLE CITY COUNCIL

NOTICE IS HEREBY GIVEN that the Oroville City Council will hold a public hearing on the projects described below. Said hearing will be held at **6:00 p.m. on Tuesday, June 3, 2014** in the City Council Chambers, 1735 Montgomery Street, Oroville, CA. All interested persons are invited to attend or submit comments in writing.

1. **Housing Element Readoption for the 2014-2022 Planning Period** – The Oroville City Council will conduct a public hearing to review and consider adopting a revised version of the City's Housing Element of the General Plan for the 2014-2022 Planning Period. The City of Oroville 2009-2014 Housing Element of the General Plan has reached its required five year update period. Per the California Department of Housing and Community Development, the City of Oroville's Fifth Housing Element Revision due date is June 15, 2014 for the June 15, 2014 – June 15, 2022 Housing Element Planning Period. The 2014-2022 Housing Element identifies specific goals, objectives, policies, and actions to guide the City and all of its housing stakeholders toward the preservation, improvement and development of housing for all economic levels.
2. **Distributive Antenna Systems** – The Oroville City Council will conduct a public hearing to review and consider amending Section 26-04.020 of the Oroville Municipal Code and adding Section 26-16.175 for the purpose of specifying the City's regulations for Distributed Antenna Systems as an alternative telecommunications technology within the City of Oroville.

Additional information regarding the projects described in this notice can be obtained from the Oroville Community Development Department at 1735 Montgomery Street, Oroville, CA. Anyone desiring to submit information, opinions or objections is requested to submit them in writing to the Community Development Department prior to the hearing. In accordance with Government Code Section 65009, if you challenge an action on these projects in court, you may be limited to raising only those issues you or someone else raised at the public meeting described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public meetings.

Posted/Published: **Friday, May 23, 2014**

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
LUIS A. TOPETE, ASSOCIATE PLANNER (530) 538-2408
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: HOUSING ELEMENT RE-ADOPTION FOR THE 2014-2022 PLANNING PERIOD

DATE: JUNE 3, 2014

SUMMARY

The Council will conduct a public hearing and may consider adopting an updated version of the City's Housing Element of the General Plan for the "5th Cycle" planning period which runs from June 15, 2014 to June 15, 2022.

DISCUSSION

State law requires every city in California to update its Housing Element for the "5th Cycle" planning period.¹ For jurisdictions within Butte County, the 5th planning period runs from June 15, 2014 to June 15, 2022. The County and all other cities within Butte County are either in the process of updating their Housing Element or have recently adopted an updated Housing Element for the 5th planning period.² The revision due date for cities in Butte County to adopt their revised Housing Element is June 15, 2014. Local governments on an 8-year Housing Element Planning Period that do not adopt the housing element within 120 calendar days of the due date (start of planning period) must revise and adopt the housing element every four years until timely adopting at least two consecutive revisions by the applicable due date.

The Housing Element is a mandatory General Plan element under State law. It is the only General Plan element that requires review by the State prior to adoption by the City Council. State law requires that each jurisdiction's Housing Element consist of, "*an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled program actions for the preservation, improvement and development of housing.*" The Housing Element describes how the City will facilitate the provision of housing for all segments of the population during the 2014-2022 planning period.

Cities are required to submit Housing Elements to the California Department of Housing and

¹ The 5th cycle refers to the five state-mandated updates that have been required since the legislature adopted the comprehensive overhaul of housing element law (Article 10.6 of the Government Code) in 1980.

² Butte County Association of Governments Monthly Planning Directors Meeting on May 23, 2014

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Community Development (HCD) for review in draft form prior to adoption, as well as review for certification after adoption. The legislature has granted HCD the authority to promulgate detailed guidelines for the preparation of Housing Elements, and also to issue opinions regarding whether local Housing Elements substantially comply with the requirements of state law. A finding of substantial compliance is often referred to as "certification" of the Housing Element.

Housing Element certification is desirable for several reasons. Some grant funding programs require a certified Housing Element as a prerequisite for eligibility. In addition, the General Plan provides the underpinning for a city's exercise of zoning and land use regulatory powers, and a certified Housing Element can help to support a city's land use authority in the event of a legal challenge.

The new draft Housing Element is organized into five chapters and three supporting appendices:

1. Introduction – provides an overview of the element and describes the purpose, organization and requirements of the Housing Element
2. Housing Needs Assessment – analyzes the City's population, employment and housing characteristics, trends and needs, including segments of the population with special housing needs
3. Resources and Opportunities – analyzes the City's resources for housing, including land, administrative resources and financial resources
4. Constraints – analyzes potential constraints to the development and improvement of housing for all segments of the community, including governmental and non-governmental constraints, as well as fair housing issues
5. Housing Action Plan – describes the City's goals, policies and program actions for the construction, conservation, rehabilitation and preservation of housing in the City.

Supporting background material is included in the following appendices:

- Appendix A: Evaluation of the Previous Housing Element
- Appendix B: Residential Land Inventory
- Appendix C: Public Participation Summary

Two components of the Housing Element normally receive the most attention: 1) the Regional Housing Needs Plan (RHNP); and 2) City zoning regulations regarding housing for persons with special needs.

Regional Housing Needs Plan (RHNP)

Overview: The Housing Element is required to describe how the City will facilitate the development of new housing for all income groups, with a particular emphasis on housing that is affordable to persons in the lower income categories. The following table illustrates the income levels prescribed in state law along with corresponding affordable housing costs. The extremely-low-, very-low- and low-income categories together are referred to as "lower-income."

**Affordable Housing Costs
Butte County**

2014 County Median Income = \$58,700	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$17,600	\$440	--
Very Low (31-50%)	\$29,350	\$734	\$115,000
Low (51-80%)	\$46,950	\$1,174	\$185,000
Moderate (81-120%)	\$70,450	\$1,761	\$280,000
Above moderate (120%+)	\$70,450+	\$1,761+	\$280,000+

Assumptions:

- Based on a family of 4
 - 30% of gross income for rent or PITI
 - 10% down payment, 4.5% interest, 1.25% taxes & insurance, \$200 HOA dues
- Source: Cal. HCD; J.H. Douglas & Associates

RHNP process: The Regional Housing Needs Plan (RHNP) is a state-mandated process by which each jurisdiction is allocated a share of statewide housing need. For jurisdictions in Butte County, the Butte County Association of Governments (BCAG) is responsible for preparing the RHNP allocations. The RHNP process begins with the state's allocation of a share of statewide housing need to the BCAG region. BCAG is then responsible for developing a methodology for allocating the total regional need to individual jurisdictions based on the same regional growth assumptions that are used for the Regional Transportation Plan.³ For the 5th planning cycle (2014-2022), the total RHNP allocation for the BCAG region is 10,320 new housing units. Oroville has been assigned a RHNP allocation of 1,793 new housing units, as shown in the following table:

**2014-2022 Regional Housing Needs Plan Allocations
Butte County**

Jurisdiction	Income Category				Total
	Very Low	Low	Moderate	Above Moderate	
Biggs	48	30	24	82	184
Chico	974	643	708	1,638	3,963
Gridley	231	118	99	321	769
Oroville	419	284	306	784	1,793
Paradise	141	100	93	303	637
Unincorporated	682	545	480	1,267	2,974
County Total	2,495	1,720	1,710	4,395	10,320

Source: BCAG 2013

Importance of the RHNP: State law requires cities to identify adequate sites with appropriate zoning that could accommodate the level of development assigned in the RHNP, and also to

³ For more information regarding the RHNA process please refer to BCAG's website at:
<http://www.bcag.org/Planning/Regional-Housing-Need-Plan/2012-Regional-Housing-Need-Plan/index.html>

adopt policies and programs to facilitate the development of housing for lower-income households. It is important to note that cities are not required to build or provide funding assistance for the number of housing units reflected in the RHNP. However, if adequate sites with appropriate zoning are not demonstrated in the Housing Element, cities are required to rezone land to provide adequate sites. Development of affordable housing typically requires significant financial subsidies. State law requires cities to provide a regulatory setting where affordable housing could be built, if developers are able to obtain sufficient financial subsidies to make a project "pencil out."

What are "adequate sites"?: State law establishes criteria for determining the suitability of potential sites for affordable housing development. The legislature has specified "default densities" that are considered suitable for lower-income housing in different areas of the state. For cities in Butte County a density of 20 units/acre is considered sufficient to facilitate development of lower-income housing.

During the previous Housing Element period, three parcels were rezoned to R-4 to create additional capacity for affordable housing commensurate with the prior RHNP allocation. Since those parcels are still available for development, they also satisfy the City's requirement for lower-income sites in the new planning period. Appendix B of the Housing Element provides a discussion of the City's potential sites to accommodate the RHNP allocation and demonstrates that there are adequate sites with appropriate zoning that could accommodate the level of development identified in the RHNP at all income levels.

Zoning Regulations for Persons with Special Needs

An important component of the Housing Element is demonstrating that the City's zoning regulations do not pose unreasonable constraints on housing for persons with disabilities or other special needs. These types of housing include group homes, residential care facilities, emergency shelters, transitional housing and supportive housing. State law also requires cities to establish procedures to allow "reasonable accommodation" for persons with disabilities in the administration of planning and building regulations. On April 15 and May 6, 2014 the City Council reviewed Zoning Code Amendment ZC 14-01 and adopted Ordinance No. 1804, which addresses these requirements. No further zoning amendments for special needs housing are necessary in connection with the 2014-2022 Housing Element.

Other Housing Element Changes

One of the most noteworthy changes reflected in the new draft Housing Element is the state's dissolution of local redevelopment agencies in 2012. By some estimates, redevelopment agencies generated approximately \$1 billion in revenues for the expansion or improvement of affordable housing in California. The loss of redevelopment agencies has created a significant loss of local resources to assist affordable housing.

State legislation dissolving redevelopment agencies created the option for cities to establish "successor agencies" to continue some former redevelopment agency activities. The City of Oroville elected to become the "Successor Housing Entity" in order to retain the housing assets and functions previously performed by the RDA. All rights, powers, duties, obligations, and housing assets of the former RDA were transferred to the City. However, this did not

include any balances remaining in the Low and Moderate Income Housing Fund.

There is no significant source of ongoing revenue for Successor Housing Entity activities. Whereas the former RDA set aside 20 percent of gross tax increment revenues for affordable housing activities, funding for the Successor Housing Entity is restricted to loan repayments, rents and interest. These are deposited into a Low and Moderate Income Housing Asset Fund ("Housing Asset Fund"). Funds in this account are subject to housing-related provisions of Community Redevelopment Law.

The State legislature enacted Senate Bill ("SB") 341 on October 13, 2013 to provide clarification on the functions to be performed by successor housing entities. Under SB 341 successor housing entities face more restrictive limitations on and obligations related to expenditures of moneys from their newly established Housing Asset Fund. Major changes relate to proportional expenditure requirements, expenditure compliance periods, annual reporting requirements, and excess surplus.

Although the state legislature has been considering options for generating affordable housing funds to replace the lost redevelopment funds, no agreement has been reached and the future of funding for affordable housing remains uncertain.

HCD REVIEW

State law requires that draft Housing Element amendments be submitted to the California Department of Housing and Community Development (HCD) for review at least 60 days prior to adoption. The proposed Housing Element amendment was submitted to HCD on March 11, 2014 and on May 9th HCD issued a letter (**Attachment B**) stating that the draft element meets the requirements of state law. If the Housing Element is adopted by the City Council in its present form, it will be certified by HCD.

PLANNING COMMISSION REVIEW

On May 12, 2014 the Planning Commission conducted a public hearing to consider the 2014-2022 Housing Element update. No public comments were received at the Planning Commission hearing. At the conclusion of the hearing the Commission voted to recommend City Council adoption of the Housing Element (5 ayes, 1 absent, 1 abstain). Chairperson Robison left the meeting due to illness and Commissioner Britton abstained because he had just been sworn in as a new Planning Commissioner during the meeting and had not had an opportunity to review the document.

During the hearing, questions were raised by the Commission regarding the appropriateness of 100% affordable housing developments and whether such developments are required on R-4 properties. Staff noted that cities must create realistic opportunities for affordable housing through their zoning and land development regulations, but state housing law does not require affordable housing development. During the previous planning cycle, three parcels were rezoned to R-4 in order to create adequate capacity to accommodate the City's assigned share of regional need for affordable housing. Under state law those parcels are deemed to be suitable for affordable housing by virtue of their allowable density of at least 20 units/acre, but development of those sites with affordable housing is not required. The fact

that many affordable housing developments in California are 100% affordable is the result of grant funding program regulations and financing incentives that prioritize projects with higher levels of affordability. Nothing in the proposed Housing Element would require any site to be developed with affordable housing.

Questions were also raised by the Commission regarding some of the technical data in the element and the schedule for adoption. Appropriate modifications have been made and staff noted that the due date for Housing Element adoption for jurisdictions in Butte County is June 15, 2014 and delays beyond that date could jeopardize the City's eligibility for grant funding.

ENVIRONMENTAL REVIEW

This action has been determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3), commonly known as the "general rule." A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Adoption of the Housing Element update would not change any land use regulations or development patterns in the city, therefore it has been determined that there is no possibility that the proposed Housing Element amendment will have a significant effect on the environment (**Attachment D**).

FISCAL IMPACT

Pursuant to Public Resources Code Section 21089, and as defined by the Fish and Wildlife Code Section 711.4, fees (\$50) are payable by the project applicant (City of Oroville) to file the Notice of Exemption with Butte County within five working days of approval of this project. The Housing Element also calls for financial assistance to support housing rehabilitation and development to the extent feasible, and would also require staff time for program implementation over the next 8 years. These expenditures are reviewed by the City Council as part of the annual budget adoption process.

RECOMMENDATION

Adopt Resolution No. 8218 – A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING AN AMENDMENT TO THE HOUSING ELEMENT OF THE GENERAL PLAN FOR THE 2014-2022 PLANNING PERIOD.

ATTACHMENTS

- A – Resolution No. 8218
- B – Letter from HCD dated May 9, 2014
- C – Updated Housing Element
- D – Notice of Exemption
- E – Newspaper Notice

**CITY OF OROVILLE
RESOLUTION NO. 8218**

A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING AN AMENDMENT TO THE HOUSING ELEMENT OF THE GENERAL PLAN FOR THE 2014-2022 PLANNING PERIOD

WHEREAS, state law requires every city to adopt a General Plan that includes a Housing Element; and

WHEREAS, each jurisdiction within Butte County is required by state law to adopt a revised Housing Element for the June 15, 2014 – June 15, 2022 Planning Period; and

WHEREAS, the 2014-2022 Housing Element identifies specific goals, objectives, policies, and actions to guide the City and all of its housing stakeholders toward the preservation, improvement and development of housing for all economic levels; and

WHEREAS, on February 27, 2014 a public workshop was conducted to solicit public comments regarding the proposed amendment to the Housing Element; and

WHEREAS, on March 11, 2014 the draft Housing Element was submitted to the California Department of Housing and Community Development (HCD) for review pursuant to state law; and

WHEREAS, on May 9, 2014 HCD issued findings regarding the draft Housing Element; and

WHEREAS, on May 12, 2014 the Oroville Planning Commission held a noticed public hearing, solicited public testimony regarding the proposed amendment to the Housing Element, and at the conclusion of the public hearing adopted Resolution No. P2014-09 recommending City Council adoption of the updated Housing Element; and

WHEREAS, on June 3, 2014 the Oroville City Council held a noticed public hearing, and solicited public testimony regarding the proposed amendment to the Housing Element; and

WHEREAS, the City Council has considered HCD's findings, staff recommendations, and public comments from interested community stakeholders in its deliberations on the draft Housing Element.

NOW, THEREFORE, BE IT RESOLVED BY THE OROVILLE CITY COUNCIL AS FOLLOWS:

SECTION I. The City Council finds and declares that:

- A. The proposed 2014-2022 Housing Element amendment is consistent with the goals, policies, and objectives of the General Plan and the requirements of state law. The proposed amendment would facilitate the preservation, improvement and development of housing for all economic segments of the community and persons with special needs.
- B. The proposed 2014-2022 Housing Element amendment would promote public health, safety, and general welfare and serve the goals and purposes of the General Plan by

encouraging the City's continuing production of a variety of housing types for all economic segments of the community and residents with special housing needs, thereby improving the health, safety, and welfare of all residents.

SECTION II. Environmental Assessment:

This action has been determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3), commonly known as the "general rule." A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Adoption of the Housing Element update would not change any land use regulations or development patterns in the city, therefore it has been determined that there is no possibility that the proposed Housing Element amendment will have a significant effect on the environment. Thus, this action is exempt from CEQA.

SECTION III. The City Council hereby adopts the 2014-2022 Housing Element.

PASSED AND ADOPTED by the City Council of the City of Oroville at a regular meeting held on June 3, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
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May 9, 2014

Mr. Don Rust, Director
Community Development Department
City of Oroville
1735 Montgomery Street
Oroville, CA 95965-4897

Dear Mr. Rust:

RE: Oroville's 5th Cycle (2014-2022) Draft Housing Element

Thank you for submitting Oroville's draft housing element update which was received for review on March 12, 2014, along with revisions received on April 29 and April 30, 2014. Pursuant to Government Code (GC) Section 65585(b), the Department is reporting results of its review. A telephone conversation on April 15, 2014 with Luis Topete, of the City of Oroville, facilitated the review.

The draft element, with revisions, meets the statutory requirements of State housing element law. The revised element will comply with State housing law (GC, Article 10.6) when these revisions are adopted and submitted to the Department, pursuant to GC Section 65585(g).

To remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the City must adopt its housing element within 120 calendar days from the statutory due date of June 15, 2014 for BCAG localities. If adopted after this date, GC Section 65588(e)(4) requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit our website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.pdf

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

The Department appreciates the hard work of the City in preparation of the housing element and looks forward to receiving Oroville's adopted housing element. If you have any questions or need additional technical assistance, please contact Greg Nickless, of our staff, at (916) 274-6244.

Sincerely,


Glen A. Campora
Assistant Deputy Director

CITY OF OROVILLE

2014 - 2022 HOUSING ELEMENT



CITY COUNCIL REVIEW DRAFT
MAY 2014

Acknowledgements

City Council

Mayor Linda Dahlmeier
Vice Mayor Thil Wilcox
Council member Gordon Andoe
Council member Jack Berry
Council member Cheri Bunker
Council member Dave Pittman
Council member JR Simpson

Planning Commission

Chairperson Damon Robison
Vice Chair Carl Durling
Commissioner Adonna Brand
Commissioner Tua Vang
Commissioner Randy Chapman
Commissioner Wyatt Jenkins
Commissioner Michael Britton

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Consulting Assistance:

J.H. Douglas & Associates
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I. INTRODUCTION

A. Purpose of the Housing Element

Statutory Overview: All cities and counties in the State of California are required to affirmatively further affordable housing opportunities within their respective jurisdictions. Principal requirements of California Land Use Law include: adoption of Housing Elements as part of each community's General Plan; inducements to provide affordable housing through density bonuses and secondary dwellings; limitations on local land use authority to deny affordable projects or impose conditional use requirements on multifamily housing; and prohibitions on down zoning or imposition of development standards that prevent attainment of Housing Element goals.

Housing Element Law: Housing Element law is codified in Article 10.6 of the *California Government Code* commencing with §65580. Under these statutes, all communities in California are required to have a Housing Element as part of their adopted General Plan. These Elements are to be updated periodically. The law further stipulates that Housing Elements consist of an identification and analysis of existing and projected housing needs along with a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. In summary, the Housing Element is required to contain: (i) an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of those needs; (ii) a statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing; and (iii) a program that sets forth a schedule of actions to implement relevant Housing Element policies and achieve stated goals. A cross reference of relevant statutes to corresponding sections of the Housing Element is summarized in Table A.

Housing Element Contents: The Housing Element consists of the following major components:

- An analysis of the city's demographic and housing characteristics and trends (Chapter II);
- An evaluation of land, financial, and administrative resources available to address the City's housing goals (Chapter III); and
- A review of potential constraints, both governmental and non-governmental, to meeting Oroville's identified housing needs (Chapter IV);
- The Housing Action Plan for addressing the City's identified housing needs, including housing goals, policies and programs (Chapter V).

B. Community Context

The City of Oroville is one of five incorporated municipalities in Butte County and is the county seat. The City's incorporated area consists of 13 square miles, located 65 miles north of Sacramento, where the Sacramento Valley meets the Sierra Nevada foothills. Oroville lies 5 miles west of Highway 99 along Highway 70, a primary transportation route connecting Oroville with Sacramento to the south and Plumas County to the north.

Oroville is situated at the head of navigation on the Feather River. The Yuba River flows into the Feather River near Marysville, and these rivers flow together to the Sacramento River. Oroville is situated at the meeting place of three provinces, the Central Valley alluvial plain to the west, the crystalline Sierra Nevada to the southeast and the volcanic Cascade Mountains to the north. The City's southern and western areas are primarily flat river basin lands; the eastern portion of the City is located in an urban-wildland interface that begins the Sierra Nevada foothills. Development in this eastern area occurs in and around tracts of oak woodlands and chaparral.

Known as the "City of Gold," the history of Oroville began along the Feather River before the Gold Rush of 1848. The discovery of gold at Bidwell Bar, located just east of where the City sits today, led to the creation of one of the first gold mining sites in California. Now situated under Lake Oroville, Bidwell Bar brought thousands of prospectors to the Oroville area seeking gold. Many of Oroville's historic homes and mansions are remnants from early settlers of this time who made their fortunes from the Gold Rush. Today, Oroville is most famous for being the site of the Oroville Dam and is the starting point for the State Water Project (SWP), which stores and delivers water to over two-thirds of California's population.

From the Oroville Dam spillway, the Feather River winds its way through the Feather River Canyon, past Oroville's historic downtown, and out to the Oroville State Wildlife Area, an 11,400-acre wildlife area on the southwestern edge of Oroville. Along with Lake Oroville, the City is bordered to the west by several other large bodies of water, which are part of the SWP and make up the Lake Oroville State Recreation Area.

Oroville is primarily a single-family residential community with a historic downtown overlay district and a main commercial corridor along Oroville Dam Boulevard. As of 2013, the City had approximately 15,979 residents. As a charter city, Oroville operates largely in accordance with its City Charter, compared to general law cities, which are governed according to State statutes.

Oroville has experienced population growth of about 23% since 2000, as the housing markets in both Chico to the north and Sacramento to the south become more constrained. This trend is a result of the comparative affordability of single-family housing in Oroville compared to the larger region. Over the Housing Element 5th cycle planning period, Oroville expects to see this trend continue, with significant residential and employment expansion.

C. Public Participation

Public participation is an important component of the planning process in Oroville, and this update to the Housing Element has provided residents and other interested parties numerous opportunities for involvement. Appendix C contains a summary of these opportunities as well as a list of persons and organizations that were notified during the Housing Element update process and a summary of comments and issues raised.

D. Consistency with Other Elements of the General Plan

State law requires that all portions of the General Plan be internally consistent. The Oroville General Plan was comprehensively updated in 2009. In addition to this Housing Element, the General Plan includes the following other elements: Land Use; Community Design; Circulation and Transportation; Open Space, Natural Resources and Conservation; Public Facilities and Services; Safety; and Noise. This Housing Element maintains consistency with the policies set forth in the other elements of the General Plan through the designation of land uses, infrastructure, and public services to accommodate the projected housing needs of the 5th cycle planning period. As the General Plan is amended from time to time, the Housing Element will also be reviewed and amended as necessary to ensure internal consistency.

SB 1087 of 2005 requires cities to provide a copy of their Housing Elements to local water and sewer providers, and also requires that these agencies provide priority hookups for developments with lower-income housing. The Housing Element will be provided to these agencies immediately upon adoption.

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II. HOUSING NEEDS ASSESSMENT

This chapter examines general population and household characteristics and trends, such as age, race and ethnicity, employment, household composition and size, household income, and special needs. Characteristics of the existing housing stock (e.g., number of units and type, tenure, age and condition, costs) are also addressed. Finally, the city's projected housing growth needs based on the latest Regional Housing Needs Assessment (RHNA) are examined. The Housing Needs Assessment utilizes the most recent available data from the 2010 U.S. Census, American Community Survey (ACS), California Department of Finance (DOF), California Employment Development Department (EDD), Butte County Association of Governments (BCAG) and other relevant sources. Supplemental data was obtained through field surveys and from private organizations. The implications of these findings for the city's housing policies and programs are also discussed.

A. Population Characteristics

1. Population Growth Trends

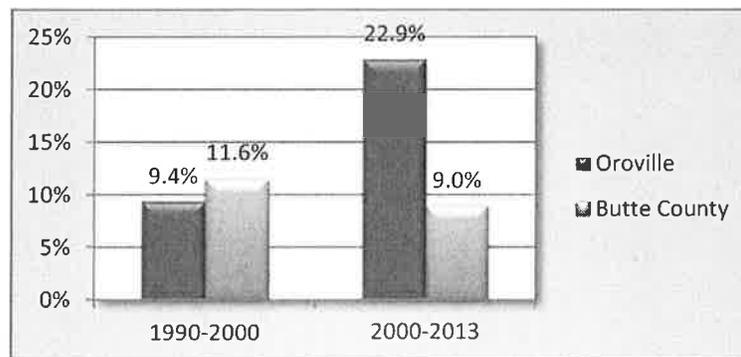
Oroville experienced a modest population increase during the 1990s, but its population growth has accelerated since 2000 with an estimated increase of nearly 23% from 2000 to 2013, which is substantially greater than the county as a whole (see Table II-1 and Figure II-1).

**Table II-1
Population Trends 1990-2013**

Jurisdiction	1990	2000	2010	2013	Growth 1990-2000	Growth 2000-2013
Oroville	11,885	13,004	15,546	15,979	9.4%	22.9%
Butte County	182,120	203,171	220,000	221,485	11.6%	9.0%

Source: U.S. Census, California Dept. of Finance Tables E-5 & E-8

**Figure II-1
Oroville Population Growth 1990-2013**



2. Age

Housing needs are influenced by the age characteristics of the population. Different age groups have different housing needs based on lifestyles, family types, income levels, and housing preference. Table II-2 provides a comparison of the city's and county's population by age group in 2010. This table shows that the age distribution of the city's population is, overall, younger than Butte County as a whole (median age of 31.5 years vs. 37.2 years for the county). Children age 19 and under represent about 31% of the city's population compared to about 25% for the county as a whole. Oroville also has a smaller percentage of seniors (65+) compared to the county (12.5% city vs. 15.5% county).

**Table II-2
Age Distribution**

Age Group	Oroville		Butte County	
	Persons	%	Persons	%
Under 5 years	1,307	8.4%	12,409	5.6%
5 to 9 years	1,132	7.3%	12,439	5.7%
10 to 14 years	1,067	6.9%	12,911	5.9%
15 to 19 years	1,348	8.7%	17,841	8.1%
20 to 24 years	1,382	8.9%	22,818	10.4%
25 to 29 years	1,230	7.9%	14,721	6.7%
30 to 34 years	939	6.0%	11,960	5.4%
35 to 39 years	883	5.7%	11,482	5.2%
40 to 44 years	888	5.7%	11,847	5.4%
45 to 49 years	916	5.9%	13,849	6.3%
50 to 54 years	900	5.8%	15,028	6.8%
55 to 59 years	871	5.6%	15,265	6.9%
60 to 64 years	730	4.7%	13,613	6.2%
65 to 69 years	518	3.3%	9,805	4.5%
70 to 74 years	442	2.8%	7,380	3.4%
75 to 79 years	311	2.0%	5,925	2.7%
80 to 84 years	294	1.9%	5,037	2.3%
85+ years	388	2.5%	5,670	2.6%
Total	15,546	100%	220,000	100%
Median age	31.5		37.2	

Source: 2010 Census, Table DP-1

3. Race and Ethnicity

The racial and ethnic composition of Oroville differs from Butte County in that a slightly smaller proportion of city residents are White and Hispanic/Latino and a slightly higher proportion are of other minority groups such as Black, American Indian and Asian (Table II-3).

**Table II-3
Race/Ethnicity**

Race/Ethnicity	Oroville		Butte County	
	Population	% Total	Population	% Total
White	11,686	75.2%	180,096	81.9%
Black	453	2.9%	3,415	1.6%
American Indian	573	3.7%	4,395	2.0%
Asian	1,238	8.0%	9,057	4.1%
Native Hawaiian and Other Pacific Islander	56	0.4%	452	0.2%
Other race	554	3.6%	12,141	5.5%
2 or more races	986	6.3%	10,444	4.7%
Total	15,546	100%	220,000	100%
Hispanic	1,945	12.5%	31,116	14.1%

Source: 2010 Census, Table DP-1

B. Household Characteristics

1. Household Composition and Size

Household characteristics are important indicators of the type and size of housing needed in a city. The Census defines a "household" as all persons occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing a single unit. Persons in group quarters such as dormitories, retirement or convalescent homes, or other group living situations are included in population totals, but are not considered households.

Table II-4 provides a comparison of households by type for the city and Butte County as a whole, as reported in the 2010 Census. Family households comprised approximately 62% of all households in the city, compared to about 60% for the county as a whole. The city's average household size is somewhat larger than the county as a whole (2.60 persons per household in the city vs. 2.45 persons per household in the county). It is noteworthy that a significant portion of households in both Oroville (30%) and the county (28%) are persons living alone.

**Table II-4
Household Composition**

Household Type	Oroville		Butte County	
	Households	%	Households	%
Family households:	3,497	61.9%	52,529	60.0%
Husband-wife family	1,893	33.5%	37,622	42.9%
With own children under 18 years	873	15.5%	13,607	15.5%
Male householder, no wife present	430	7.6%	4,736	5.4%
With own children under 18 years	265	4.7%	2,479	2.8%
Female householder, no husband present	1,174	20.8%	10,171	11.6%
With own children under 18 years	766	13.6%	5,581	6.4%
Non-family households:	2,149	38.1%	35,089	40.0%
Householder living alone	1,699	30.1%	24,420	27.9%
Households with individuals under 18 years	2,126	37.7%	24,354	27.8%
Households with individuals 65 years and over	1,432	25.4%	24,358	27.8%
Total households	5,646	100%	87,618	100%
Average household size	2.60		2.45	

Source: 2010 Census, Table DP-1

2. Housing Tenure

Housing tenure (owner vs. renter) is an important indicator of the housing market. Communities need an adequate supply of units available both for rent and for sale in order to accommodate a range of households with varying incomes, family sizes and composition, and lifestyles. Table II-5 provides a comparison of the number of owner-occupied and renter-occupied units in the city in 2010 as compared to the county as a whole. It reveals a significantly lower level of homeownership in the city, approximately 15 percentage points lower than for the county as a whole (43% city vs. 58% county).

**Table II-5
Household Tenure**

Tenure	Oroville		Butte County	
	Units	%	Units	%
Owner Occupied	2,423	42.9%	50,991	58.2%
Renter Occupied	3,223	57.1%	36,627	41.8%
Total occupied units	5,646	100%	87,618	100%

Source: 2010 Census, Table DP-1

3. Overcrowding

Overcrowding is often closely related to household income and the cost of housing. The U.S. Census Bureau considers a household to be overcrowded when there is more than one person per room, excluding bathrooms and kitchens, with severe overcrowding when there are more than 1.5 occupants per room. Overcrowded households are usually a reflection of the lack of affordable housing. Table II-6 indicates that over-

crowding in the City of Oroville is slightly more prevalent than for Butte County as a whole.

**Table II-6
Overcrowding**

Household Type	Oroville		Butte County	
	Households	Percent	Households	Percent
Owner-Occupied	2,506	100%	51,234	100%
Overcrowded (1.01 to 1.50)	79	3.2%	786	1.5%
Severely overcrowded (1.51+)	0	0%	241	0.5%
Renter-Occupied	3,122	100%	33,840	100%
Overcrowded (1.01 to 1.50)	147	4.7%	1,186	3.5%
Severely overcrowded (1.51+)	119	3.8%	613	1.8%

Source: 2006-2010 ACS, Table B25014

According to Census Bureau estimates, overcrowding is more likely to affect renters; about 5% of renter households in the city were overcrowded and an additional 4% were severely overcrowded while only about 3% of owner households were overcrowded and none was severely overcrowded.

4. Household Income and Overpayment

Household income is a primary factor affecting housing needs in a community – the ability of residents to afford housing is directly related to household income. According to recent Census estimates, about 32% of owner households and 64% of renter households in Oroville fell into the lower-income categories¹ (Table II-7).

According to state housing policy, overpaying occurs when housing costs exceed 30% of gross household income. Recent Census estimates reported that about 62% of lower-income owner households and 70% of lower-income renter households were overpaying for housing. Although homeowners enjoy income and property tax deductions and other benefits that help to compensate for high housing costs, lower-income homeowners may need to defer maintenance or repairs due to limited funds, which can lead to deterioration. For lower-income renters, severe cost burden can require families to double up resulting in overcrowding and related problems.

¹ Together, the extremely-low, very-low, and low income categories are considered "lower-income"

**Table II-7
Overpayment by Income Category**

Income Category	Owners		Renters	
	Households	Percent	Households	Percent
Extremely low households	195		755	
Households overpaying	145	74.4%	575	76.2%
Very low households	180		655	
Households overpaying	90	50.0%	510	77.9%
Low households	455		580	
Households overpaying	280	61.5%	305	52.6%
Subtotal: All lower-income households	830		1,990	
Subtotal: Households overpaying	515	62.0%	1,390	69.8%
Moderate households	280		320	
Households overpaying	25	8.9%	70	21.9%
Above moderate households	1,500		780	
Households overpaying	285	19.0%	25	3.2%

Source: HUD CHAS, based on the 2006-2010 ACS

Extremely Low Income Households

State law requires quantification and analysis of existing and projected housing needs of extremely low-income (ELI) households. Extremely low income is defined as households with income less than 30% of area median income. The 2013 area median income for Butte County was \$58,700 (see Table II-14, page 10). For extremely-low-income households, this means an income of \$17,600 or less for a four-person household. Households with extremely-low-income have a variety of housing needs.

Existing Needs

According to recent Census estimates, extremely-low-income households represented about 7% of owner households and 24% of renter households in Oroville. As shown in Table II-7 above, recent Comprehensive Housing Affordability Strategy (CHAS) data indicated that about 74% of ELI owners and 76% of ELI renters were overpaying for housing. CHAS data for 2006-2010 also indicated that about 74% of ELI owners and 79% of ELI renters had from 1 to 4 "housing problems," which are defined as: incomplete kitchen facilities; incomplete plumbing facilities; more than 1 person per room; or cost burden greater than 30%.

Projected Needs

The projected housing need for extremely-low-income households is assumed to be 50% of the very-low-income regional housing need of 419 units, or 210 extremely-low-income units during the 2014-2022 period. The resources and programs to address this need are similar to those for other low-income households and are discussed throughout the Housing Element, including Chapter V, the Housing Action Plan. Because the needs of extremely-low-income households overlap extensively with other special needs groups, further analysis and resources for extremely-low-income households can be found in Chapter II, Needs Assessment, Section E, Special Needs, and Chapter IV, Constraints, Section A.c, Special Needs Housing.

C. Employment

Employment is an important factor affecting housing needs within a community. The jobs available in each employment sector and the wages for these jobs affect the type and size of housing residents can afford.

1. Current Employment Characteristics

Current employment and projected job growth have a significant influence on housing needs during this planning period. Table II-8 shows that the city's estimated labor participation rate was approximately 55% of the working-age population, which is slightly lower than the estimated 57% for the county as a whole.

Table II-8
Labor Force: Oroville vs. Butte County

Labor Force Status	Oroville		Butte County	
	Persons	Percent	Persons	Percent
Population 16 years and over	11,914	100%	180,181	100%
In labor force	6,559	55.1%	102,322	56.8%
Civilian labor force	6,559	55.1%	102,009	56.6%
Employed	5,585	85.2%	87,362	85.6%
Unemployed	974	14.8%	14,647	14.4%
Armed Forces	0	0.0%	313	0.2%
Not in labor force	5,355	44.9%	77,859	43.2%

Source: Bureau of the Census, 2008-2012 American Community Survey, Table DP-3.

2. Projected Job Growth

Future housing needs are affected by the number and type of new jobs created during this planning period. Table II-9 shows projected job growth by industry in Butte County for the period 2010-2020. Total employment in the county is expected to grow by about 16% during this 10-year period. The overall growth is expected to add about 12,800 new jobs and bring the county's employment to over 93,000 by 2020. The industries with the largest projected job growth are Education/Health Care/Social Assistance, Retail Trade, Leisure/Hospitality, Professional and Business Services, and State/Local Government.

**Table II-9
2010-2020 Industry Employment Projections
Butte County**

NAICS Code	Industry Title	Annual Average Employment		Employment Change	
		2010	2020	Numerical	Percent
	Total Employment	80,700	93,500	12,800	15.9
	Self Employment (A)	7,300	7,700	400	5.5
	Unpaid Family Workers (B)	100	100	0	0.0
	Private Household Workers (C)	1,700	2,400	700	41.2
	Total Farm	2,800	2,900	100	3.6
	Total Nonfarm	68,800	80,400	11,600	16.9
1133,21,23	Mining, Logging, and Construction	2,400	3,000	600	25.0
31-33	Manufacturing	3,500	3,900	400	11.4
22,42-49	Trade, Transportation, and Utilities	12,700	15,400	2,700	21.3
42	Wholesale Trade	1,700	2,200	500	29.4
44-45	Retail Trade	9,400	11,300	1,900	20.2
22,48-49	Transportation, Warehousing, and Utilities	1,600	1,900	300	18.8
51	Information	1,000	1,100	100	10.0
52-53	Financial Activities	3,100	3,500	400	12.9
52	Finance and Insurance	1,700	1,900	200	11.8
54-56	Professional and Business Services	4,900	6,300	1,400	28.6
61-62	Educational Services, Health Care, and Social Assistance	13,600	16,500	2,900	21.3
71-72	Leisure and Hospitality	7,100	8,500	1,400	19.7
81	Other Services (excludes 814-Private Household Workers)	3,600	4,100	500	13.9
	Government	16,900	18,100	1,200	7.1
	Federal Government (D)	700	600	-100	-14.3
	State and Local Government	16,300	17,500	1,200	7.4
	State Government	3,700	4,000	300	8.1
	State Government Education	2,800	3,100	300	10.7
	Local Government	12,600	13,500	900	7.1

Notes:

- (A) Self-Employed persons work for profit or fees in their own business, profession, trade, or farm. Only the unincorporated self-employed are included in this category. The estimated and projected employment numbers include all workers who are primarily self-employed and wage and salary workers who hold a secondary job as a self-employed worker.
- (B) Unpaid family workers are those persons who work without pay for 15 or more hours per week on a farm or in a business operated by a member of the household to whom they are related by birth or marriage.
- (C) Private Household Workers are employed as domestic workers whose primary activities are to maintain the household.
- Industry employment is based on the Quarterly Census of Employment and Wages (QCEW) program.
- Source: California Employment Development Department, March 2011 Benchmark

D. Housing Stock Characteristics

This section presents an evaluation of the characteristics of the community's housing stock and helps in identifying and prioritizing needs. The factors evaluated include the number and type of housing units, recent growth trends, age and condition, tenure, vacancy, housing costs, affordability, and assisted affordable units at-risk of loss due to conversion to market-rate. A housing unit is defined as a house, apartment, mobile home, or group of rooms, occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters.

1. Housing Type

As of 2013, nearly 60% of the housing stock in Oroville was comprised of single-family detached homes, while multi-family units comprised about 32% of housing units. About 6% of units were mobile homes and about 3.5% were single-family attached (condo) units. Table II-10 provides a breakdown of the housing stock by type compared to the county as a whole.

**Table II-10
Housing by Type**

Structure Type	Oroville		Butte County	
	Units	%	Units	%
Single-family detached	3,786	59.1%	60,442	62.4%
Single-family attached	221	3.5%	3,067	3.2%
Multi-family 2-4 units	790	12.3%	8,907	9.2%
Multi-family 5+ units	1,227	19.2%	10,277	10.6%
Mobile Homes	381	5.9%	14,191	14.6%
Total units	6,405	100%	96,884	100%

Source: Department of Finance, 2013

2. Housing Age and Conditions

Housing age is often an important indicator of housing condition. Housing units built prior to 1978 before stringent limits on the amount of lead in paint were imposed, may have interior or exterior building components coated with lead-based paint. Housing units built before 1970 are the most likely to need rehabilitation and to have lead-based paint in deteriorated condition. Lead-based paint becomes hazardous to children under age six and to pregnant women when it peels off walls or is pulverized by lead-based paint coated windows and doors opening and closing.

Table II-11 shows the age distribution of the housing stock in Oroville as reported in recent Census data. This table shows that about 58% of all units were constructed prior to 1970. These findings suggest that there is an ongoing need for maintenance and rehabilitation, including remediation of lead-based paint, for a substantial proportion of the City's housing stock.

Table II-11
Age of Housing Stock

Year Built	Units	% of Total
2010 or later	6	0.1%
2000-09	568	9.2%
1990-99	333	5.4%
1980-89	591	9.6%
1970-79	1,063	17.3%
1960-69	749	12.2%
1950-59	1,153	18.7%
1940-49	591	9.6%
1939 or earlier	1,103	17.9%
Total Units	6,157	100%

Source: 2008-2012 ACS, Table DP-4

A housing conditions survey was conducted in 2009, which included a total of 6,394 housing units. The survey found that about 44% of all units were in need of some repair, ranging from minor cosmetic deterioration to a dilapidated condition (Table II-12). Observations of the City's Business Assistance and Housing Development staff indicate that housing conditions have not substantially changed since that survey was conducted, although the City's resources for rehabilitation assistance have declined due to the dissolution of the Redevelopment Agency.

Table II-12
Housing Conditions Summary

Structure Type	Condition					Totals
	Sound	Minor	Moderate	Substantial	Dilapidated	
Single Family	2,386	872	507	27	4	3,796
Percent	62.9%	23.0%	13.4%	0.7%	0.1%	100.0%
Duplex	122	160	108	2	2	394
Percent	31.0%	40.6%	27.4%	0.5%	0.5%	100.0%
Triplex	18	18	39	0	0	75
Percent	24.0%	24.0%	52.0%	0.0%	0.0%	100.0%
Fourplex	108	64	32	0	0	204
Percent	52.9%	31.4%	15.7%	0.0%	0.0%	100.0%
Multi-Family	600	705	90	24	6	1,425
Percent	42.1%	49.5%	6.3%	1.7%	0.4%	100.0%
Mobile Home	282	46	28	0	0	356
Percent	79.2%	12.9%	7.9%	0.0%	0.0%	100.0%
Mixed Use	90	36	18	0	0	144
Percent	62.5%	25.0%	12.5%	0.0%	0.0%	100.0%
Total Units	3,606	1,901	822	53	12	6,394
Total %	56.4%	29.7%	12.9%	0.8%	0.2%	100.0%

Source: City of Oroville, 2009

3. Housing Vacancy Rates

According to the state Department of Finance, the housing vacancy rate in Oroville was approximately 9% in 2013. For the county as a whole, the vacancy rate was estimated to be about 8.6% (Table II-13).

**Table II-13
Housing Vacancy Rates –
Butte County Jurisdictions**

Jurisdiction	Vacancy Rate
Biggs	8.5%
Chico	6.1%
Gridley	9.3%
Oroville	8.9%
Paradise	8.4%
Unincorporated Area	11.1%
County Total	8.6%

Source: Cal. Department of Finance Table E-5, 2013

4. Housing Cost and Affordability

a. Housing Affordability Criteria

State law establishes five income categories for purposes of housing programs based on the area (i.e., county) median income ("AMI"): extremely-low (30% or less of AMI), very-low (31-50% of AMI), low (51-80% of AMI), moderate (81-120% of AMI) and above moderate (over 120% of AMI). Housing affordability is based on the relationship between household income and housing expenses. According to HUD and the California Department of Housing and Community Development, housing is considered "affordable" if the monthly payment is no more than 30% of a household's gross income.

Table II-14 shows 2014 affordable rent levels and estimated affordable purchase prices for housing in Butte County by income category. Based on state-adopted standards, the maximum affordable monthly rent for extremely-low-income households is \$440, while the maximum affordable rent for very-low-income households is \$734. The maximum affordable rent for low-income households is \$1,174, while the maximum for moderate-income households is \$1,761. These figures are based on a 4-person household and are adjusted for different household sizes.

Maximum purchase prices are more difficult to determine due to variations in mortgage interest rates and qualifying procedures, down payments, special tax assessments, homeowner association fees, property insurance rates, etc. With this caveat, the maximum home purchase prices by income category shown in Table II-14 have been estimated based on typical conditions.

**Table II-14
Income Categories and Affordable Housing Costs –
Butte County**

2014 County Median Income = \$58,700	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$17,600	\$440	--
Very Low (31-50%)	\$29,350	\$734	\$115,000
Low (51-80%)	\$46,950	\$1,174	\$185,000
Moderate (81-120%)	\$70,450	\$1,761	\$280,000
Above moderate (120%+)	\$70,450+	\$1,761+	\$280,000+

Assumptions:

-Based on a family of 4

-30% of gross income for rent or PITI

-10% down payment, 4.5% interest, 1.25% taxes & insurance, \$200 HOA dues

Source: Cal. HCD; J.H. Douglas & Associates

b. For-Sale Housing

Median housing sales price statistics for Oroville and Butte County during 2012-13 (Table II-15) show that housing in Oroville is less expensive than in the county as a whole. The median sales price in 2013 was \$125,000 compared to \$205,000 for the entire county. Based on the estimated affordable purchase prices shown in Table II-14, housing affordability is relatively good in Oroville, and many low-income households should be able to find suitable housing without overpaying. This data illustrates that public subsidies are required to reduce sales prices to a level that is affordable to very-low- and extremely-low-income households.

**Table II-15
Housing Sales Prices –
Butte County**

Jurisdiction	2012	2013	% chg
Oroville	\$105,000	\$125,000	+19%
Butte County	\$167,500	\$205,000	+22%

Source: DQNews.com, 2014 (includes new and resale homes and condos)

c. Rental Housing

An internet search of available rental units in Oroville in February 2014 found monthly rents ranging from \$550 for a 2-bedroom apartment to \$2,400 per month for a large luxury single-family home².

When market rents are compared to the amounts lower-income households can afford to pay (Table II-14), it appears that low- and very-low-income households may be able to find affordable units, but extremely-low-income households have difficulty finding rental

² http://www.trulia.com/for_rent

housing without overpaying. However, most rental units appear to fall within the affordable range for low- and moderate-income households.

E. Special Needs

Certain groups have greater difficulty in finding decent, affordable housing due to special circumstances. Such circumstances may be related to one's employment and income, family characteristics, disability, or other conditions. As a result, some Oroville residents may experience a higher prevalence of overpayment, overcrowding, or other housing problems.

State Housing Element law defines "special needs" groups to include persons with disabilities, the elderly, large households, female-headed households with children, homeless people, and farm workers. This section contains a discussion of the housing needs facing each of these groups.

1. Persons with Disabilities

Disabilities may include sensory difficulties (vision, hearing, etc.), cognitive difficulties, mobility difficulties, or self-care difficulties. Such issues may make independent living problematic.

Recent ACS data estimated that approximately 3,332 people in Oroville, or about 22% of the total population, had some type of disability (see Table II-16). As may be expected, those aged 65 and over had the highest rate of disabilities. Included within these disabilities are persons whose disability hinders their ability to live independently (6.2% of the working age population and 24.4% of the senior population). Housing opportunities for persons with disabilities can be expanded through housing assistance programs and providing universal design features such as widened doorways, ramps, lowered countertops, single-level units and ground floor units. During the prior planning period the City amended the Municipal Code to establish procedures to ensure reasonable accommodations for persons with disabilities pursuant to Government Code Sec. 65008 and 65583 (SB 520).

**Table II-16
Persons with Disabilities by Age**

Disability by Age	Persons	Percent
Total civilian noninstitutionalized population	14,970	-
With any disability	3,332	22.3%
Under Age 5 - total persons	1,179	--
With a hearing difficulty	0	0.0%
With a vision difficulty	33	2.8%
Age 5 to 17 - total persons	2,883	
With a hearing difficulty	35	1.2%
With a vision difficulty	172	6.0%
With a cognitive difficulty	328	11.4%
With an ambulatory difficulty	145	5.0%
With a self-care difficulty	198	6.9%
Age 18 to 64 - total persons	9,127	
With a hearing difficulty	623	6.8%
With a vision difficulty	279	3.1%
With a cognitive difficulty	830	9.1%
With an ambulatory difficulty	1014	11.1%
With a self-care difficulty	449	4.9%
With an independent living difficulty	567	6.2%
Age 65 and over* - total persons	1,781	
With a hearing difficulty	346	19.4%
With a vision difficulty	274	15.4%
With a cognitive difficulty	226	12.7%
With an ambulatory difficulty	543	30.5%
With a self-care difficulty	244	13.7%
With an independent living difficulty	435	24.4%

Source: U.S. Census, 2008-2012 ACS Table S1810

Note: Totals may exceed 100% due to multiple disabilities per person

Developmentally Disabled

As defined by federal law, "developmental disability" means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 18;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency;
- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms

of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not record developmental disabilities. According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. 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 Center³ (FNRC) is responsible for serving residents of the nine counties in Northern California (Butte, Glenn, Lassen, Modoc, Plumas, Tehama, Trinity, Shasta and Siskiyou). FNRC's main office is in Redding and also maintains a satellite office in Chico. As of 2013 the FNRC served approximately 6,600 clients. The Department of Developmental Services reported approximately 2,500 clients with developmental disabilities in Butte County, including approximately 700 Oroville residents in 2013⁴. Any resident who has a developmental disability that originated before age 18 is eligible for services. Services are offered to people with developmental disabilities based on Individual Program Plans and may include: Adult day programs; advocacy; assessment/consultation; behavior management programs; diagnosis and evaluation; independent living services; infant development programs; information and referrals; mobility training; prenatal diagnosis; residential care; respite care; physical and occupational therapy; transportation; consumer, family vendor training; and vocational training.

2. Elderly

According to ACS estimates, approximately 29% of owner households and 17% of renter households in Oroville were headed by someone age 65 or older (Table II-17). Many elderly persons are dependent on fixed incomes and many have disabilities. Elderly homeowners may be physically unable to maintain their homes or cope with living alone. The housing needs of this group can be partially addressed through smaller units, second units on lots with existing homes, shared living arrangements, congregate housing and housing assistance programs.

³ www.farnorthernrc.org

⁴ Zip Codes 95965 and 95966

Table II-17
Elderly Households by Tenure

Householder Age	Owner		Renter	
	Households	%	Households	%
Under 65 years	1,787	71%	2,580	83%
65 to 74 years	390	16%	307	10%
75 to 84 years	238	9%	128	4%
85 years and over	91	4%	107	3%
Total Households	2,506	100%	3,122	100%

Source: U.S. Census 2008-2012 ACS, Table B25007

3. Large Households

Household size is an indicator of need for large units. Large households are defined as those with five or more members. Recent ACS data reported that about 13% of owner households and about 10% of renter households had five or more members (Table II-18). This distribution indicates a relatively low need for large units with four or more bedrooms, and over 60% of both owner and renter households in Oroville contain only one or two persons. Among renters, nearly 40% of households are individuals living alone.

Table II-18
Household Size by Tenure

Household Size	Owners		Renters	
	Households	%	Households	%
1 person	537	21.4%	1211	38.8%
2 persons	1,059	42.3%	740	23.7%
3 persons	311	12.4%	537	17.2%
4 persons	268	10.7%	322	10.3%
5 persons	208	8.3%	159	5.1%
6 persons	38	1.5%	33	1.1%
7+ persons	85	3.4%	120	3.8%
Total households	2,506	100%	3,122	100%

Source: 2008-2012 ACS Table B25009

4. Female-Headed Households

According to ACS estimates, about 10% of owner households and 21% of renter households were headed by a female (Table II-19). While female-headed households represent a relatively small portion of all households, they often have special challenges of balancing work and childcare responsibilities. All of the City's efforts to increase the supply of affordable housing respond to the needs of female-headed households.

Table II-19
Household Type by Tenure

Household Type	Owners		Renters	
	Households	%	Households	%
Married couple family	1,448	57.8%	653	20.9%
Male householder, no wife present	186	7.4%	219	7.0%
Female householder, no husband present	261	10.4%	646	20.7%
Non-family households	611	24.4%	1,604	51.4%
Total households	2,506	100%	3,122	100%

Source: 2008-2012 ACS Table B11012

5. Farm Workers

Agriculture is a significant component of the economy in Butte County, with a total annual crop value of over \$721 million in 2012 according to the County Agricultural Commissioner⁵. The highest producing crops were walnuts (\$235 million), almonds (\$161 million) and rice (\$155 million).

As shown previously in Table II-9, total farm employment in Butte County is projected to increase by about 100 jobs during 2010-2020. According to recent Census estimates, there are approximately 2,962 persons living in Butte County who work in the agriculture, forestry, fishing, hunting and mining industries. Of those, about 106 persons reside in Oroville (Table II-20). Available data does not provide a subtotal for farmworkers (separate from those employed in forestry, fishing, hunting and mining) therefore the City also contacted the Butte County Office of Education to obtain data regarding children of farmworkers enrolled in K-12 schools. BCOE indicated that there are currently 28 children of migrant farmworkers living in Oroville who are participating in a special program targeted for migrant farmworker families. However, this total does not include all children of agricultural workers, therefore it is difficult to extrapolate this data to estimate the total number of farmworkers living in Oroville.

Table II-20
Agricultural Employment –
Oroville and Butte County

Place of Residence for Workers Employed in Agriculture, Forestry, Fishing, Hunting and Mining	Workers	% of County Total
Butte County	2,962	100%
Oroville	106	3.6%

Source: 2008-2012 ACS Table DP-3

The housing needs of farmworkers are addressed through the provision of permanent affordable housing, such as lower-cost apartments and single-family homes, as well as

⁵ Butte County Agricultural Commissioner, 2012 Crop Report

temporary housing for migratory workers. In compliance with the Employee Housing Act (Health and Safety Code §17021.5 and §17021.6), the Municipal Code allows farmworker housing for up to 12 units or 36 persons by-right (i.e., without a CUP or other discretionary approval) in zones where agriculture is a permitted use.

6. Homeless Persons

Homelessness is a continuing national problem. The Butte Countywide Homeless Continuum of Care conducted its seventh Point-In-Time Homeless Census and Survey on January 30, 2013. Over 100 volunteers collected survey data at designated sites around Butte County. The effort yielded 1,221 surveys, which contained information about 1,553 total individuals who were experiencing homelessness in Butte County on the day of the census. This represents a 12% decrease from the number of homeless individuals surveyed during the census in 2011.

Stakeholders believe the reason for this decrease in the number of persons surveyed is the result of funding cuts and dwindling resources, which led to key agency staff being unavailable for outreach, particularly to people who were sharing the housing of family or friends. Another reason for the decrease may be because the economy has improved and the unemployment rate has dropped significantly since 2011. The 2013 results for most survey questions were similar to the results from the 2011 survey. There was an increase in the number of children reported, a decrease in the number of persons reporting sharing housing, and a decrease in the number of people reporting unemployment or financial problems as the reason they were experiencing homelessness. The rates of unsheltered persons and chronic homelessness increased.

The 2013 homeless count reported 579 homeless persons in Oroville, which represents about 37% of the county total (Table II-21).

Table II-21
Butte County Homeless Count: 2013

Area	Number	% of Total
Biggs/Gridley	65	4%
Chico	804	52%
Oroville	579	37%
Paradise	89	6%
Other areas	16	1%
Total	1,553	100%

Source: Butte County 2013 Homeless Count

There are several agencies that provide services and temporary housing to the homeless in the Greater Oroville area (Table II-22).

**Table II-22
Oroville Homeless Services and Facilities**

Agency	Housing (Beds)	Services
Community Action Agency – private non profit: 530-538-7559	Only emergency shelter at local motels for limited time.	Referrals to social and emergency services; food closet will provide 3 days of food once a month with local identification; weekday soup kitchen.
Oroville Rescue Mission – faith based non-profit, 530-533-9120	Men's dormitory with 24 beds and women's 10-bed dormitory for women and children. Average stay is seven days, can be extended to 30 under some circumstances. Residents must leave after breakfast each day and re-register at 4:30.	Meals, groceries, showers, telephone, mail-drop service. From the 1 st to 15 th of the month, about ten residents. After the 15 th the facility is full after SSI or other money runs out. Greatest need: job counselling services; organized day labor board.
Butte County Mental Health Department 530-891-2150	Emergency hotel rooms.	Referral to available programs.
St. Thomas the Apostle Catholic Church, 530-895-8331	None	Some food, individual meals when requested , clothes.
Southside Family Resource Center	None	Food boxes, telephone use area, bathrooms for day use, mail-drop service, substance abuse day treatment, parent education, child care, case management, referral, and support groups
County Board of Education	None	Received grant to provide licensed teachers under a program called "School Ties" to teach in homeless shelters.
Tribes Estom Yukema Maidu Tyme Maidu Tribe Mooretown Rancheria of Maidu Mechoopda Maidu 530-899-8922	Within the Rancheria for tribal members.	Shelter, food, health services, counseling.

Source: City of Oroville 2014

Senate Bill (SB) 2 of 2007 amended state housing law to strengthen the planning requirements for emergency shelters and transitional/supportive housing. SB 2 requires that shelters be allowed "by-right" (i.e., without a conditional use permit or other discretionary approval) in at least one zoning district. In accordance with SB 2, the City amended the Municipal Code during the previous planning period to allow emergency shelters in the R-3 and R-4 zones. In addition, transitional and supportive housing are considered residential uses that are subject only to the same standards and procedures as other residential uses of the same type in the same zone.

F. Assisted Housing at Risk of Conversion

As part of the Housing Element, jurisdictions must evaluate the potential for deed-restricted low-income housing units to convert from affordable to market rate status within the ten-year period 2014-2024.

**Table II-23
Assisted Affordable Housing Developments**

Project	Address	Property Owner	Profit-Motivated?	No. of Assisted Units	Target Group	Covenant Exp. Date	Program Type
Oroville Apartments	39 Nelson Ave	William Rice HPD-Willows-Oroville	49% for profit	62	VL/Low	2058	Substantial Rehab (Tax Credit/USDA)
Oroville Family Housing	Scattered sites	Butte County Housing Authority	No	130	VL/Low	2051	HOME
Boulder Creek	675 Mitchell Ave	Cascade Housing Association	49% for profit	156	Low	2047	RDA/LIHTC
Oroville Manor	2750 Lincoln Blvd	William Rice HPD-Willows-Oroville	49% for profit	71	VL/Low Seniors	2059	Substantial Rehab (USDA), RDA, HOME
Sierra Village	23 Nelson Ave	Foundation of Affordable Housing	49% for profit	61	VL/Low	2061	9% tax credit only
Hillview Ridge	2750 Gilmore Ln	Oroville Pacific Associates	49% for profit	72	VL/Low	2063	RDA, HOME, CDBG LIHTC
Hillview Ridge II	2750 Gilmore Ln	Oroville Pacific Associates	49% for profit	57	Low	2066	RDA, HOME, CDBG 4% Tax Credit
Orange Tree Senior Apts	1511 Robinson St	Petaluma Ecumenical Properties	No	50	Low Seniors	2067	RDA, CDBG Program Income, 4% Tax Credit
Winston Gardens	700 Michell Avenue	Butte County Housing Authority	No	58	EL Seniors	2038	HUD 202
Park Place	2105 Park Ave	Butte County Housing Authority	No	40	EL Seniors	2055	HACB Bond
Highland Apts	222 Table Mountain Blvd	Star Highlands of Oroville	49% profit	88	Low	2062	USDA 515

Source: City of Oroville, 2014

The inventory includes all multi-family rental units assisted under federal, state and/or local programs including federal and state grants, bond programs, redevelopment projects, local in-lieu fees, housing trusts funds, inclusionary housing and density bonuses. As shown in Table II-23 there are 11 assisted projects in the City with a total of 845 units. None of the properties is at risk of conversion within the 2024 time horizon.

G. Regional Housing Growth Needs

Cities must consider projected population growth and plan for the housing needs of new residents. The Regional Housing Needs Assessment (RHNA) process is a key tool for local governments to plan for anticipated growth. The Regional Housing Needs Plan (RHNP) was adopted by the Butte County Association of Governments (BCAG) in 2013 and covers the projection period of January 2014 to June 2022.

The future need for housing is determined primarily by the forecasted growth in households in a community. Each new household, created by a child moving out of a parent's home, by a family moving to a community for employment, and so forth,

creates the need for a housing unit. The housing need for new households is then adjusted to maintain a desirable level of vacancy to promote housing choice and mobility. An adjustment is also made to account for units expected to be lost due to demolition, natural disaster, or conversion to non-housing uses. The sum of these factors – household growth, vacancy need, and replacement need – determines the new construction need for a community. Total housing need is then distributed among four income categories⁶ on the basis of the county's income distribution, with adjustments to avoid an over-concentration of lower-income households in any community.

The total housing growth need for the City of Oroville during the 2014-2022 projection period is 1,793 units. This total is distributed by income category as shown in Table II-24. A discussion of the City's resources for addressing this growth need is provided in Chapter III.

Table II-24
2014-2022 Regional Housing Growth Needs

Very Low*	Low	Moderate	Above Mod	Total
419**	284	306	784	1,793
23%	16%	17%	44%	100%

Source: BCAG 2013

*Includes the Extremely-Low Category

**210 of these are assumed to be extremely-low units

⁶ Although AB 2634 requires Housing Elements to consider the needs of extremely-low-income households, the RHNP does not quantify the need for this category. State law allows jurisdictions to establish the extremely-low-income need as one-half of the very-low-income RHNP allocation.

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III. RESOURCES AND OPPORTUNITIES

A. Land Resources

Section 65583(a)(3) of the *Government Code* requires Housing Elements to 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." A detailed analysis of sites with potential for housing development during this planning period is provided in Appendix B. The results of this analysis are summarized in Table III-1, below. The table shows that there are sufficient sites with appropriate zoning to accommodate the City's RHNA allocation. The Housing Action Plan (Chapter V) contains programs to encourage and facilitate development of housing for all economic segments of the community.

**Table III-1
Land Inventory Summary**

Category	Income Category			
	Lower	Mod	Above	Total
Vacant sites (Table B-4)	725	880	1,534	3,139
RHNA 2014-2022	703	306	784	1,793
Adequate Sites?	Yes	Yes	Yes	Yes

Source: City of Oroville, 2014

A discussion of public facilities and infrastructure needed to serve future development is contained in Section IV.B, Non-Governmental Constraints. There are no known service limitations that would preclude the level of development described in the RHNA, although developers will be required to pay fees or construct public improvements prior to or concurrent with development.

B. Financial and Administrative Resources

1. State and Federal Resources

Community Development Block Grant Program (CDBG) – CDBG funds received during 2009-2013 totaled approximately \$2.87 million and are summarized in Table III-2. CDBG funds were primarily used for housing rehabilitation, public services, economic development and code enforcement activities.

**Table III-2
Housing Grant Summary 2009-2013**

Year	Grant	Amount
2009	CDBG	\$600,000
	HOME	\$800,000
	CalHome	-
2010	CDBG	\$800,000
	HOME	-
	CalHome	\$1,000,000
2011	CDBG	-
	HOME	\$700,000
	CalHome	-
2012	CDBG	\$1,472,221
	HOME	\$700,000
	CalHome	\$1,000,000
2013	CDBG	-
	HOME	-
	CalHome	\$1,000,000
Total 2009-2013		\$8,072,221

HOME Investment Partnership Program (HOME) - Federal HOME funds can be used for a variety of activities that promote affordable rental housing and homeownership for low- and very-low-income households. Funds may be used for building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, first-time homebuyer assistance, and tenant-based assistance. Grant recipients must provide a local match ranging between 25% and 50% depending on program activity.

HOME funds received during 2009-2013 totaled \$2.2 million, which were used for the First Time Homebuyer (FTH) program. The City also received \$3 million in CalHome funds during 2009-2013, which were also used for the FTH program.

Low-Income Housing Tax Credit Program - The Low-Income Housing Tax Credit (LIHTC) Program was created by the Tax Reform Act of 1986 to provide an alternate method of funding low- and moderate-income housing. Each state receives a tax credit, based upon population, toward funding housing that meets program guidelines. The tax credits are then used to leverage private capital into new construction or acquisition and rehabilitation of affordable housing. Limitations on projects funded under the LIHTC program include minimum requirements that a certain percentage of units remain rent-restricted, based upon median income.

The California Department of Housing and Community Development (HCD) administers a variety of housing loan and grant programs. Program availability changes over time, and HCD publishes a directory of available program on its website at http://www.hcd.ca.gov/fa/Program_Directory_June%202012.pdf.

2. Local Resources

Housing Successor Agency - The City of Oroville Community Redevelopment Agency ("RDA") was established in 1981 to address deteriorating property conditions and economic blight. It successfully implemented many revitalization and affordable housing projects until its dissolution in 2012. All California redevelopment agencies were eliminated as of February 1, 2012 by the adoption of Assembly Bill ("AB") x1 26, as modified by California Supreme Court case California Redevelopment Association v. Matosantos and Assembly Bill 1484 (collectively referred to as the "Dissolution Act" and codified in the California Health & Safety Code). Pursuant to the Dissolution Act, the City elected to become the Successor Housing Entity in order to retain the housing assets and functions previously performed by RDA. All rights, powers, duties, obligations, and housing assets of the former RDA were transferred to the City. However, this did not include any balances remaining in the Low and Moderate Income Housing Fund.

There is no significant source of ongoing revenue for Successor Housing Entity activities. Whereas the former RDA set aside 20 percent of gross tax increment revenues for affordable housing activities, funding for the Successor Housing Entity is restricted to loan repayments, rents and interest. These are deposited into a Low and Moderate Income Housing Asset Fund ("Housing Asset Fund"). Funds in this account are subject to housing-related provisions of Community Redevelopment Law.

The State legislature enacted Senate Bill ("SB") 341 on October 13, 2013 to provide clarification on the functions to be performed by successor housing entities. Under SB 341 successor housing entities face more restrictive limitations on and obligations related to expenditures of moneys from their newly established Housing Asset Fund. Major changes relate to proportional expenditure requirements, expenditure compliance periods, annual reporting requirements, and excess surplus.

C. Energy Conservation Opportunities

Two basic and interrelated approaches to creating energy conservation opportunities in residences are conservation and development.

Conservation. Conservation can be accomplished by reducing the use of energy-consuming items, or by physically modifying existing structures and land uses. The California Energy Commission first adopted energy conservation standards for new construction in 1978. These standards, contained in Title 24 of the California Administrative Code, contain specifications relating to insulation, glazing, heating and cooling systems, water heaters, swimming pool heaters, and several other items. Specific design provisions differ throughout the state depending upon local temperature conditions.

The California Energy Commission revised the standards for new residential buildings in 1981. These "second generation" standards were then delayed until 1983 when AB 163 was passed which provided options for complying with the standards.

Although the energy regulations establish a uniform standard of energy efficiency, they do not ensure that all available conservation features are incorporated into building

design. Additional measures may further reduce heating, cooling, and lighting loads, and overall energy consumption. While it is not suggested that all possible conservation features be included in every development, there are often a number of economically feasible measures that may result in savings in excess of the minimum required by Title 24.

Currently, the City of Oroville complies with Title 24 for new construction and rehabilitation of residences. The City will continue to encourage homeowners to take advantage of energy-saving techniques through retrofitting of existing homes. The City will continue to publicize the availability of the Community Action Agency of Butte County (CAA) weatherization program, which provides energy audits and energy-efficient home repairs for low-income families.

Pacific Gas and Electric (PG&E) provides gas and electric service to Oroville residents. PG&E offers a variety of energy conservation programs and information services that are available to residents to help them save energy and money. Local water purveyors also assist with conservation efforts by providing water conservation devices to help retrofit older homes and facilities.

The Housing Action Plan includes efforts to publicize the availability of energy conservation programs and assistance.

Development. Major opportunities for residential energy conservation include insulation and weatherproofing, landscaping, maximizing solar orientation and lowering appliance consumption. With the energy crisis of 2001, and the continuing escalation in energy prices, many new residential structures are incorporating energy conservation equipment and design, as well as technological advances (such as automatic timers to control air conditioning, lighting, etc.) to help reduce energy use.

IV. CONSTRAINTS

In planning for the provision of housing, constraints to the development, maintenance and improvement of housing must be recognized, and jurisdictions must take appropriate steps to mitigate them where feasible. Local government cannot control many of these constraints, such as those related to general economic and market conditions, but others can be addressed. Potential constraints to housing are discussed below, and include governmental constraints and non-governmental constraints.

A. Governmental Constraints

Governmental regulations, while intentionally controlling the quality of development in the community can also, unintentionally, increase the cost of development and thus the cost of housing. These governmental constraints include land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local development processing and permit procedures.

Land use controls may limit the amount or density of development, thus increasing the cost per unit. On-site and off-site improvements such as roads, traffic signals on adjacent streets, or sewer systems may increase an individual project's costs of development. Processing and permit requirements may delay construction, increasing financing and/or overhead costs of a development. The following describes potential governmental constraints, which may affect the supply and cost of housing in Oroville.

1. Land Use Plans and Regulations

a. General Plan

Each city and county in California must prepare a comprehensive, long-term General Plan to guide its future. The land use element of the General Plan establishes the basic land uses and density of development within the various areas of the city. Under state law, the General Plan elements must be internally consistent and the City's zoning must be consistent with the General Plan. Thus, the land use plan must provide suitable locations and densities to implement the policies of the Housing Element.

The Land Use Element provides for seven residential land use designations and a mixed-use designation, as summarized in Table IV-1 and described below.

Residential areas provide locations for various types of housing throughout Oroville. Maximum densities for residential uses are expressed in numbers of units per net acre of developable land, provided that at least one housing unit may be built on each existing legal parcel designated for residential use. Second units permitted by local regulation and State-mandated density bonuses for provision of affordable housing are in addition to densities otherwise permitted. New residential projects shall meet or exceed the minimum density specified in the land use designation for that given area and shall not exceed the specified maximum density.

Rural Residential Density – This designation provides a transition between sparsely developed areas and the agricultural areas surrounding the community. This designation allows for a maximum of 0.2 units per net acre (one unit for every 5 acres) and encourages large lot development with a rural character, generally on the urban edge.

Very Low Density – This designation provides for sparsely developed areas surrounding the community. This designation may be either rural in character or developed as clustered lots if permanent open space is maintained and the overall density does not exceed 1.0 net unit per acre. This designation allows for 0.2 to 1.0 units per net acre.

Low Density – This designation provides a transition from lower densities at the edges of town to the higher densities in the center of the community. This designation allows for the development of land with a quasi-rural character. This designation allows for 1.0 to 3.0 units per net acre. Clustered lots as permitted in the Very Low Density category may be substituted, as long as the overall gross density does not exceed 3.0 units per acre.

Medium Low Density – This designation applies to more typical development patterns in areas that consist of single-family detached homes on ¼-acre lots. This designation applies to a significant portion of the area within the Sphere of Influence. This designation allows for 3.0 to 6.0 units per net acre.

Medium Density – This designation provides opportunities for small-lot single-family attached homes, duplexes and townhouses in the more urban areas that are found primarily within the City limits. Development patterns in these areas allow for 6.0 to 14.0 units per net acre.

Medium High Density – This designation provides opportunities for townhouses, garden apartments and apartment buildings that would typically be located in urban areas with major roads, adequate infrastructure and amenities to support higher densities. This designation allows for 14.0 to 20.0 units per net acre.

High Density – This designation provides opportunities for townhouses, apartments, and condominiums that would typically be found in specifically urban areas with major roads, adequate infrastructure, and amenities to support higher densities. This designation allows for 20.0 to 30.0 units per net acre.

Mixed Use – Mixed use development allows and encourages different but compatible uses to be located in close proximity to each other. A common example is a single structure or a group of physically integrated structures that combine residential uses with commercial, public, entertainment and/or office uses. In multistory mixed use developments, the ground floor uses are predominantly nonresidential with the purpose of creating pedestrian activity. Since this designation allows for both residential and commercial uses a wider residential density range is established along with an appropriate floor area ratio (FAR).

This designation applies to urban areas with major roads, adequate infrastructure and amenities to support higher densities. Townhomes, garden apartments, apartments and condominiums would typically be found in this designation. Single use commercial development may also be allowed by approval of the Planning Commission. Single use residential development is prohibited under this designation. This designation allows for 10.0 to 30.0 units per net acre and a maximum FAR of 0.40.

**Table IV-1
Residential Land Use Categories
Oroville General Plan**

Designation	Density (units/acre)
Rural Residential (RR)	0 – 0.2
Very Low Density Residential (VLDR)	0.2 – 1.0
Low Density Residential (LDR)	1.0 – 3.0
Medium Low Density Residential (MLDR)	3.0 – 6.0
Medium Density Residential (MDR)	6.0 – 14.0
Medium High Density Residential (MHDR)	14.0 – 20.0
High Density Residential (HDR)	20.0 – 30.0
Mixed Use (MU)	10.0 – 30.0

b. Zoning Designations and Development Standards

The Zoning Code (Chapter 26 of the Oroville Municipal Code) establishes 12 residential zoning districts and 3 mixed-use districts. Allowable uses within each district are shown in Table IV-2. All types of residential development except for mobile home parks and boardinghouses are permitted by-right subject only to zoning clearance.

Zoning for Low- and Moderate-Income Housing. Due to relatively low housing cost in Oroville, affordable housing can be provided in most residential zoning districts. As noted in the discussion of assisted housing in Chapter II, deed-restricted affordable housing includes single-family detached homes as well as multi-family units. Density is often an important factor that affects the feasibility of low-income housing development. State law establishes “default densities” that are assumed to be appropriate to facilitate lower-income housing. In Oroville the default density is 20 units/acre.

The allowable density in residential districts is determined by the General Plan. The R-3 and R-P districts are consistent with the MHDR General Plan category and allow a density up to 20 units/acre, while the R-4 district is consistent with the HDR General Plan category and allows up to 30 units/acre. All mixed-use zoning districts currently allow up to 30 units/acre, and a Zoning Code amendment is currently in preparation that would encourage residential use by allowing increased density in the Mixed Use-Downtown zone. Since all of these districts allow development at or above the default density, they are considered suitable for lower-income housing. The R-2 district is consistent with the MDR General Plan category, which allows up to 14 units/acre and may also be suitable for lower-income housing, although for purposes of the sites inventory this district is conservatively assumed to support moderate-income housing.

**Table IV-2
Residential Zoning Districts**

Zoning District	Single Family Detached	Single Family Attached	Duplex	Multi-Family	Mobile Home Park	Boarding House	Mixed Use
UR-10	P	X	X	X	UP	X	X
UR-5	P	X	X	X	UP	X	X
RA	P	X	X	X	UP	X	X
RR-1	P	X	X	X	UP	X	X
RR-20	P	X	X	X	UP	X	X
RR-10	P	X	X	X	UP	X	X
RL	P	X	X	X	UP	X	X
R-1	P	X	X	X	UP	X	X
R-2	P	P	P	P	UP	X	X
R-3	X	P	P	P	UP	UP	X
R-4	X	P	P	P	UP	UP	X
R-P	P	P	P	P	UP	UP	X
MXD	X	X	X	X	X	X	P
MXN	X	X	X	X	X	X	P
MXC	X	X	X	X	X	X	P

P – Permitted
 AP – Administrative Permit
 UP – Use Permit
 X – Not Permitted

Development Standards. The Zoning Code establishes development standards for each zoning district. These standards can affect the cost and feasibility of housing development. In addition to density, the allowable building height and required off-street parking are two of the most important factors that affect lower-income housing development feasibility.

Height Limits – The height limit in the R-2 district is 35 feet, which can accommodate 3-story development. The R-3 and R-P districts allow 45 feet and the R-4 district allows 50 feet. In the mixed-use districts, the allowable height is 40 feet (MXD and MXN) or 60 feet (MXC). These height limits do not act as a constraint to achieving the allowable densities established by the General Plan and Zoning Code.

Off-Street Parking Standards – Off-street parking requirements are summarized in Table IV-3. Single-family homes are required to provide two spaces per dwelling unit. The required parking ratio for multi-family units is determined by unit size and project density. Small multiple-family dwellings (studio and 1-bedroom) must provide one space for each dwelling unit, multiple-family with 2 or more bedrooms at 14 dwelling units per acre or less must provide 2 spaces per unit, and multiple-family with 2 or more bedrooms at densities greater than 14 units per acre must provide 1.5 spaces. Guest parking is required at a ratio of one space for each four dwelling units. The City of Oroville's parking requirements are comparable to similar communities and are not considered a constraint to residential development.

Any single-family residential use located within the Downtown Historic Overlay (DH-O) District is also located within the City's Downtown Parking Assessment District, and is therefore exempt from the City's off-street parking standards.

**Table IV-3
Residential Parking Requirements**

Unit Type	Required Parking Spaces
Single family / duplex	2 spaces for each dwelling unit
Multiple-family: Studio or 1 bedroom	1 space for each dwelling unit
Multiple-family: 2 or more bedrooms Fewer than 14 DUs per acre	2 spaces for each dwelling unit
Multiple-family: 2 or more bedrooms 14 or more DUs per acre	1.5 spaces for each dwelling unit
Guest parking for multiple-family dwellings	1 space for each 4 dwelling units
Residential care facility – 6 units or fewer	Same as requirements for applicable type of dwelling unit
Residential care facility – 7 units or more	1 space for each 3 beds
Second dwelling unit	1 space for each dwelling unit
Mobile home park	1 space for each dwelling unit, plus 1 guest parking space for each 4 dwelling units
Boardinghouse	1 space for each bedroom

Source: City of Oroville Zoning Code, 2014

c. Special Needs Housing

Persons with special needs include those in residential care facilities, persons with disabilities, farm workers, persons needing emergency shelter or transitional living arrangements, and single room occupancy units. Many of these groups also fall under the category of extremely low-income households. The City's provisions for these housing types are discussed below.

Definition of "Family" – The Municipal Code defines "family" and "household" as "One or more persons, whether or not related by blood, marriage or adoption, sharing a dwelling unit in a living arrangement usually characterized by sharing living expenses, such as rent or mortgage payments, food costs and utilities, as well as maintaining a single lease or rental agreement for all members of the Household and other similar characteristics indicative of a single Household." This definition is consistent with state law and does not pose a constraint to fair housing.

Residential Care Facilities – In accordance with §1502 of the Health and Safety Code, "residential care facility" means any family home, group care facility or similar facility for 24-hour nonmedical care of persons in need of personal services, supervision or assistance essential for sustaining the activities of daily living or for the protection of the individual. Small residential care facilities for 6 persons or fewer are permitted by-right as a residential use in any residential zone. Larger facilities for 7 or more persons are conditionally permitted in the R-3 and R-4 zones. These regulations do not pose a constraint to persons in need of residential care.

Housing for Persons with Disabilities – Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to

make reasonable accommodations (i.e. modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. The Building Codes adopted by the City of Oroville incorporate accessibility standards contained in Title 24 of the California Administrative Code. In addition, an amendment to the Municipal Code to establish procedures for ensuring reasonable accommodation was adopted in 2014 (Ordinance 1804). Reasonable accommodation requests are reviewed and approved administratively by the Zoning Administrator with no public hearing required.

Farm Worker Housing –Housing for agricultural employees occurs in two types of settings: housing accommodations located on farmland that is exclusively for farmworkers; or traditional housing that is intended for lower-income households but is not restricted to farmworkers.

The housing needs of permanent resident farmworkers are addressed through the provision of affordable housing such as apartments, lower-cost single-family homes, and mobile homes.

The state Employee Housing Act⁷ regulates farmworker housing and generally requires that facilities with no more than 36 beds (as group quarters) or 12 separate units be treated as an agricultural land use that is not subject to any conditional use permit that is not required of other agricultural uses in the same zone. In accordance with state law, a Municipal Code amendment to permit agricultural employee housing consistent with state law was adopted in 2014 (Ordinance 1804).

Emergency Shelters and Transitional/Supportive Housing – An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis. Transitional housing is temporary (often six months to two years) housing for a homeless individual or family who is transitioning to permanent housing. Supportive housing has no limit on length of stay and includes a supportive services component (e.g. job skills training, rehabilitation counseling, etc.) to allow individuals to gain necessary life skills in support of independent living.

Senate Bill 2 of 2007 strengthened the requirements for local government regulations regarding emergency shelters and transitional/supportive housing. Unless a city has sufficient existing shelter facilities to accommodate its need, land use regulations must identify at least one zoning district where shelters are a permitted use (i.e., do not require a conditional use permit or other discretionary review). In 2014 the Municipal Code was amended (Ordinance 1804) in conformance with state law to allow emergency shelters for up to 30 persons by-right in the R3 and R4 zones subject to the following standards:

1. Each resident must be provided a minimum of 50 gross square feet of personal living space, not including space for common areas. In no case can occupancy exceed 30 residents at any one time.
2. Before commencing operations, the emergency shelter provider must have a written management plan, which must be approved by the Zoning Administrator. The management plan must at a minimum include: requirements for staff training; resident selection process; pet policies;

⁷ California Health and Safety Code Sec. 17021.5 and 17021.6

scheduling of outdoor activities; temporary storage of residents' personal belongings; safety and security; management of outdoor areas; and counseling and social service programs for residents, if any.

3. Not more than one emergency shelter is permitted within a radius of 300 feet from another emergency shelter.
4. Individual occupancy in an emergency shelter is limited to six months during any 12 consecutive month period.
5. Each emergency shelter must have an on-site management office staffed by at least one employee at all times that the emergency shelter is operating.
6. Each emergency shelter must have on-site security, with at least one person present at the emergency shelter while it is operating.
7. Facilities must provide a refuge collection area large enough to accommodate the number of bins that are required to provide the facility with sufficient service so as to avoid the overflow of material outside of the bins provided.

Based on the most recent point-in-time survey, the City's emergency shelter need is approximately 579 beds (see Table II-21). With a shelter size of 30 beds, approximately 20 shelters would be required to accommodate this need. The R-3 (High Density Residential) and R-4 (Urban Density Residential) zones encompass over 76 acres with more than 130 parcels ranging in size from 2,000 square feet to over 17 acres. These zones include vacant and underutilized sites with sufficient capacity to accommodate 20 shelters, as well as access to transit and commercial services required by shelter occupants.

The Municipal Code also permits transitional and supportive housing as residential uses subject to only those requirements that apply to other residential uses of the same type in the same zone.

Single Room Occupancy (SRO) Housing – SRO housing is conditionally permitted in the R-3 and R-4 zones. SRO units must contain either food preparation or sanitary facilities (and may contain both) if the project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure or hotel, neither food preparation nor sanitary facilities are required to be in the unit. If any unit does not contain food preparation or sanitary facilities, the building must contain those facilities in a common area shared by tenants.

d. Second Units

Second units are attached or detached dwelling units that provide complete independent living facilities for one or more persons including permanent provisions for living, sleeping, cooking, and sanitation, located on the same lot as the primary structure. Zoning Code Sec. 26-16.010 permits the development of an attached or detached second unit on any residential parcel that contains a single-family home. The maximum size of second units is 1,200 square feet on parcels less than 5 acres, or 2,000 square feet on parcels of 5 acres or more, not to exceed 30% of the main dwelling floor area. One

additional off-street parking space is required for second units. These provisions are consistent with state law and do not pose a constraint to second unit development.

e. Mobile Homes and Manufactured Housing

There is an economy of scale in manufacturing homes in a plant rather than on site, thereby reducing cost. State law precludes local governments from prohibiting the installation of mobile homes on permanent foundations on single-family lots. It also declares a mobile home park to be a permitted land use on any land planned and zoned for residential use, and prohibits requiring the average density in a new mobile home park to be less than that permitted by the Municipal Code.

The Municipal Code allows mobile homes and manufactured housing on permanent foundations as a single-family residential use in any residential zone. Mobile and manufactured homes not on permanent foundations are permitted by-right in the UR-10 and UR-5 zones. Mobile home parks are a conditionally permitted use in all residential zones. These provisions are consistent with state law and do not pose a constraint to development of manufactured housing or mobile home parks.

f. Density Bonus

Pursuant to state law (Government Code Sec. 65915 et seq.), cities and counties must provide a density increase up to 35% over the otherwise maximum allowable residential density under the zoning regulations and the Land Use Element of the General Plan (or bonuses of equivalent financial value) when builders agree to construct housing developments with units affordable to low- or moderate-income households. Section 26-22 of the Municipal Code establishes regulations for density bonus in conformance with state law.

g. Building Codes

State and local building codes and regulations govern the construction of all buildings, and apply to plumbing, electrical, and mechanical systems. The purpose of these codes is to ensure safe, energy efficient structures. Uniform building standards also help moderate costs by standardizing construction techniques and materials. This creates certainty for the developer, the City, and the homeowner and tenant. Finally, enforcement of codes helps preserve the livability, community appearance, and property values, as well as help maintain social and economic stability.

The City of Oroville currently utilizes the 2013 California Building Standards Code with no local amendments. Compliance with Building Code standards often adds to the cost of construction, however, the City of Oroville, as do all cities in California, requires compliance to protect the health, safety and welfare of citizens.

Building code standards are most effectively applied through a cooperative effort between the City's code enforcement activities and the Building Official. The City also maintains open lines of communication between code enforcement staff and Housing Development Department staff for referrals for possible residential rehabilitation work. Code enforcement activity includes both reactive inspections (in response to

complaints) and proactive inspections of rental units. The City will continue to pursue funding sources that will allow more activity on a proactive basis.

The City of Oroville Code Enforcement Department is managed by the Oroville Police Department. The Department currently consists of two Code Enforcement Officers, one Community Redevelopment Economic Development Officer (CREDO) officer and one Staff Assistant. Code Enforcement Officers respond to reported code violation complaints, conduct annual neighborhood and multi-family inspections and follow-up visits, issue administrative citations if needed, promote Neighborhood Watch Groups, work diligently with the Abandoned Vehicle Abatement Program and assist the Oroville Fire Department with the annual Weed Abatement Program.

Code Enforcement duties generally consist of the following:

- Performing inspections;
- Receiving reports of possible violations and relaying that information to the correct Code Enforcement Officer;
- Sending out Courtesy Notices or Notice of Violation letters to the property owner and tenants asking for compliance to correct code violations;
- Logging and tracking all code violations in a data system that generates reports which detail: addresses visited, code violations found, and compliance. The data is used to produce various reports for the Housing Department, Abandoned Vehicle Abatement quarterly reports, and Code Enforcement's monthly reports.

2. Residential Development Processing Procedures

State Planning and Zoning Law provides permit processing requirements for residential development. Within the framework of state requirements, the City has structured its development review process in order to minimize the time required to obtain permits while ensuring that projects receive careful review.

a. Overview

Article IV, §§26-50, 53, and 56 of the City's Zoning Ordinance contain administrative provisions governing permitting processes in Oroville. According to subsection §26-56.060, the Zoning Administrator is the designated official responsible for the enforcement of the zoning provisions. The City Planning Commission and the City Council have review authority over discretionary permits such as Use Permits, Zoning Amendments, Subdivision Maps, and General Plan Amendments. The Planning Commission acts in an advisory capacity in matters involving the Zoning Ordinance and General Plan, with final decisions made by the City Council; however, for Variances, Use Permits and similar "minor" discretionary permits, the Planning Commission is the decision-making body.

Applications for building permits, amendments of the code, land divisions, and other Zoning Ordinance matters, such as Specific Plan applications must be filed with the City on the appropriate City application. Table IV-4 identifies the most common entitlement applications along with the typical timing requirements for each type of entitlement. In

carrying out the provisions of the Administrative Code Sections, the City strives to deliver high quality development services to the development community, and minimize delays and actions that would unnecessarily increase costs.

All development applications submitted to the Planning Department are given an initial review and screening by Planning staff. Based on the outcome of the initial review, some project applications, depending on their location in the City or on the type of project (discussed in more detail below), will require supplemental discretionary review by either the Development Review Committee, the Planning Commission, the City Council, or all three. A select number of projects will also require review by the Historic Advisory Board. Most projects, including residential building additions, tenant improvement, and other minor work involving a single structure are approved ministerial at the staff level. Planning approvals by staff are usually completed within 10 days to two weeks after submission.

**Table IV-4
Summary of Development Processing Times**

Action/Request	Processing Time	Comments
General Plan Amendment	3-6 Months	Gov. Code §65358 limits the number of times any element of the General Plan can be amended each calendar year. Requires a public hearing by the City Council and Planning Commission.
Zone Change	3-6 Months	Requires a public hearing by the City Council and Planning Commission.
Parcel Map	3-6 Months	Approved by Planning Commission May be referred to City Council for additional review, if necessary.
Tentative Subdivision Map	4-6 Months	Requires a public hearing before the Planning Commission.
Variance	2-3 Months	Requires a public hearing before the Planning Commission.
Conditional Use Permit	2-4 Months	Requires a public hearing before the Planning Commission.
Development Review	2-3 Months	Development Review Committee Review

b. Specific Plans

Specific Plans are approved as a General Plan overlay, consistent with the General Plan. Specific Plans are reviewed by the Planning Commission, which then makes a recommendation to the City Council, which decides either for approval, denial, or modification. Since Specific Plans are treated as a General Plan amendment, the City Council is the approving body. As long as General Plan consistency is maintained, applicants have the flexibility to propose development standards that differ from otherwise applicable Zoning Ordinance regulations; property setbacks, allowed height, density, street widths, open space standards, and landscaping are all items that can deviate from regular Zoning Ordinance requirements through the Specific Plan process.

In making a decision on a Specific Plan application, the City Council must determine and make findings that the project adequately meets the City's performance standards and review guidelines, as follows:

The proposed project is consistent with the General Plan;

The proposed project carries out the City's General Plan goals for high quality growth and development;

The design and layout of the proposed project will not unreasonably interfere with the use and enjoyment of existing or future neighboring developments, and will not result in vehicular and/or pedestrian hazards;

The design of the proposed project is compatible with the character of the surrounding neighborhood.

c. Use Permits and Variances

Generally, a similar review process is performed on projects where a Use Permit or Variance is required, such as when a project requests a reduced front yard setback because of a physical site constraint, but otherwise meets all applicable Zoning standards. In such a case, the Planning Commission review and approval process would typically take 30 to 60 days. For projects where City Council approval is required in addition to Planning Commission review, such as for Tentative Maps, Annexation and General Plan Amendments, another 40 days is usually required, for a total processing time of approximately 100 days, with a maximum review time of 150 days. It should be noted that required CEQA review, discussed in more detail below, can add to this processing time. The completion of an EIR may add as much as one year to 18 months to the overall approval time.

d. Development Review Committee (DRC)

Development Review is the City of Oroville's equivalent of architectural or design review. The Development Review Committee (DRC) is a committee consisting of three members of the Planning Commission, as well as the Zoning Administrator, the Building Inspector, and the Director of Parks and Recreation. The DRC reviews the architectural, landscaping, signage, circulation, grading and similar features of a project. DRC review is intended to promote orderly, attractive and harmonious development with the City. The Committee operates as an extension of staff with no discretionary review; its approval is strictly ministerial and not considered a constraint on residential development.

All new development projects that require a building permit as well as any projects involving building construction as part of an entitlement application, such as a Use Permit or Variance, are required to submit for DRC review and approval. No project may be awarded building permits until the project has received development review approval. Development review applicants are required to submit for review on a standard City application and to pay the required fee at the time of submission. Projects requiring a Conditional Use Permit or a CEQA clearance must obtain Historic Review Board, Planning Commission, or City Council review and approval. Such projects are subject to the requirements discussed below. Only the following project types are exempt from DRC approval:

- A project that includes two or fewer single-family dwellings or a single duplex on the same parcel; this includes private garages and other incidental, or accessory structures.

- An alteration, remodel, reconstruction, or modification/repair of any building that does not increase its gross floor area by more than 10 percent within any two-year period.

For residential projects, DRC review and approval is required when a project involves three or more units on a single parcel. Other than review by the DRC, there are no other discretionary reviews necessary for multi-family residential projects; therefore, the review process for both single-family and multi-family residential is the same, except for DRC review. For non-residential projects also involving a Use Permit or other discretionary action where the Planning Commission has review authority, DRC and Planning Commission approvals are conducted at the same time. At a minimum, an application for either DRC, Historic Review Board and other entitlement applications involving construction of a building must include the following, submitted to the Planning Department at the time application is made:

- Site plans;
- Architectural drawings showing proposed building elevations
- Landscape plans showing trees and other landscape material, including the quantity, the location of the material, and supplied irrigation
- Parking and site circulation plans
- Plans showing the location and type of all exterior on-site lighting
- Representative drawings of proposed signs and advertising

At the conclusion of the Design Review meeting, the DRC makes design-related recommendations to ensure the project maintains the City's standards for a high level of aesthetic quality.

The DRC meets monthly, and projects requiring DRC review typically take no more than 30 to 60 days to complete the process and render a decision back to the applicant. Although monthly DRC meetings are held, more frequent meetings can be scheduled to shorten the review process. Projects involving review by an additional body, such as Historic Advisory Board or Planning Commission, but short of City Council review, take approximately 105 days to complete the review process. If DRC and Planning Commission approvals are combined, as in the case involving a Use Permit, the total time for approval is approximately 90 days, since both reviews are conducted simultaneously. DRC approvals are advisory approvals only; the DRC does not have the authority to deny a project based on the proposed land use or proposed development standards.

e. Historic Advisory Commission

In order to protect the City's historic resources, the City has established a Downtown Historic Overlay (DH-O) District. Within the residential portions of the historic district, the DH-O allows increased building height to 45 feet or two stories and an increase in floor area ratio to 70% when such modifications are necessary to preserve or enhance the historic character of the district. The Historic Advisory Commission advises the City Council on matters involving the preservation of landmarks and landmark sites that are historic in

nature and have historic value. Both commercial and residential projects are potentially subject to review; the issue is not the land use, but rather how the proposed project may impact the historic resource, i.e. the structure, by virtue of its architecture, the building's place in history, or other historic elements of the site. The Historic Advisory Commission membership is the same as the Planning Commission.

Prior to alteration or demolition of a designated historic structure, applicants are required to obtain a permit from the Zoning Administrator. Only designated historic structures within the DH-O district are subject to the historic review requirements for demolition and modification permits. Cost and review time associated with historic review is considered necessary to ensure the important historic assets in Oroville are protected and maintained for the enjoyment of future generations. Though additional time is required for review and approval for modifications to designated historic projects in the downtown historic overlay district, the additional cost and time involved do not present an undue burden on project applicants, nor does it constitute a constraint on development.

f. Environmental Review Procedures

Compliance with the California Environmental Quality Act (CEQA) may take many forms depending on whether the project is exempt or may have an effect on the environment. CEQA compliance may take the form of an Environmental Impact Report (EIR), a Negative Declaration (ND) or a Mitigated Negative Declaration (MND). For example, the construction of individual single-family dwellings is Categorically Exempt from CEQA requirements (CEQA Guidelines §15303), while many multi-family residential projects can be approved with the issuance of a Negative Declaration. Conditional Use Permits and Second Dwelling Units may also be exempt from CEQA, depending on whether individual projects are classified as infill development.

The amount of time required to process CEQA environmental review documents in the City of Oroville is comparable with other jurisdictions across the state, and is not considered a significant constraint to the development of housing.

The City will continue to encourage and support concurrent processing of project applications that require several different entitlements to help expedite the process. Generally, processing requirements and schedules do not present an undue constraint on development. In order to ensure that processing does not become an impediment to the construction of affordable housing, the City will continue to take constructive steps to help facilitate new development and improve the efficiency of the review process.

3. Development Fees and Improvement Requirements

a. Development Fees

State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged. Various fees and off-site improvement requirements are levied by the City (as well as other agencies) to cover processing costs, provide services, and construct facilities such as utilities, schools and

supporting infrastructure. These fees and public improvements are assessed through a pro rata share system based on the magnitude of the project's impact or the extent of benefit that will be derived. Table IV-5 summarizes typical fees for single-family and multi-family projects.

**Table IV-5
Summary of Development Fees**

Fee Category	Single-Family (2,000 sq. ft.)	Multi-family (4-unit project, total of 2,600 sq. ft.)
Building Plan Check Fee	*20% of Building Permit fee	*20% of Building Permit fee
Storm Drainage Fee	\$1,491.55	\$741.33 per unit
City Sewer Connection	\$696 per EDU	\$577 per unit
SC-OR Connection Fee	\$6,638 per EDU	\$6,638 per EDU
Law Enforcement	\$38.15	\$66.12 per unit
Fire Suppression/Protection	\$49.59	\$34.33 per unit
Traffic/Circulation Systems	\$604.00	\$398.00 per unit
Sewer Collection Facilities	\$427.25	\$380.20 per unit
General Govern./Admin.	\$77.57	\$77.57 per unit
Development Review Committee	None	\$225
Park Development	\$860.85	\$676.48 per unit
Feather River Rec. & Park	\$1,196.00	\$1,063.00 per unit
School Fees	\$2.97 per sq. ft.	\$2.97 per sq. ft.
Total	\$19,136.93	\$12,172.42
OTHER APPLICABLE FEES (Limited Basis)		
Planning/App. Fees	Single-Family	Multi-family
Variance	\$1,873.87	\$1,873.87
Conditional Use Permit	\$1,960.77	\$1,960.77
General Plan Amend.	\$2,427.88	\$2,427.88
Zone Change	\$2,427.88	\$2,427.88
Specific Plan Deposit	\$3,258.90	\$3,258.90
Storm Drainage Fee – <i>Thermalito Area Only</i>	\$3,641.37	\$4,522.90 per unit
Lot Line Adjustment	\$689.80	\$689.80
Tentative Parcel Map	\$1,873.87 plus \$20 per lot	\$1,873.87 plus \$20 per lot
City Tap Connection Fee	\$331.32	\$331.32 per unit

* Example: 2,000 sq ft X \$101.96 (for Building Fee) = \$203,900.00 X 20% Plan Check Fee = \$1,117.97 for Plan Check Fee

Note 1: Environmental fee is either included in application fee, or is actual cost for outside consultant
Note 2: City Council has discretion to reduce fees to increase affordability; for the purposes of this table, the highest fee amounts have been assumed.

After the passage of Proposition 13 and its limitation on local governments' property tax revenues, cities and counties have faced increasing difficulty in providing public services and facilities to serve their residents. One of the main consequences of Proposition 13 has been the shift in funding of new infrastructure from general tax revenues to development impact fees and improvement requirements on land developers. The City requires developers to provide on-site and off-site improvements necessary to serve their projects. Such improvements may include water, sewer and other utility extensions, street construction and traffic control device installation that are reasonably related to the

project. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, recreational facilities and school sites, consistent with the Subdivision Map Act.

b. Improvement Requirements

In order to maintain a high standard of development in the City of Oroville, all land divisions, i.e. subdivision maps, parcel maps, etc., must conform to the City's design standards for infrastructure improvements and other engineering standards, as appropriate. For residential projects, the City typically requires both on- and off-site improvements as conditions of approval. Infrastructure improvements, including roadways and underground utility infrastructure, are required as a condition of the subdivision map, or as part of the building permit if a subdivision map is not required.

The City maintains overall standards for roadway development to accommodate traffic levels, vehicle movement and public safety access requirements. For example, all interior travel lanes must be a minimum of 25-feet. The City also maintains a standard for residential streets (local collectors) with a minimum right-of-way width of 60-feet.

All maps filed with the City must provide sufficient information about the following items to allow the City to make appropriate recommendations:

- Street paving, curb, gutter, sidewalk, street lights and street trees and landscaping;
- Bus turnout lanes;
- Bicycle and pedestrian access;
- Perimeter walls and site landscaping;
- Utility services, including sewer, water, and storm runoff connections and method of conveyance;
- Provision for fire service, including emergency access, adequate fire flow, and fire hydrants;
- The need for public services, including fire and police;
- Undergrounded utilities (electricity, gas, cable television);
- Schools and school facilities; and
- Parks and open space

Because residential development cannot take place without adequate infrastructure, on-and off-site improvement requirements are not a constraint to the development of housing within the City of Oroville.

B. Non-Governmental Constraints

1. Environmental Constraints

Some constraints to housing development are related purely to the topography of the region. Generally, these constraints will not preclude the construction of housing, but the cost of site preparation could be affected. Physical constraints vary from area to area. The City's southern and western areas are primarily flat river basin lands. The eastern portion of the City is located in an urban-wildland interface adjacent to the Sierra Nevada foothills. Development in the eastern area of the City occurs in and around tracts of oak woodlands and chaparral. Through the center of the City, sites may be impacted by the Union Pacific Railroad right-of-way and noise constraints.

The City of Oroville lies within a seismically active region and is subject to hazards associated with earthquake fault activity. According to the 2030 General Plan, the Cleveland Hills Fault was a previous seismically active fault classified as Alquist-Priolo Special Studies Zone located within the Oroville Planning Area. Areas within the Federal Emergency Management Agency 100-year flood zone along the Feather River and other drainages with high groundwater levels are susceptible to liquefaction due to saturated soils. Several areas of steep slopes are prone to landslides within the Planning Area due to earthquakes, weak soils, erosion, and heavy rainfall. Many of these areas are located on hillsides and bluffs in the northern part of the Planning Area. However, areas subject to such events due to steep slopes are not planned for residential development in the General Plan. Growth is anticipated to occur in relatively flat areas that are not subject to many of the hazards associated with ground shaking. Potential geologic hazards are mitigated through the development review and plan check process to ensure that all new developments comply with current grading and building code requirements.

2. Infrastructure Constraints

The City's ability to provide infrastructure to serve new development, primarily water, wastewater, and stormwater infrastructure, is a key component of the local development framework. The City of Oroville works with other service agencies to ensure that sufficient urban infrastructure, both resource availability and transmission and treatment capacity are in place prior to development approval. The City, through its relationship with regional agencies, maintains a Joint Powers Agreement (JPA) for the provision of wastewater treatment & discharge services; other agencies provide water services.

a. Water

The California Water Service Company, the South Feather Water and Power Agency, and the Thermalito Irrigation District provide water service in Oroville. These agencies derive water from both groundwater sources, deep wells, and from surface water sources, including Thermalito Power Canal, Lake Concow, and the South Fork of the Feather River. According to the 2030 General Plan, each of these agencies has the ability to meet expected demand during the General Plan timeframe.

The City will continue to work with these agencies to ensure that water supplies are acquired as necessary and that distribution facilities and storage facilities are provided to serve future growth. Measures that may be considered by the outside water agencies could include the following:

Purchase additional water supplies

Percolation of surface water to replenish underlying aquifers

Monitoring groundwater levels and the quantities of water recharged to and extracted from the underlying sub-basins

Sharing water resources data between the agencies to allow for responsible decisions regarding water supply development and land use planning

Developing policies regarding the provision of service to community water systems and small local water systems.

b. Wastewater

Three wastewater service providers (collection entities) in the Oroville area participate in a Joint Powers Agreement (JPA) with the Sewerage Commission-Oroville Region, or SC-OR, for the handling and processing of wastewater. The City of Oroville currently provides collection services for approximately 13,550 customers in the City, the Thermolito Water & Sewer District (TWSD) provides collection services for approximately 2,000 customers, and the Lake Oroville Area Public Utility District (LOAPUD) provides collection services for approximately 12,000 customers. Only a small percentage of LOAPUD's customers are currently located in the City limits, with the remaining customers located in unincorporated areas surrounding the City. All three of the collection agencies convey wastewater to SCOR west interceptor pipe for treatment at the SCOR plant.

The Sewerage Commission-Oroville Region (SCOR) Regional Wastewater Treatment Plant is the sole provider of sewage treatment for Oroville and surrounding areas. The SCOR plant is located at 2880 South 5th Avenue, between Oroville Dam Boulevard and Georgia Pacific Way. The treatment plant and three interceptor lines that collect wastewater discharges from the three member entities are generally in good condition.

The member collection entities are independently responsible for the preparation and periodic update of their sanitary sewer master plans, and the annual or periodic adjustment of user rates and connection fees to plan for and fund necessary improvements that will provide the needed capacity for each of the entities collection systems.

The City will continue to function as a member entity under the SC-OR JPA in order to ensure adequate collection capacity for future growth. New development will be required to pay for necessary upgrades (either expansion or new installation) to the collection system and to future improvements in treatment capacity, to maintain adequate service levels. The City will continue to implement a long-term program of phased improvements and upgrades in advance of anticipated development, and wastewater treatment is not expected to constrain housing development during the 2014-2022 planning period.

3. Land and Construction Costs

Land represents one of the most significant components of the cost of new housing. Changes in land prices reflect the cyclical nature of the residential real estate market. Land and housing values declined significantly after the 2008 economic crash, but have slowly begun to recover. The typical value of vacant residential land in Butte County is currently estimated at \$100,000 to \$200,000 per acre depending on location, which is substantially lower than more urbanized areas of the state.

Construction cost is affected by the price of materials, labor, development standards and general market conditions. The City has no influence over materials and labor costs, and the building codes and development standards in Oroville are not substantially different from other cities in the region. Estimated construction costs range from \$130 to \$200 per square foot depending on type and quality of construction.

4. Cost and Availability of Financing

The cost and availability of residential financing in Oroville is similar to other communities in California. The recent crisis in the mortgage industry has affected the availability of real estate loans, although for those homebuyers who can qualify, interest rates are very low by historic standards. Under state law, it is illegal for real estate lending institutions to discriminate against entire neighborhoods in lending practices because of the physical or economic conditions in the area ("redlining"). Based on available information, it does not appear that redlining is occurring in the city.

C. Fair Housing

The California Fair Employment and Housing Act: (i) prohibits discrimination and harassment in all aspects of housing including; (ii) requires housing providers to make reasonable accommodation for persons with disabilities; and (iii) prohibits retaliation against any person who has filed a complaint with the State. In furtherance of these provisions and anti-discriminatory practices, the City promotes equal opportunity for all residents through programs described in the Housing Action Plan (Chapter V). The City also facilitates reasonable accommodation in housing for persons with disabilities in conformance with state law.

V. HOUSING ACTION PLAN

Chapters II, III and IV of the Housing Element evaluate the City's housing needs, opportunities and constraints, while Appendix A presents a review of the previous element. This Housing Action Plan sets forth the City's goals, policies, and actions to address the identified housing needs and issues for the 2014-2022 planning period. Quantified objectives for new construction, rehabilitation and conservation are also identified.

A. Goals

The City of Oroville has established the following six goals to enhance, increase, improve, and preserve the housing stock for all economic segments of the City in a fair and equitable manner.

Goal 1: Expand Housing Opportunities and Accessibility. The City of Oroville maintains a goal to concentrate and focus efforts and resources on increasing the availability of permanent housing for all community residents.

Goal 2: Remove Constraints to Housing. The City of Oroville maintains a goal to remove constraints that could hinder the provision of housing.

Goal 3: Facilitate Development of New Housing to Meet the Needs of the Community. The City of Oroville maintains a goal to facilitate development of a range of housing that varies sufficiently in terms of cost, design, size, location, and tenure to meet the housing needs of all economic segments of the community at a level which can be supported by the utility, water and street infrastructure

Goal 4: Preserve, Rehabilitate, and Enhance Existing Housing and Neighborhoods. The City of Oroville maintains a goal to initiate all reasonable efforts to preserve the availability of existing housing opportunities and to conserve as well as enhance the quality of existing dwelling units and residential neighborhoods.

Goal 5: Promote Fair Housing. The City of Oroville maintains a goal to ensure that all existing and future housing opportunities are open and available to all members of the community without discrimination on the basis of race, color, religion, sex, national origin or ancestry, marital status, age, household composition or size, or any other arbitrary factors.

Goal 6: Encourage Residential Energy Conservation. The City of Oroville maintains a goal to encourage energy conservation in residential neighborhoods, which can reduce energy bills and enhance housing affordability.

B. Policies and Actions

1. EXPAND HOUSING OPPORTUNITIES AND ACCESSIBILITY

Policy 1.1: Encourage home ownership

Action 1.1.1: Provide homebuyer and first-time homebuyer assistance up to \$100,000 or 45% of the purchase price of the home; whichever is less. The maximum purchase price allowed is \$200,000; for each qualified household, with a goal of assisting five units per year. However, these terms are subject to change with program guideline changes and a city council action item.

Anticipated Benefit: Increased home ownership opportunities for low-income households

Funding: Grant funds

Responsibility: Business Assistance and Housing Development

Timing: Application to be made annually, subject to the State Application cycle

Policy 1.2: Work cooperatively with other governmental entities to reduce homelessness and facilitate the provision of shelter and services for those in need.

Action 1.2.1: Continue to work with the Butte County Homeless Coalition Continuum of Care Coalition to reduce the number of homeless individuals in the area.

Anticipated Benefit: Increased awareness and visibility carrying out efforts to improve conditions for the homeless

Funding: Grant funds

Responsibility: Business Assistance and Housing Development

Timing: Throughout the planning period.

Action 1.2.2: Ensure that City zoning regulations for emergency shelters, transitional and supportive housing, and Single Room Occupancy (SRO) housing facilitate these uses consistent with state law, and provide assistance with grant applications for the development of new facilities to serve the homeless.

Anticipated Benefit: Increased opportunities to develop emergency shelters, transitional housing, supportive housing, and SROs, thereby increasing homeless services and supportive capabilities in the community for those transitioning from homelessness to self-sufficiency.

Funding: City General Fund; grant funds

Responsibility: Planning Division, Planning Commission, and City Council

Timing: Continue to assist sponsors with applications for special needs housing on a project-by-project basis throughout the planning period

Action 1.2.3: Maintain and publicize a comprehensive listing of housing developments that serve lower-income households, persons with disabilities, and other special needs populations.

Anticipated Benefit: Better resources facilitating improved services

Funding: City General Fund, Grant Funds

Responsibility: Planning Division Business Assistance and Housing Development

Timing: The City provides updated lists to public entities and special service organizations annually and as requested. Additionally, the list is updated and posted on the City's website and shared with the Butte County Housing Authority as changes occur.

Policy 1.3: Continue to facilitate the provision of housing for persons with disabilities and for persons with limited or restricted mobility to enhance accessibility and mobility.

Action 1.3.1: In accordance with the requirements of SB 520, the City will continue to allow for administrative approval of exceptions in land use regulations to provide reasonable accommodation for housing for persons with disabilities.

Anticipated Benefit: Streamlined processing of requests for reasonable accommodation in housing for persons with disabilities

Funding: City General Fund

Responsibility: Planning Division

Timing: Continue to process requests for reasonable accommodation expeditiously throughout the planning period

Policy 1.4: Facilitate the production of farmworker housing in the City

Action 1.4.1: Continue to ensure that local zoning, development standards, and permit processing procedures for farmworker housing do not conflict with *Health and Safety Code* §17021.5 and §17021.6.

Anticipated Benefit: Facilitation of additional opportunities for farmworker housing in the City

Funding: City General Fund

Responsibility: Planning Division

Timing: Throughout the planning period

2. REMOVE CONSTRAINTS TO HOUSING

Policy 2.1: Minimize constraints to the development of affordable housing through supportive codes, ordinances, policies, and guidelines.

Action 2.1.1: Continue to monitor the development review process to ensure that the City's review and approval (timing and cost) do not constrain residential development including multi-family and housing affordable to low- and moderate-income households.

The Planning Division will complete an annual review as part of the City's Housing Element Annual Report to evaluate application processing times and conditions of approval to determine whether improvements could reduce processing times without jeopardizing other public policy objectives. If the City's review and approval processes are found to unreasonably constrain development, the City will take action to amend the process or establish guidelines and other mechanisms to promote increased application certainty and reduce processing time to the extent feasible.

Anticipated Benefit: Annual review will help to ensure that development review procedures do not unduly constrain residential development in the City.

Funding: City General Fund

Responsibility: Planning Division, Planning Commission, City Council

Timing: Annual review as part of the Housing Element Annual Report.

Action 2.1.2: Track Housing Element implementation progress as part of the annual report submitted to the State Department of Housing and Community Development (HCD).

Anticipated Benefit: Better information more readily available to the public to encourage participation in the process, and more useful information

Funding: General Fund

Responsibility: Planning Division, Business Assistance and Housing Development

Timing: Submit update annually in accordance with state law

Action 2.1.3: Periodically survey development application, plan check and inspection fees, impact fees and utility connection fees of other cities in the Butte County area to ensure that these City fees are reasonably related to the cost of services provided.

Anticipated Benefit: Assurance that City fees are reasonable and do not unnecessarily increase the cost of housing.

Funding: City General Fund

Responsibility: Planning Division, Finance Department, City Council

Timing: Fee surveys every two years

3. FACILITATE DEVELOPMENT OF NEW HOUSING TO MEET THE NEEDS OF THE COMMUNITY

Policy 3.1: *Ensure that the City's inventory of residentially-zoned land is sufficient to accommodate development for all housing types and income levels commensurate with growth needs and the Regional Housing Needs Assessment (RHNA).*

Action 3.1.1: Perform regular updates to the City's GIS system to track development and maintain an accurate list of vacant residential land in the City.

Anticipated Benefit: Maintaining a list of vacant land will allow the City to make better decisions about land development in the City.

Funding: City General Fund

Responsibility: Planning Division, Engineering Division

Timing: Annual updates

Action 3.1.2: Continue to implement the *no net loss* provisions of AB 2292 to ensure the availability of adequate sites to accommodate the City's share of regional housing needs throughout the planning period.

Anticipated Benefit: Ensure sufficient capacity of properly zoned land for residential development to accommodate growth needs.

Funding: City General Fund

Responsibility: Planning Division, Planning Commission, & City Council

Timing: Ongoing throughout the planning period.

Action 3.1.3: Coordinate an annual workshop with the Oroville Economic Development Corporation and its members to identify the housing needs of employees in the community in order to ensure that the City's land use plans support development of housing suitable for the local workforce as part of the City's overall economic development program.

Anticipated Benefit: Increased communication will help foster better land use decision-making for the benefit of current and future businesses and employees.

Funding: City General Fund

Responsibility: Planning Division; Business Assistance and Housing Development

Timing: Annual workshops throughout the planning period.

Policy 3.2: *Provide technical assistance to developers, nonprofit organizations, or other qualified private sector interests in seeking federal and state financing for affordable housing, including units affordable to extremely-low-income households and supportive housing for persons with developmental disabilities.*

Action 3.2.1: The City will actively work with interested developers to identify sources of funding and provide technical assistance in seeking funding for the construction of new affordable multi-family housing, including units for large family households, extremely-low-income households, and persons with developmental disabilities. Funding to be pursued includes tax-exempt mortgage revenue bonds; HCD's Multifamily Housing Program; and low-income housing tax credits (LIHTC). The City shall also assist by providing letters of support for funding applications during the application process to increase the chances of a project receiving a funding award.

Anticipated Benefit: Increased opportunities for development of multi-family projects to serve the needs of large family households, extremely-low-income households and persons with developmental disabilities

Funding: LIHTC, TE Bonds, and HCD

Responsibility: Business Assistance and Housing Development and Planning Division

Timing: Monitor grant funding opportunities annually, provide assistance to affordable housing developers upon request, and continue to notify developers of funding opportunities as they arise throughout the planning period.

4. PRESERVE, REHABILITATE, AND ENHANCE EXISTING HOUSING AND NEIGHBORHOODS

Policy 4.1: Protect existing residential neighborhoods from deterioration and encroachment of incompatible or potentially disruptive land uses and/or activities.

Action 4.1.1: Seek code enforcement grants to augment current code enforcement activities to supplement the graffiti removal program, to fund neighborhood clean-up fairs, and general code enforcement and community beautification efforts. Utilize neighborhood resources, including neighborhood groups (e.g., Neighborhood Watch) to supplement City code enforcement activities. Where possible, link code enforcement activities to available funding for improvements and correction of violations.

Anticipated Benefit: Maintaining a high standard through code enforcement efforts will help preserve existing neighborhoods and the existing housing stock.

Funding: General Fund; grant funds (as available); volunteer activities

Responsibility: Business Assistance and Housing Development

Timing: Throughout the planning period.

Policy 4.2: Ensure adequate public facilities to support the development of housing.

Action 4.2.1: Install and upgrade public service facilities (streets, curb, gutter, drainage facilities, and utilities) to encourage increased private market investment in declining, deteriorating and infrastructure-deficient neighborhoods.

Anticipated Benefit: Improved infrastructure will facilitate the development and private reinvestment in existing neighborhoods.

Funding: General Fund; Grant funds

Responsibility: Business Assistance and Housing Development, Planning Division, Engineering Division, Planning Commission, City Council

Timing: Continuous and ongoing throughout the planning period

Policy 4.3: Facilitate housing rehabilitation and stabilize existing neighborhoods, particularly those with high foreclosure and vacancy rates.

Action 4.3.1: To the extent funding is available, purchase abandoned homes, and provide rehabilitation assistance to improve deteriorated neighborhoods.

Anticipated Benefit: Increased investment in declining neighborhoods will help to stabilize and preserve the existing affordable housing stock.

Funding: Grant funds

Responsibility: Planning Division, Building Division, Business Assistance and Housing

Timing: Annual grant applications.

Action 4.3.2: The City shall continue to support the Owner Occupied Single Family Rehabilitation Program. The City expects to fund the rehabilitation of approximately 5 units over the next planning period.

Anticipated Benefit: Retain and improve existing stock of housing units

Funding: CDBG, grant funds

Responsibility: Business Assistance and Housing Development and Planning Division

Timing: Continuous and ongoing

Action 4.3.3: Provide funding assistance for the rehabilitation of multi-family developments on a case-by-case and as needed basis.

Anticipated Benefit: Improve existing multi-family units to preserve housing opportunities and enhance livability.

Funding: Grant funds

Responsibility: Business Assistance and Housing Development and Planning Division

Timing: Continuous and ongoing

Policy 4.4: Encourage preservation of the existing affordable rental housing stock in the City.

Action 4.4.1: Continue regular contact with the California Housing Partnership Corporation (CPHC), the agency that monitors federally-funded affordable housing, to identify at-risk units. The City will continue to pursue State and Federal funding sources such as the HOME, CDBG and Multi-Family Housing Program (MHP) to assist the preservation of at-risk units. The City shall maintain dialogue with developers and on-site managers and shall continue to be a source for information and technical assistance to potential purchasers and tenants of properties that could potentially convert to market rate. Ensure that all owners and managers of affordable housing are provided with applicable state and federal laws regarding notice to tenants of the owner's desire to opt-out or prepay. State law requires that owners provide a 12-month notice to tenants.

Anticipated Benefit: A proactive procedure to help the City make better, faster decisions about preserving at-risk units will allow the City to assist an increased number of units in a more timely fashion to help minimize the loss of any units.

Funding: HOME funds and MHP funds

Responsibility: Business Assistance and Housing Development

Timing: Throughout the planning period.

5. PROMOTE FAIR HOUSING

Policy 5.1: *Support the intent and spirit of equal housing opportunity and the Fair Housing Act.*

Action 5.1.1: Require that all recipients of locally-administered housing assistance funds acknowledge their responsibilities under fair housing law and affirm their commitment to the law. Coordinate and host regular workshops as a supplement to a tenant/landlord education program to provide information that will educate property owners, managers, real estate professionals and tenants about fair housing laws, race and disability discrimination, and familial status protections. Publicize fair housing and dispute resolution information through flyers/brochures in the lobby of City Hall, in the library, community centers, senior centers, local social service offices, real estate offices, mortgage offices, management offices of housing complexes, and on the City's website.

Anticipated Benefit: Better compliance with fair housing laws and practices to minimize housing discrimination.

Funding: City General Fund, grant funds

Responsibility: Planning Division, Business Assistance and Housing Development

Timing: The City will engage in continuous and long-term monitoring of properties in receipt of locally administered housing funds to ensure compliance; annual workshops.

Action 5.1.2: The City shall engage in a public noticing campaign to inform persons with disabilities of any age of their ability to locate in senior citizen independent living facilities that are funded with federal funds.

Anticipated Benefit: Increased awareness and current information about available resources for persons with disabilities.

Funding: Grant funds

Responsibility: Business Assistance and Housing Development

Timing: Public noticing campaign with materials updated annually

6. ENCOURAGE RESIDENTIAL ENERGY CONSERVATION

Policy 6.1: *Encourage residential energy conservation through required compliance with current building codes and incentives for voluntary conservation efforts.*

Action 6.1.1: The City shall continue to require, at a minimum, that all new residential development comply with the energy conservation requirements of Title 24 of the California Administrative Code.

Anticipated Benefit: Compliance with current State of California energy efficient building and construction techniques, resulting in increased energy savings

Funding: City General Fund

Responsibility: Planning Division, Building Division

Timing: Throughout the planning period

Action 6.1.2: Assist in publicizing utility incentives for energy conservation through flyers and on the City's website.

Anticipated Benefit: Increased awareness and understanding of energy efficiency options giving more individuals the information they need to make informed decisions about energy-saving opportunities

Funding: City General Fund

Responsibility: Planning Division, Business Assistance and Housing Development.

Timing: Annual updates to flyers.

C. Quantified Objectives

The City's quantified objectives for new construction, rehabilitation and conservation during the 2014-2022 planning period are summarized in Table V-1.

**Table V-1
Quantified Objectives 2014-2022**

	Income Category					Totals
	Ex. Low	V. Low	Low	Mod	Above Mod	
New Construction	210	209	284	306	784	1,793
Rehabilitation		2	3			5
Conservation*	-	-	-	-	-	-

* There are no assisted units at risk of conversion to market-rate during the 2014-2024 period

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Appendix A

Evaluation of the 2008-2014 Housing Element

Section 65588(a) of the *Government Code* requires that jurisdictions evaluate the effectiveness of the existing Housing Element, the appropriateness of goals, objectives and policies, and the progress in implementing programs for the previous planning period. This appendix contains a review the housing goals, policies, and programs of the previous housing element and evaluates the degree to which these programs have been implemented during the previous planning period. The findings from this evaluation have been instrumental in determining the City's 2014-2022 Housing Action Plan (Chapter V).

Table A-1 summarizes the programs contained in the previous Housing Element along with the source of funding, program objectives, and accomplishments.

Table A-2 presents the City's progress in meeting the quantified objectives from the previous Housing Element.

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
A-1	<p>The City shall annually apply for or support development and rehabilitation applications for State and Federal funding for affordable housing, including the following funding sources:</p> <p>Community Development Block Grant (CDBG); The State Department of Housing and Community Development (HCD) administers the federal CDBG Program for non-entitlement cities and counties. The City is eligible to apply to HCD for CDBG funding. Eligible activities include single- and multifamily rehabilitation rental housing acquisition or home ownership assistance, and activities that support new housing construction for lower-income households.</p> <p>HOME: HCD administers HOME funds for cities and counties that do not receive funds directly from HUD. Eligible activities include rehabilitation, new construction, and acquisition and rehabilitation of single- and multifamily housing projects for low income households. A twenty five percent (25%) local match is required, unless waived by HCD.</p> <p>CalHome: HCD administers this program, which provides grants to local agencies and nonprofit developers. Eligible activities include: predevelopment, site development and site acquisition for housing projects; acquisition and rehabilitation of housing; purchase of mobile homes and manufactured homes; down payment assistance, mortgage financing, homebuyer counseling and technical assistance for self-help projects.</p>	<p>At each application period as appropriate throughout the 2009-2014 Housing Element period.</p>	<p>Planning Division, Business Assistance and Housing Development</p>	<p>Based on the 50% expenditure criteria for both HOME and CDBG funding, the City is unable to apply for funding until 50% of existing CDBG or HOME funds are expended. Therefore, the City will be more likely eligible to apply for CDBG and HOME funds every other year. However, the City applies for CalHome funding whenever a Notice of Release of Funds (NOFA) is released.</p>
A-2	<p>The City shall continue to fund a Homebuyer Assistance Program (HAP). Over the course of the Housing Element period, the City expects to assist approximately 25 households, with a maximum of \$25,000.</p> <p>The City shall continue to support the Owner Occupied Single Family Rehabilitation Program. The City expects to fund the rehabilitation of approximately 75 units over the</p>	<p>Continuous and ongoing 2009-2014</p>	<p>Business Assistance and Housing Development and Planning Division</p>	<p>The Homeownership Assistance Program was eliminated in 2012 due to the dissolution of the Redevelopment Agency.</p>
		<p>Continuous and ongoing 2009-2014</p>	<p>Business Assistance and Housing Development and Planning Division</p>	<p>11 rehabilitations to owner-occupied units occurred during 2009-2014. Due to the elimination of the Redevelopment Agency and the lack in homeowner equity, the goal of 75 units</p>

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
	next planning period.			rehabilitated was not met. The goals were established prior to the down-turn in the housing market when there was ample equity for rehabilitations. This program should be continued, but with a reduced goal of 4 rehabilitations annually
	Fund the rehabilitation of multifamily developments on a case-by-case and as needed basis.	Continuous and ongoing 2009-2014	Business Assistance and Housing Development and Planning Division	The city did not rehabilitate any multi-family developments during the 2009-2014 reporting period. The downturn in the housing market and economy and the elimination of the Redevelopment Agency made it difficult to assist development without equity. This program should be continued as funding becomes available.
	The City will actively work with interested developers to identify sources of funding for the construction of new affordable multifamily housing targeting the needs of large family households in the City. Funding to be pursued includes tax-exempt mortgage revenue bonds; HCD's Multifamily Housing Program; and tax credits. The City shall also assist the process by providing letters of support for funding applications during the application process to increase the chances of a project receiving a funding award.	Action to be implemented concurrent with 2009-2014 Housing Element period	Business Assistance and Housing Development and Planning Division	Hillview Ridge was funded by 9% tax credits, CDBG, HOME and RDA. Hillview Ridge II was funded with 4% tax credits, HOME, CDBG and RDA. In addition, the city assisted with the Senior Housing project: Orange Tree Senior Apartments which was funded with 4% tax credit, RDA and CDBG Program Income. This program should be continued as funding becomes available.
A-3	Make available Public Information handouts outlining City participation and incentives, housing needs from the Housing Element (or other market source), a definition of the state and federal funding for which the City is willing to apply and other pertinent information. Distribute the handouts to local non-profit and for profit development groups, and regional agencies. The handouts shall also be made available free of charge as an online document on the City's website. Additionally, the City will offer a free pre-application review to assist developers.	Updated handout to be produced by December 2010; available on an ongoing basis through Housing Element period, 2009-2014.	Planning Division, Pre-Application, Business Assistance and Housing Development other staff.	The City has updated its website to include additional information about the Housing Incentives programs as well as maintained contact with various regional for-profit and non-profit development groups and regional agencies. The City tested the use of TV spots, newspaper advertisements, radio, spots, mailers, Doorknockers and even publicized programs by going door to door. This program should be continued.
B-1	Continue to use HOME funds to assist households with first time homebuyer down payment assistance up to \$100,000 or 45% of the purchase price of the home;	Application to be made annually, subject to the State Application cycle	Business Assistance and Housing Development	2009 – 10 HOME, 1 CALHOME, 1 CDBG 2010 – 10 HOME, 4 CALHOME, 1 CDBG 2011 – 8 HOME, 7 CALHOME, 1 CDBG, 2 RDA

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
	<p>whichever is less. The maximum purchase price allowed is \$175,000; for each qualified household, with a goal of assisting five (5) units per year. CalHome's maximum assistance is \$60,000.</p> <p>The City will continually evaluate the First Time Homebuyers loan amount in order to address the cost of homeownership in the City. The City will be open to adjusting the maximum loan amount per project if a determination is made that a decrease is warranted.</p>	<p>Continuous and ongoing, 2009-2014.</p>	<p>Business Assistance and Housing Development</p>	<p>2012 – 7 HOME, 3 CALHOME, 5 CDBG, 2013 – 4 HOME, CALHOME 2, CDBG, 10</p> <p>This program should be continued.</p> <p>The City has found that 45 % of the purchase price works for this program very well. However, HUD establishes the maximum purchase price limits for all jurisdictions.</p> <p>This program should be continued.</p>
C-1	<p>The Butte County Homeless Coalition formed a Continuum of Care Coalition to reduce the number of homeless individuals in the area. The City is a member of the Coalition and appoints a representative to attend all meetings/functions. The City shall continue to participate in the coalition as a partner with Butte County in the battle against homelessness.</p>	<p>The City shall name City Council members to one-year rotating terms as the City's coalition member, 2009-2014</p>	<p>Business Assistance and Housing Development</p>	<p>The Continuum of Care Coalition, with the City's support has developed an implementation strategy for carrying out cooperative efforts to address the homeless issues.</p> <p>This program should be continued.</p>
	<p>The City shall amend the Zoning Ordinance to define Transitional and Supportive Housing in accordance with the Health and Safety Code, Sections 50675.14 and 50675.2, and also specify that both types of housing shall be treated as residential uses of property, subject to only the same restrictions/regulations as other types of housing in the same zoning district. The City shall also encourage the allowance for Single Room Occupancy (SRO's) and shall facilitate allowing them through identification of potential locations and through city assistance with grant writing for the development of SRO projects.</p>	<p>Zoning Ordinance Amendment to be complete by August 2010</p>	<p>Planning Division</p>	<p>A Zoning Code amendment has been initiated to ensure that City regulations regarding transitional and supportive housing are consistent with state law, and to establish regulations for SRO housing.</p>
	<p>In accordance with the requirements of SB 2 (2007-2008 Session), the City shall amend the Zoning Ordinance to identify one zoning district that will allow the development of homeless shelters by-right, without the need for any discretionary approvals. The City will designate the R-3 Medium Density Residential district as the appropriate zoning district to accommodate emergency shelters by right. The City shall also ensure that the capacity exists to develop one shelter within the next year.</p>	<p>Zoning Ordinance Amendment to be completed by August 2010 in document</p>	<p>Planning Division, Planning Commission and City Council, and Business Assistance and Housing Development</p>	<p>A Zoning Code amendment has been initiated to establish regulations for emergency shelters in conformance with state law.</p>
	<p>Partner with homeless service providers in establishing additional short-term beds for all segments of the homeless population. The City will remain engaged with</p>	<p>Meet with a roundtable of homeless service providers by August 2010 to develop</p>	<p>Planning Division, Planning Commission, City Council, Business</p>	<p>A City Councilmember participates in the Butte Countywide Homeless Continuum of Care to ensure that the City remains an active participant.</p>

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
	homeless service providers and utilize the municipal authority and resources to assist service providers in meeting their goals for numbers of beds.	an implementation strategy for carrying out cooperative efforts	Assistance and Housing Development	This program should be continued.
C-2	The City shall continue to work with the CoC to educate and promote the County's program for homeless foster restate populations above children to provide assistance in finding suitable properties in the City.	Hold meetings with the Butte County Coalition annually, the first meeting to be held by December, 2009	Business Assistance and Housing Development	The city meets with the coalition annually to address the needs and issues associated with the program. In addition the City maintains contact with county and jointly addresses issues in the Oroville region as they occur. This program should be continued.
	Regularly update comprehensive listing of housing developments in the City, which have units reserved for lower income, disabled households, and other special needs populations. The list shall be made available on the City's web site.	Update annually with Housing Element Annual Report	Planning Division Business Assistance and Housing Development	The City website was most recently updated 12/31/2013. This program should be continued.
C-3	The City shall engage in a public noticing campaign to inform persons with disabilities of any age of their ability to locate in senior citizen independent living facilities that are funded with federal funds.	Public noticing campaign to commence by August 2010, materials shall be updated annually	Business Assistance and Housing Development	The City currently has informational materials for available senior housing options. The City works with the Butte County Housing Authority, Community Action Agency, and other special interest groups to update the information annually. This program should be continued.
	Continue to implement the City's current enhanced housing rehabilitation program including a one-time \$2,500 grants to very low income disabled persons and senior citizens to improve accessibility and safety.	Continuous and ongoing throughout 2009-2014	Business Assistance and Housing Development	This program was eliminated with the dissolution of the Redevelopment Agency and lack of funding. Prior to the elimination, the City funded 3 grants.
	In accordance with the requirements of SB 520, the City will adopt procedures as part of an update to the Municipal Code to provide reasonable accommodation for persons with disabilities that allow for administrative approval of accessible features for the handicapped. The policy shall also outline procedures for processing requested exceptions in zoning and land use regulations for housing persons with disabilities.	Zoning Ordinance Amendment to be complete by August 2010	Planning Division, Planning Commission	A Zoning Code amendment has been initiated to establish reasonable accommodation procedures in conformance with state law.
C-4	The City shall amend the zoning ordinance to ensure that permit processing procedures for farmworker housing do not conflict with Health and Safety Code Sections 17021.5 and 17021.6, stating that: "Any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use designation for the purposes of this section. For the	Zoning Ordinance Amendment to be complete by August 2010	Planning Division, Planning Commission, City Council	A Zoning Code amendment has been initiated to establish farmworker housing regulations in conformance with state law.

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
	<p>purpose of local ordinances, employee housing is an activity that does not differ in any other way from an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone." The City shall also ensure that such procedures encourage and facilitate the development of housing for farmworkers.</p> <p>The City will prioritize program funding, such as HOME and CDBG for the reconstruction and/or rehabilitation of units for extremely low income owner/renter occupied housing units in Oroville, including assistance with the development of Single Room Occupancy (SRO) units. The City will take all action necessary to expedite processing and approvals for such programs.</p>	<p>Funding priorities will be implemented upon adoption of new funding guidelines, proposed to be in December, 2010.</p>	<p>Planning Division, Planning Commission, City Council</p>	<p>The City continued to apply for grant funding as available.</p>
D-1	<p>Monitor the Historic Advisory Board process and the Development Review Board process to ensure that the City's review and approval (timing and cost) do not constrain residential development including multifamily and housing affordable to low and moderate income households. The planning department will complete an annual review to evaluate application processing and analyze processing times and the impact of conditions of approval to determine whether the processes acts as a significant constraint on residential development. The review will be formalized in an annual staff report to the Planning Commission and made publicly available. If the City's review and approval processes are found to adversely constrain development, the City will take action to amend the process or establish guidelines and other mechanisms to promote increased application certainty and reduce processing time to the extent feasible by State law. The review will be conducted as part of the City's Housing Element Annual Report submitted to the state</p>	<p>Annual, to be included as part of the Housing Element review submitted to the State, the first review to be conducted by August, 2010</p>	<p>Planning Division, Planning Commission, City Council</p>	<p>On October 16, 2012, the City Council adopted Ordinance 1790 to amend the Zoning Code dissolving the Historic Advisory Board and creating the Historic Advisory Committee. The code change specifies membership, duties of the Commission, and other policies regarding the Commission. Annual Reviews usually in the form of monthly reports which give a snapshot of the monthly and a cumulative update of the activities for the year.</p>
	<p>Review the City's Zoning Ordinance to ensure density bonus policies for the provision of affordable housing opportunities are in compliance with current State law, per Government Code Section 65915-65918. If found to be out of compliance, the City will amend the Ordinance to</p>	<p>Zoning Ordinance Amendment to occur by August 2010, if necessary</p>	<p>Planning Division, Business Assistance and Housing Development</p>	<p>Density Bonus regulations were updated in conformance with current state law.</p>

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
	comply with State law. The City shall annually track their Housing Element implementation progress as part of an annual report submitted to the State Department of Housing and Community Development (HCD). The City shall amend Zoning Ordinance to implement the development densities of the 2030 City of Oroville General Plan. Periodically survey (e.g., every 2 years) development application fees and plan check and inspection fees, impact fees, and utility connection fees of other cities in the Butte County area to ensure that these City fees are reasonable in comparison and reasonably related to the services being provided.	Submit update annually in accordance with State Law schedule for General Plan annual reviews Adoption of Zoning Ordinance to occur prior to August 2010 Conduct first fee survey by December of 2010, annually thereafter through 2009-2014 Housing Element period	Planning Division, Business Assistance and Housing Development Planning Division, Planning Commission and City Council Planning Division, Finance Department, City Council	Annual reports were prepared and submitted to HCD. The Zoning Ordinance was amended in 2010 to implement the 2030 General Plan densities. On December 2, 2013 City Council approved Resolution No. 8018 adopting the 2012 Transportation Improvement Grant Program and Impact Fee Update which amended the existing traffic impact fee schedule. On December 17, 2013 the City entered into an agreement with Willdan Financial Services for a financial analysis for the preparation of Development Impact Fees and an Indirect Cost Allocation Plan. Additionally, on February 19, 2013 the City Council adopted Ordinance No. 1791, which updated the Planning & Development Services Department Master Fee Schedule.
E-1	The City shall formalize concurrent processing of entitlement projects when feasible and consistent with public notice provision otherwise required by law, to foster an environment conducive to business and to reduce project costs and minimize delays. Department staff will notify applicants upon project submittal of this policy and place public notice of the City's policy on the web site. The City shall offer, as an additional incentive, fast track processing of affordable development project applications to further incentivize the production of low cost housing opportunities. The City shall continue to require, at a minimum, that all new residential development comply with the energy conservation requirements of Title 24 of the California Administrative Code. Prepare a public information handout outlining City Utility and other utility company participation and incentives for energy conservation. Distribute the handout to local non-profit and for-profit development groups, and regional agencies and make the handout available on the City's	Concurrent processing model to be developed by December 2010, notice of the City's policies shall be posted on the City's web site within one month thereafter; continuous and ongoing through balance of 2009-2014 Housing Element period Continuous and ongoing through 2009-2014 Housing Element period Publish first handout by December 2010	Planning Division, Building Division, Planning Commission Planning Division, Building Division Planning Division, Business Assistance and Housing Development	The City offers concurrent processing to streamline the development process and the Zoning Ordinance provides development incentives for low income housing including fast-track processing. Pre-application/development review meetings help to minimize processing times. New developments are routinely required to comply with Title 24. This action was not completed due to staffing limitations but should be continued in the new planning period.

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
	<p>web site.</p> <p>Implement the energy resources and objectives from the Open Space, Natural Resources and Conservation Element of the General Plan. The City shall conduct free workshops to provide the information to the public and to encourage residents to support and employ measures in the General Plan.</p> <p>The City shall adopt a program to allocate funds from an as-yet-unidentified source, to defray the cost of land and/or required off-site improvements to encourage further development of extremely low income housing projects.</p>	<p>First workshop to be held by December 2010, every 2 years thereafter through 2009-2014 Housing Element period</p> <p>Adopt new program by August 2010</p>	<p>Planning Division, Business Assistance and Housing Development</p> <p>Planning Division, Planning Commission and City Council</p>	<p>Implementation has been on-going but no informational workshops have been held.</p> <p>This program should be continued.</p> <p>No alternate source of funding has been identified to date. This program should be continued if funding becomes available.</p>
F-1	<p>Perform regular updates to the City's GIS system to track development on all vacant land in the City, and maintain an accurate list of vacant land.</p>	<p>First update to coincide with completion of 2009-2014 Housing Element update, annually thereafter through Housing Element period.</p>	<p>Planning Division, Engineering Division</p>	<p>The city regularly maintains a list of vacant lands that are shared with the development community.</p>
	<p>Develop a system of regular updates and methods for informing the public and decision makers about the amount of land zoned for both single family and multifamily development and initiate zone changes, if necessary, to accommodate affordable housing. Update the data on an annual basis.</p>	<p>System of regular updates to be developed by August 2010, updates to be done annually thereafter through 2010-2014 Housing Element period.</p>	<p>Planning Division, Engineering Division</p>	<p>Updates and zone changes have been done on an as needed basis as developers apply. The system for regular updates comes in a form of monthly reports to the Planning Commission and City Council, which is part of the agenda packet posted online, that identifies projects that are in progress, on hold, and recently approved.</p>
F-2	<p>The City is adopting a revised Zoning Ordinance in accordance with the City's 2030 General Plan, which includes a new High Density/Mixed Use (HD/MU) Zoning District that allows for the development of 20-30 units per acre. The HD/MU district will allow for a minimum density of 20 units per acre, and require that no more than 20% of the site will be permitted to contain commercial uses. To accommodate the remaining RHINA of low-income units, the City shall rezone a total of approximately 36 acres to HD/MU, at a minimum density of 20 units per acre. Pursuant to subdivision (h) of Section 65583.2 of the Government Code, the City shall ensure that owner-occupied and multifamily residential housing development is allowed "by right", without a conditional use permit, planned unit development permit, or other discretionary review or approval that would constitute a "project" for the</p>	<p>Rezoning to occur by August 2010.</p>	<p>Planning Division, Building Division, Planning Commission and City Council</p>	<p>The 3 parcels identified in Housing Element Action 32 were rezoned to R-4 (Urban Density Residential) on 11/2/2010. The 3 rezoned parcels total over 36 acres, allow a minimum density of 20 units/acre, allow more than 16 units per site, allow only residential use, and allow development by-right.</p>

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
F-3	<p>purposes of Division 13 of the Public Resources Code. Units will be permitted at a minimum of 16 units per site.</p> <p>Implement the provisions of AB 2292 (Dutra) and prevent the down-zoning of a residential property used to meet the RHNA without a concomitant up-zoning of a comparable property.</p>	<p>Current and ongoing throughout 2009-2014 Housing Element period</p>	<p>Planning Division, Planning Commission</p>	<p>The City continues to ensure compliance with the <i>no net loss</i> provisions of AB 2292.</p>
G-1	<p>Promote orderly growth by evaluating the cumulative impacts of approved projects on existing neighborhoods. The City shall be prepared to mitigate adverse impacts on neighborhoods and formulate a strategy for ongoing evaluation and steps for corrective action to maintain the strength of existing neighborhoods.</p>	<p>The City shall develop a "Neighborhood Evaluation and Mitigation Strategy" by December 2010, enforcement ongoing thereafter throughout 2009-2014 Housing Element period</p>	<p>Planning Division, Planning Commission</p>	<p>One of the primary purposes of the General Plan and Zoning Ordinance is to promote orderly development. Any proposed development that would be inconsistent with the General Plan or zoning is evaluated to determine if it would conflict with City policy.</p> <p>This program reflects standard planning practice and therefore not necessary. The California Environmental Quality Act (CEQA) requires the review of projects for any potential environmental impacts. This review requires any potential individual or cumulative impacts to be analyzed.</p>
	<p>Adopt design standards for new construction in the City's historic overlay district, including downtown, in accordance with the City of Oroville 2030 General Plan.</p>	<p>Revise existing design standards or adopt new stand-alone design standards for the historic overlay, including the downtown- district by August 2011</p>	<p>Planning Division, Planning Commission, City Council</p>	<p>No specified design standards adopted. However, all construction work that alters a structure's exterior appearance in the DH-O requires development review. Any alteration to historic landmarks/buildings requires review by the Historic Advisory Commission. City is in the processes of making targeted updates to its General Plan & Zoning Code with a target completion date of March 2015. This update includes a new form-based code that will apply to Oroville's historic downtown, but will not encompass the entire historic overlay district.</p>
G-2	<p>Continually seek Code Enforcement grants to augment current Code enforcement activities to supplement the graffiti removal program, to fund neighborhood clean-up fairs, and general code enforcement and community beautification efforts. Code Enforcement staff currently consists of one (1) Community Revitalization Economic Development officer (CREDO), two (2) community enforcement officers, and one (1) part time assistant.</p> <p>The City shall continue to utilize neighborhood resources, including neighborhood groups (i.e., Neighborhood Watch) to implement ongoing tenant/landlord education Actions enhancing paid code enforcement activities.</p>	<p>Annually through the 2009-2014 Housing Element period</p>	<p>Business Assistance and Housing Development</p>	<p>Due to funding limitation the Code enforcement staff has been limited to 1 full time code officer and 1 half time support staff. However the City continues to be actively involved in local neighborhood watch groups.</p>
		<p>Next training session (in ongoing training series) to take place by December 2009, annually thereafter,</p>	<p>Business Assistance and Housing Development</p>	<p>Code Enforcement staff lead the Property Managers Network Group that meets on a quarterly basis for ongoing education and actions that will enhance code enforcement activities.</p>

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
G-3	Install and upgrade public service facilities (streets, curb, gutter, drainage facilities, and utilities) to encourage increased private market investment in declining, deteriorating and infrastructure deficient neighborhoods.	through 2009-2014 Housing Element planning period Continuous and ongoing through 2009-2014 Housing Element planning period	Business Assistance and Housing Development, Planning Division, Engineering Division, Planning Commission, City Council	The City had a curb, gutter and sidewalk program through the RDA but it was discontinued when the RDA was eliminated. The City completed offsite improvements including curb, gutter, sidewalk and utilities with CDBG funding for both Hillview Ridge I and Hillview Ridge II.
H-1	Coordinate annual workshops with the Oroville Economic Development Corporation and members to identify the housing needs of the employers and the community.	First workshop to be held by December 2011, annually thereafter through 2009-2014 Housing Element period	Planning Division, Business Assistance and Housing Development	The city hosts the State of the City, a cooperative event with OEDCO annually.
I-1	The City of Oroville Redevelopment Agency will purchase abandoned homes, and provide necessary rehabilitation to reduce the number of dilapidated neighborhoods and blighted areas.	Program guidelines will be developed by December 2010, ongoing thereafter 2009-2014	Planning Division, Building Division, Business Assistance and Housing Development	This program has been discontinued. The Oroville RDA was dissolved on February 1, 2012 with the legislature's adoption of and the supreme courts upholding of the dissolution act AB 1426 and AB 1484.
J-1	Continue regular contact with the California Housing Partnership Corporation (CPHC), the agency that monitors federally funded affordable complexes (at-risk units) and owner notifications of intent to opt-out. Ensure the City is placed on CPHC's email notification list.	Request to be placed on notification list to be made by December 2009, contact CPHC every six (6) months through 2009-2014 Housing Element period	Business Assistance and Housing Development	The City obtains all CPHC notifications through Jean Laurin-Lawrence-VP of Community Development Urban Housing Communities LLC
	The City will continue to pursue State and Federal funding sources such as the HOME, CDBG and Multi-Family Housing Program (MHP) programs to assist at-risk units as they appear. The City shall maintain dialogue with developers and on-site managers and shall continue to be the source for information and technical assistance to potential purchasers and tenants of properties that could potentially convert to market rate. The City will also develop a written strategy outlining how and when the City will act when notified of at-risk units.	In conjunction with public and private development partners, apartment/complex owners/managers, the City shall develop a formal strategy for assisting at risk units by August, 2010, implement strategy through remainder of 2009-2014 Housing Element period	Business Assistance and Housing Development	There were no at-risk units during the 2009-2014 planning period.
	Ensure that all owners and managers of affordable housing are provided with applicable State and federal laws regarding notice to tenants of the owner's desire to	Obtain an all-inclusive list of applicable laws by December 2010; the list	Business Assistance and Housing Development	There were no at-risk units during the 2009-2014 planning period.

**Table A-1
Housing Element Program Evaluation 2009-2014**

Policy	Action	Timing	Responsibility	Accomplishments
	opt out or prepay. State law requires that owners provide a 12-month notice to tenants.	shall be available in hard copy, available at City Hall, and shall be available on the City's web site		
K-1	Require that all recipients of locally administered housing assistance funds be required to acknowledge their understanding of fair housing law and affirm their commitment to the law.	The City will engage in continuous and long term monitoring of properties in receipt of locally administered housing funds to ensure compliance.	Planning Division, Business Assistance and Housing Development	During the annual monitoring process of multi-family housing, property owners are required to submit their Affirmative Action Plan and acknowledge their understanding of fair housing.
	Under the housing preservation section of the Fair Housing Act, the City will assist lower income households maintain ownership of their properties by working with the tax collector to forgive or delay payment of property taxes until the home is sold or ownership is transferred. In some instances, such as imminent foreclosure and tax sale, the City may pay the current tax, help the homeowner get a deferment and place a City lien against the home for payment at sale or ownership transfer.	Continuous and ongoing, throughout 2009-2014 Housing Element period	Business Assistance and Housing Development	The City has assisted homeowners in the past using RDA funding, however that funding source is no longer available and HCD will not allow this assistance with HOME or CDBG funding.
	Coordinate and host a regular workshop as a supplement to a tenant/landlord education program to provide information that will educate property owners, managers, and real estate professionals and tenants about the fair housing laws, race and disability discrimination, and familial status protections.	First workshop to be held by December 2010, annually thereafter throughout 2009-2014 Housing Element period	Planning Division, Redevelopment Agency, Business Assistance and Housing Development	Property Management Network Group meets quarterly to provide property managers/owners with fair housing laws, race and disability discrimination and familial status protections Types of additional services include speakers such as: Legal Services of Northern California, Butte County Housing Authority and Board of Realtors.
	Make available information fliers regarding fair housing laws and the process for the resolution of complaints. Download copies of the official complaint forms and make them available with the brochures. Include the telephone numbers of the State Department of Fair Employment and Housing on all public information regarding fair housing. Provide the fliers/brochures in the lobby of City Hall, in the library, community centers, senior centers, local social service offices, real estate offices, mortgage offices, and in the management offices of both low-income and market-rate housing complexes, and on the City's web site.	English language materials already available; list of local translation and interpretation services available December 2010; continuous and ongoing throughout 2009-2014 Housing Element period	Business Assistance and Housing Development	The City obtained Spanish and Hmong fliers through HUD and distributed through the Property Managers Network meeting, provided in lobby of City hall and distributed at various service groups in the community.

**Table A-2
Progress in Achieving Quantified Objectives 2009-2014**

Income Category	New Construction*		Rehabilitation		Conservation of At-Risk Units	
	Objective	Actual	Objective	Actual	Objective**	Actual
Extremely Low	130		0		0	
Very Low	131		0	1	0	
Low	239	57	50	1	0	
Moderate	276	2	25		0	
Above Moderate	784		0		0	
Total	1,560	59	75		0	

*Quantified objective and progress for new construction reflect units built 2007-2014, per the previous RHNA cycle

**No units were at risk during the 4th cycle.

Source: City of Oroville, 2014

Appendix B Residential Land Inventory

State law requires the Housing Element to include an inventory of vacant or underutilized sites with the potential for residential development during the planning period. The assumptions and methodology for the residential land inventory are provided below and summarized in Tables B-1 through B-3. The 5th cycle RHNA projection period began January 1, 2014 therefore units completed after that date are credited toward the City's inventory of sites.

1. Density and Affordability Assumptions

The following assumptions were used in the land inventory analysis to estimate the capacity and affordability levels for residential sites.

Realistic Capacity. For purposes of estimating the realistic capacity of vacant residential sites zoned for high density, the low end of the allowable density range has been used (20 units/acre). For other land use categories, the midpoint of the allowable density has been used.

**Table B-1
Assumed Density and Affordability by Land Use Designation**

Land Use Designation	Allowable Density (units/acre)	Assumed Capacity (units/acre)	Assumed Affordability Level
Rural Residential	0 – 0.2	0.1	Above Moderate
Very Low Density Residential	0.2 – 1.0	0.6	Above Moderate
Low Density Residential	1.0 – 3.0	2	Above Moderate
Medium Low Density Residential	3.0 – 6.0	4.5	Above Moderate
Medium Density Residential	6.0 – 14.0	10	Moderate
Medium High Density Residential	14.0 – 20.0	17	Moderate
High Density Residential	20.0 – 30.0	20	Lower
Mixed Use	10.0 – 30.0	10	Lower

Affordability. Completed units and projects with approved entitlements are assigned to affordability categories based on the actual or estimated price or rent (see Table II-14 in Chapter II). Sites without project entitlements are assigned to income categories based on allowable density according to the table above. Under state law⁸ the lower-income "default density" for Butte County is 20 units/acre, which means that sites allowing a density at or above that level are assumed to be appropriate for lower-income housing.

⁸ Government Code §65583.2(c)(3)(B).

2. Sites Inventory

The City’s inventory of residential sites is presented below and summarized in Table B-2. This table demonstrates that the City’s sites inventory can accommodate the RHNA allocation for the 2014-2022 planning period in all income categories.

**Table B-2
Land Inventory Summary**

Category	Income Category			
	Lower	Mod	Above	Total
Vacant sites (Table B-4)	725	880	1,534	3,139
RHNA 2014-2022	703	306	784	1,793
Adequate Sites?	Yes	Yes	Yes	Yes

Source: City of Oroville, 2014

Table B-3 shows vacant parcels designated for residential development along with the realistic development capacity of each site. Figures B-1 and B-2 show the location of the R-4 sites to accommodate lower-income housing. Those sites have a minimum density of 20 units/acre. There are no infrastructure capacity issues or environmental constraints that would preclude the level of development assumed for these sites during the planning period.

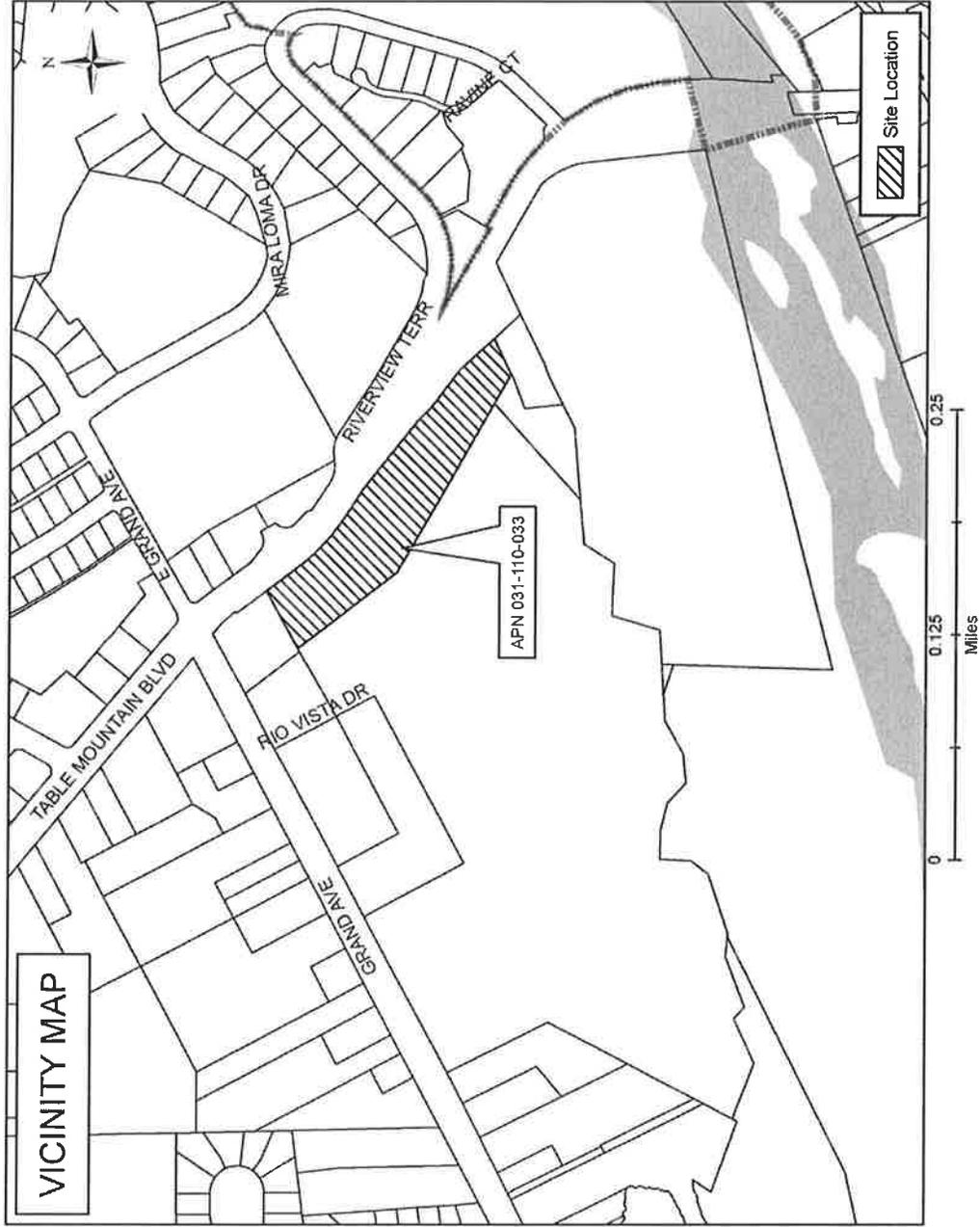
**Table B-3
Vacant Residential Sites**

APN	GP/ Zoning	Acreage	Density (du/ac)	Potential Units	Units by Income Category		
					VL/L	Mod	Above
30120038000	RR/UR-5	4.62	0.1	1			1
68380001000	VLDR/RR-1	15.4	0.6	9			9
33310021000	LDR/RR-10	20.48	2	40			40
33370023000	LDR/RR-10	13.08	2	26			26
33370025000	LDR/RR-10	3.05	2	6			6
68223006000	LDR/RR-10	0.56	2	1			1
68040011000	LDR/RR-20	3.82	2	7			7
68040051000	LDR/RR-20	20.73	2	41			41
68040052000	LDR/RR-20	21.63	2	43			43
68040073000	LDR/RR-20	9.51	2	19			19
68040074000	LDR/RR-20	8.62	2	17			17
68050055000	LDR/RR-20	11.59	2	23			23
68370016000	LDR/RR-20	0.71	2	1			1
Subtotal – RR / VLDR / LDR				234			234
12075010000	MLDR/R-1	0.13	4.5	1			1
13010023000	MLDR/R-1	5.03	4.5	22			22
13063023000	MLDR/R-1	0.11	4.5	1			1
30120039000	MLDR/R-1	5.08	4.5	22			22
30120040000	MLDR/R-1	4.72	4.5	21			21
30120065000	MLDR/R-1	3.43	4.5	15			15
30230103000	MLDR/R-1	23.06	4.5	103			103
31010091000	MLDR/R-1	21.82	4.5	98			98
31020043000	MLDR/R-1	59.13	4.5	266			266
31020049000	MLDR/R-1	0.92	4.5	4			4
31030009000	MLDR/R-1	2.48	4.5	11			11
31030031000	MLDR/R-1	21.7	4.5	97			97
31030033000	MLDR/R-1	5.32	4.5	23			23
31052005000	MLDR/R-1	1.6	4.5	7			7
31070051000	MLDR/R-1	5.78	4.5	26			26
31070085000	MLDR/R-1	11.13	4.5	50			50
31070086000	MLDR/R-1	6.01	4.5	27			27
31081016000	MLDR/R-1	0.32	4.5	1			1
31100007000	MLDR/R-1	0.47	4.5	2			2
31100022000	MLDR/R-1	9.74	4.5	43			43
31100023000	MLDR/R-1	11.48	4.5	51			51
31100024000	MLDR/R-1	8.87	4.5	39			39
31100025000	MLDR/R-1	8.85	4.5	39			39
33232026000	MLDR/R-1	0.46	4.5	2			2
33260009000	MLDR/R-1	0.5	4.5	2			2
33360067000	MLDR/R-1	2.18	4.5	9			9
33360068000	MLDR/R-1	4.49	4.5	20			20
33430054000	MLDR/R-1	0.3	4.5	1			1
68040049000	MLDR/R-1	10.33	4.5	46			46
68100037000	MLDR/R-1	19.73	4.5	88			88
68100039000	MLDR/R-1	16.53	4.5	74			74
30230102000	MLDR/RL	19.83	4.5	89			89

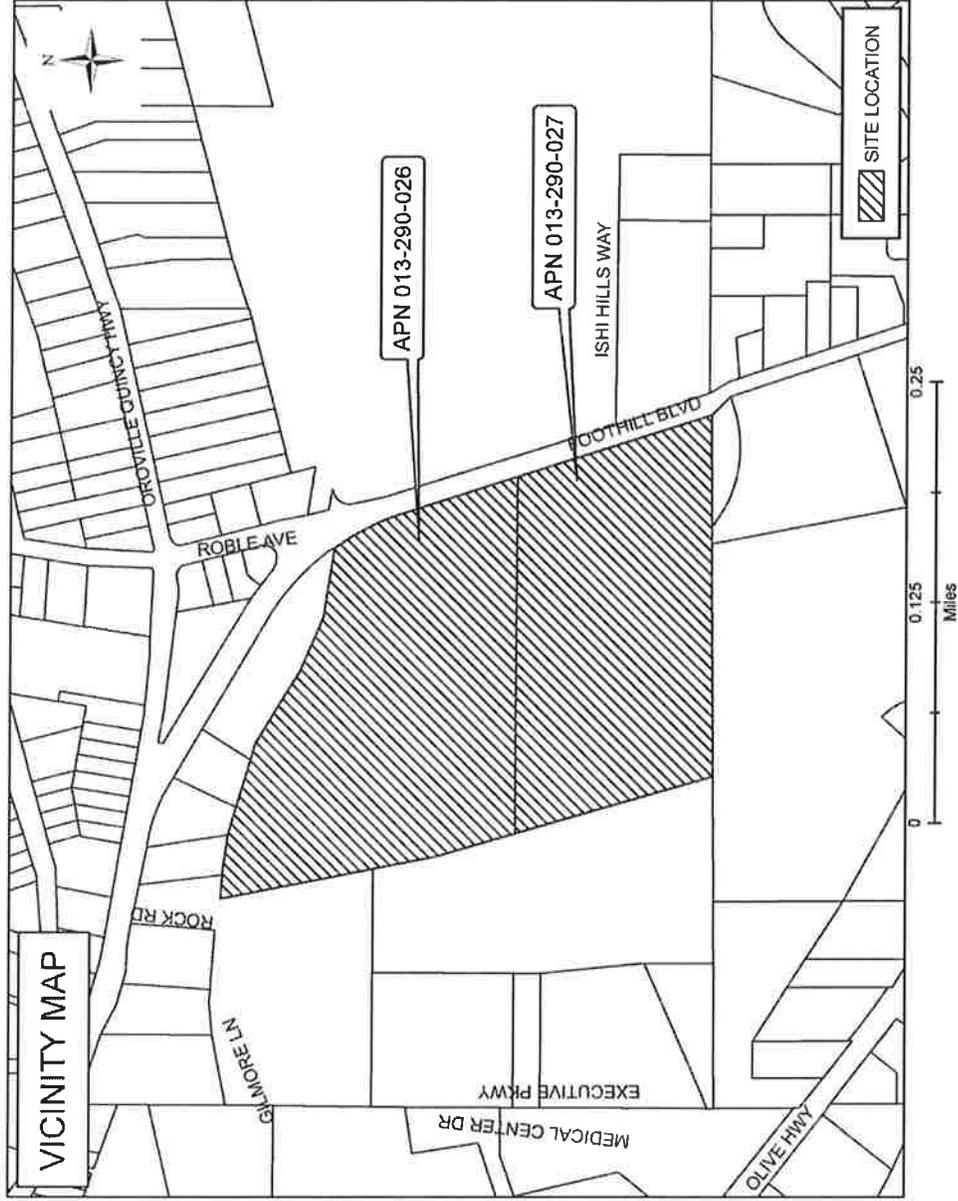
**Table B-3
Vacant Residential Sites**

APN	GP/ Zoning	Acreage	Density (du/ac)	Potential Units	Units by Income Category		
					VL/L	Mod	Above
Subtotal - MLDR				1,300			1,300
31020030000	MDR/R-2	39.55	10	395		395	
31020041000	MDR/R-2	17.61	10	176		176	
31051015000	MDR/R-2	0.5	10	5		5	
31051060000	MDR/R-2	6.67	10	66		66	
31053065000	MDR/R-2	0.99	10	9		9	
31140027000	MDR/R-2	1.17	10	11		11	
31140081000	MDR/R-2	0.43	10	4		4	
31140124000	MDR/R-2	5.66	10	56		56	
31360199000	MDR/R-2	10.34	10	103		103	
33293005000	MDR/R-2	0.2	10	2		2	
Subtotal - MDR				827		827	
12026006000	MHDR/R-3	0.21	17	3		3	
3524004400	MHDR/R-3	1.99	17	33		33	
33232001000	MHDR/R-3/PD	0.14	17	2		2	
33232003000	MHDR/R-3/PD	0.18	17	3		3	
33232013000	MHDR/R-3/PD	0.09	17	1		1	
33232021000	MHDR/R-3/PD	0.19	17	3		3	
33232022000	MHDR/R-3/PD	0.28	17	4		4	
33232025000	MHDR/R-3/PD	0.28	17	4		4	
Subtotal - MHDR				53		53	
031-110-033 (Fig. B-1)	HDR/R-4	4.21	20	84	84		
013-290-026 (Fig. B-2)	HDR/R-4	17.25	20	345	345		
013-290-027 (Fig. B-2)	HDR/R-4	14.81	20	296	296		
Subtotal - HDR		36.27		725	725		
TOTALS				3,139	725	880	1,534

**Figure B-1
R-4 Sites**



**Figure B-2
R-4 Sites**



Appendix C Public Participation Summary

Public participation is an important component of the planning process in Oroville, and this update to the Housing Element has provided residents and other interested parties numerous opportunities for involvement. Public notices of all workshops and hearings were distributed in advance of each meeting, published in the local newspaper, and posted on the City's website. The draft Housing Element was also circulated to housing advocates and nonprofit organizations representing the interests of lower-income persons and special needs groups (see Table C-1 containing a list of organizations notified of opportunities for participation). After receiving comments on the draft Housing Element from the State Housing and Community Development Department, a proposed final Housing Element was prepared and made available for public review prior to adoption by the City Council.

The following is a list of opportunities for public involvement in the preparation of this Housing Element update. Public meetings were televised on Channel 10, the local public access channel.

Housing Element Public Workshop	February 27, 2014
Planning Commission hearing	May 12, 2014
City Council hearing	██████, 2014

Following its adoption by the City Council, the Housing Element was transmitted to HCD for review.

Issues raised at the public meetings along with a description of how these issues have been addressed are summarized in Table C-2.

Table C-1
Housing Element Notification List

Project Go, Inc.
801 Vernon Street
Roseville, CA 95678
(916) 782-3443
receptionist@projectgo.org

Central Valley Coalition for Affordable
Housing
Christina Alley
3351 M Street, Suite 100
Merced, CA 95348
(209) 388-0782
chris@centralvalleycoalition.com

Mercy Housing California
3120 Freeboard Drive, Suite 202
West Sacramento, CA 95691
(916) 414-4400
sdaues@mercyhousing.org

Pacific Housing Inc.
1801 L Street, Suite 245
Sacramento, CA 95811
(916) 638-5200
Mark Wiese
mwiese@pacifichousing.org

Butte County Housing Authority
2039 Forest Avenue, Suite 10
Chico, CA 95928
(530) 895-4474
Ed Mayer
edm@butte-housing.com

CAMINAR
825 A Main Street
Chico, CA 95928
(530) 343-4421
Calleene Egan
calleenee@caminar.org

Community Action Agency
370 Ryan Street, Suite 124
Chico, CA 95973
(530) 712-2600 opt. 5
Jaqueline Mattson
jmattson@buttecaa.com

Northern Valley Catholic Social Service
10 Independence Circle
Chico, CA 95973
(530) 345-1600
Erna Friedeberg
efriedeberg@nvcss.org

The Pacific Companies
Caleb Roope
430 E. State Strette, Suite 100
Eagle, ID 83616
(208) 461-0022
calebr@tpchousing.com

PEP Housing
951 Petaluma Blvd. South
Petaluma, CA 94952
(707) 762-2336
Mary Stompe
marys@pephousing.org

**Table C-2
Housing Element Public Comment Summary**

Comment	Response
How recent is the data in the draft Housing Element?	The most recent available data has been included. In some cases, the information may be several years old due to the availability of original source data. Census data is updated every 10 years while the American Community Survey (ACS) is updated each year.
What is the Housing Element planning period and the RHNA period?	Under state law, the Housing Element must be updated every 8 years. The next update is due in June 2014 and the planning period is June 2014 to June 2022. The RHNA period is determined by HCD based on state law. For jurisdictions in Butte County, the 5 th RHNA period runs from January 2014 to June 2022.
Are the R-4 properties required to be developed exclusively with affordable housing? Wouldn't mixed income developments be more desirable than 100% affordable developments so that lower-income households won't be isolated?	The properties that were rezoned to R-4 in the previous planning period are not required to be developed with 100% affordable units. The intent of the rezoning was to create opportunities for affordable housing if the property owner wishes to take advantage of this option and if subsidy funding is available. Through the City's density bonus regulations, mixed income projects can take advantage of incentives when a portion of the units are reserved for lower-income households.

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City of Oroville

COMMUNITY DEVELOPMENT DEPARTMENT

Donald Rust
DIRECTOR

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2430 FAX (530) 538-2426
www.cityoforoville.org

NOTICE OF EXEMPTION

TO: Butte County Clerk
25 County Center Drive
Oroville CA, 95965

FROM: City of Oroville
1735 Montgomery Street
Oroville, CA, 95965

Project Title: GPA 14-01: 2014-2022 Housing Element Update

Project Location – Specific: Citywide

Project Location - City: City of Oroville

Project Location – County: Butte County

Description of Nature, Purpose, and beneficiaries of project: The City of Oroville 2009-2014 Housing Element of the General Plan has reached its required five year update period. Per the California Department of Housing and Community Development, the City of Oroville's Fifth Housing Element Revision due date is June 15, 2014 for the June 15, 2014 – June 15, 2022 Housing Element Planning Period. The Housing Element describes how the City will facilitate the provision of housing for all segments of the population during the 2014-2022 Planning Period. The updated Housing Element has been reviewed by the California Department of Housing and Community Development and found the draft document to be in compliance with state law.

Name of Public Agency Approving Project: City of Oroville – Community Development Department

Name of Person or Agency Carrying Out Project: City of Oroville

Exempt Status (Check One):

- Ministerial (Sec. 21080(b)(1); 15268)
- Declared Emergency (Sec. 21080(b)(3); 15269(a))
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c))
- Categorical Exemption: State type & section number: General Rule Exemption; Title 14, CCR, § 15061(b)(3)
- Statutory Exemption: State code number:

Reasons why project is exempt: This action has been determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3), commonly known as the "general rule." A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Adoption of the Housing Element update would not change any land use regulations or development patterns in the city, therefore it has been determined that there is no possibility that the proposed Housing Element amendment will have a significant effect on the environment

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project? Yes No

Lead Agency Contact Person: Luis A. Topete

Telephone: (530) 538-2408

Signature: _____

Date: _____

- Signed by Lead Agency
- Signed by Applicant



City of Oroville

Donald Rust
DIRECTOR

COMMUNITY DEVELOPMENT DEPARTMENT

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2430 FAX (530) 538-2426
www.cityoforoville.org

NOTICE OF PUBLIC HEARING BEFORE THE CITY OF OROVILLE CITY COUNCIL

NOTICE IS HEREBY GIVEN that the Oroville City Council will hold a public hearing on the projects described below. Said hearing will be held at **6:00 p.m. on Tuesday, June 3, 2014** in the City Council Chambers, 1735 Montgomery Street, Oroville, CA. All interested persons are invited to attend or submit comments in writing.

1. **Housing Element Readoption for the 2014-2022 Planning Period** – The Oroville City Council will conduct a public hearing to review and consider adopting a revised version of the City's Housing Element of the General Plan for the 2014-2022 Planning Period. The City of Oroville 2009-2014 Housing Element of the General Plan has reached its required five year update period. Per the California Department of Housing and Community Development, the City of Oroville's Fifth Housing Element Revision due date is June 15, 2014 for the June 15, 2014 – June 15, 2022 Housing Element Planning Period. The 2014-2022 Housing Element identifies specific goals, objectives, policies, and actions to guide the City and all of its housing stakeholders toward the preservation, improvement and development of housing for all economic levels.
2. **Distributive Antenna Systems** – The Oroville City Council will conduct a public hearing to review and consider amending Section 26-04.020 of the Oroville Municipal Code and adding Section 26-16.175 for the purpose of specifying the City's regulations for Distributed Antenna Systems as an alternative telecommunications technology within the City of Oroville.

Additional information regarding the projects described in this notice can be obtained from the Oroville Community Development Department at 1735 Montgomery Street, Oroville, CA. Anyone desiring to submit information, opinions or objections is requested to submit them in writing to the Community Development Department prior to the hearing. In accordance with Government Code Section 65009, if you challenge an action on these projects in court, you may be limited to raising only those issues you or someone else raised at the public meeting described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public meetings.

Posted/Published: **Friday, May 23, 2014**

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

FROM: GLENN LAZOF, INTERIM FINANCE DIRECTOR

RE: FISCAL YEAR 2014 - 2015 APPROPRIATIONS LIMIT

DATE: JUNE 3, 2014

SUMMARY

The Council will conduct a public hearing and may consider continuing the adoption of the Fiscal Year 2014-2015 Appropriations Limit.

DISCUSSION

State law requires that the Appropriations Limit be calculated annually. The Appropriations Limit is hereby made available to the public, in accordance with state law.

The City Finance Department has calculated the F/Y 2015-2016 Appropriations Limit at \$33,715,607, based upon the factors provided by the State Controller. These factors are the percentage change in California per capita income and the percentage change in the population of the County of Butte.

The posting date in the public notice was May 22, 2014, which met the (15) fifteen day notice requirement for adoption of this limit. A second notice was also published May 24.

FISCAL IMPACT

The City's expenditures which are subject to the limit are well below the limit, so there is no adverse impact resulting from the adoption of the F/Y 2014- 2015 Appropriations Limit. It is not anticipated that City expenditures will even be close to the limit in the foreseeable future.

RECOMMENDATION

Adopt Resolution No. 8219 - A RESOLUTION OF THE OROVILLE CITY COUNCIL SETTING THE APPROPRIATIONS LIMIT (PROPOSITION 4) FOR FISCAL YEAR 2014/15.

ATTACHMENTS

Resolution No. 8219
Computations of the Appropriations Limit

FINANCE

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06.03.2014

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**CITY OF OROVILLE
RESOLUTION NO. 8219**

A RESOLUTION OF THE OROVILLE CITY COUNCIL SETTING THE APPROPRIATION LIMIT (PROPOSITION 4) FOR FISCAL YEAR 2014-15

WHEREAS, the setting of the appropriation limit for Fiscal Year 2014-15 is required by the passage of Proposition 4; and

WHEREAS, the appropriation limit for the City of Oroville has been calculated; and

WHEREAS, the documentation used in the determination of the appropriation limit became available to the public on May 22, 2014; and

WHEREAS, more than fifteen (15) days have elapsed since the documentation became available to the public; and

WHEREAS, the City Council of the City of Oroville has determined that the appropriation limit for Fiscal Year 2014-15 should be set at \$33,715,607; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Oroville as follows:

1. The appropriation limit for the Fiscal Year 2014-15 is hereby established at \$33,715,607. The factors utilized to calculate the limits in accordance with the requirements of SB1352 are the percentage change in California per capital income and the percentage change in the population of the County of Butte as estimated by the State of California Department of Finance as of January 1, 2014.
2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting held on June 3, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

CITY OF OROVILLE
 GANN LIMIT WORKSHEETS
 FOR THE YEAR 2014/2015

INDEX

Computation of Appropriations Limit	A-21	"Limit"
Computation Of Appropriations Subject To Limit	AA-1000	"Subject"

CITY OF OROVILLE
 COMPUTATION OF APPROPRIATIONS LIMIT
 FOR THE YEAR 2014/2015

Percentage Changes (1)									
Change In Calendar Year	Limit For Fiscal Year	Consumer Price Index	State Per Capita Personal Income	Non-Resid Assessed Valuation	City of Oroville Population	Butte County Population	Fiscal Year Factors (2)	Cumulative Factors	SB 1352 Appropriations Limit
1978	1979/80	10.17%	12.42%	n/a	6.10%	n/a	1.1689	1.1689	4,854,305 *
1979	1980/81	14.68%	12.11%	n/a	3.39%	n/a	1.1591	1.3549	5,626,625
1980	1981/82	---	9.12%	n/a	8.15%	n/a	1.1801	1.5989	6,639,980
1981	1982/83	6.79%	---	n/a	3.42%	n/a	1.1044	1.7658	7,333,194
1982	1983/84	---	2.35%	n/a	4.75%	n/a	1.0721	1.8931	7,861,917
1983	1984/85	4.74%	---	n/a	0.80%	n/a	1.0558	1.9988	8,300,612
1984	1985/86	3.74%	---	n/a	1.00%	n/a	1.0478	2.0943	8,697,381
1985	1986/87	2.30%	---	n/a	0.38%	n/a	1.0269	2.1506	8,931,341
1986	1987/88	3.04%	3.47%	n/a	1.86%	n/a	1.0496	2.2573	9,374,336
1987	1988/89	3.93%	4.66%	n/a	3.31%	n/a	1.0737	2.4237	10,065,225
1988	1989/90	4.98%	5.19%	n/a	2.43%	n/a	1.0753	2.6062	10,823,136
1989	1990/91	n/a	4.21%	(3)	0.79%	3.03%	1.0737	2.7982	11,620,801
1990	1991/92	n/a	4.14%	(3)	3.83%	3.51%	1.0813	3.0257	12,565,572
1991	1992/93	n/a	-0.64%	(3)	0.16%	2.37%	1.0171	3.0775	12,780,443
1992	1993/94	n/a	2.72%	(3)	1.57%	2.72%	1.0551	3.2471	13,484,645
1993	1994/95	n/a	0.71%	(3)	2.17%	2.72%	1.0215	3.3169	13,774,565
1994	1995/96	n/a	4.72%	(3)	0.96%	1.54%	1.0633	3.5269	14,646,495
1995	1996/97	n/a	4.67%	(3)	0.93%	1.21%	1.0594	3.7364	15,516,497
1996	1997/98	n/a	4.67%	(3)	1.14%	1.44%	1.0618	3.9673	16,475,417
1997	1998/99	n/a	4.15%	(3)	1.48%	2.07%	1.0631	4.2176	17,515,016
1998	1999/00	n/a	4.53%	(3)	1.65%	1.42%	1.0625	4.4812	18,609,705
1999	2000/01	n/a	4.91%	(3)	0.77%	1.94%	1.0695	4.7926	19,903,079
2000	2001/02	n/a	7.82%	(3)	-0.40%	0.57%	1.0843	5.1966	21,580,909
2001	2002/03	n/a	-1.27%	(3)	0.03%	0.78%	0.9950	5.1706	21,473,004
2002	2003/04	n/a	2.31%	(3)	1.67%	1.47%	1.0402	5.3785	22,336,219
2003	2004/05	n/a	3.28%	(3)	0.35%	0.93%	1.0424	5.6065	23,283,275
2004	2005/06	n/a	5.26%	(3)	0.42%	0.89%	1.0620	5.9541	24,726,838
2005	2006/07	n/a	3.96%	(3)	0.88%	0.94%	1.0494	6.2482	25,948,344
2006	2007/08	n/a	4.42%	(3)	7.17%	0.97%	1.1191	6.9924	29,038,792
2007	2008/09	n/a	4.29%	(3)	0.22%	0.96%	1.0529	7.3623	30,574,944
2008	2009/10	n/a	0.62%	(3)	1.60%	0.60%	1.0122	7.4521	30,947,958
2009	2010/11	n/a	-2.54%	(3)	0.37%	0.50%	0.9795	7.2993	30,313,525
2010	2011/12	n/a	2.51%	(3)	0.30%	0.65%	1.0318	7.5314	31,277,495
2011	2012/13	n/a	3.77%	(3)	0.33%	0.37%	1.0415	7.8440	32,575,511
2012	2013/14	n/a	2.51%	(3)	0.30%	0.65%	1.0318	8.0934	33,611,412
2013	2014/15	n/a	-0.23%	(3)	0.17%	0.54%	1.0031	8.1185	33,715,607

* =	Base Year (1978-79) Appropriations Subject To Limit	(1) =	Source: State Department of Finance except Non-residential Assessed Valuation which is to be provided by the Butte County Auditor.
	Total City Appropriations Per 1978-79 Final Budget	5719869	
	Less:	(2) =	Article XIII B of the California Constitution (Propositions 4 and 111) specifies that appropriations made by governmental entities may increase annually by the change in population of the City or County combined with the change in California per capita personal income; or the change in local assessment roll due to local non-residential construction.
	Non-proceeds of taxes	1350183	
	Debt service appropriations	216803	-1566986
	Base Year Appropriations Subject To Limit	4152883	
	1979/80 Factor	1.1689	
		4854305	The Fiscal Year Factors indicate the amount by which appropriations may increase each year.
		(3) =	The Butte County Assessor's office has been unable to provide non-residential assessed values.

NOTE: The percentage change in State Per Capita Income combined with the County of Butte population percentage change were used to compute the 2009/10 year factor.

Implications & Future Trends

The City of Oroville's appropriations subject to limit remain well below the computed appropriations limit for fiscal 2009/10. Based upon the current trend, we expect the City to remain under the limit for the foreseeable future.



May 2014

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit

The California Revenue and Taxation Code, section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2014, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2014-15. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2014-15 appropriations limit. Attachment B provides city and unincorporated county population percentage change. Attachment C provides population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code section 2228 for further information regarding the appropriations limit. Article XIII B, section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2014.**

Please Note: Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

KEELY M. BOSLER
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2014-15 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2014-15	-0.23

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2014-15 appropriation limit.

2014-15:

Per Capita Cost of Living Change = -0.23 percent
 Population Change = 0.95 percent

Per Capita Cost of Living converted to a ratio: $\frac{-0.23 + 100}{100} = 0.9977$

Population converted to a ratio: $\frac{0.95 + 100}{100} = 1.0095$

Calculation of factor for FY 2014-15: $0.9977 \times 1.0095 = 1.0072$

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2013 to January 1, 2014 and Total Population, January 1, 2014

County City	<u>Percent Change</u>	<u>Population Minus Exclusions</u>		<u>Total Population</u>
	2013-2014	1-1-13	1-1-14	1-1-2014
Butte				
Biggs	-0.24	1,688	1,684	1,684
Chico	0.98	87,534	88,389	88,389
Gridley	0.40	6,712	6,739	6,739
Oroville	0.17	15,953	15,980	15,980
Paradise	0.34	26,020	26,109	26,109
Unincorporated	0.23	83,220	83,415	83,415
County Total	0.54	221,127	222,316	222,316

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

**OROVILLE CITY COUNCIL/OROVILLE PUBLIC FINANCING AUTHORITY
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS;
CHAIRPERSONS AND COMMISSIONERS**

**FROM: RANDY MURPHY, CITY ADMINISTRATOR
GLENN LAZOF, INTERIM DIRECTOR OF FINANCE**

RE: 2014/15 PRELIMINARY ANNUAL BUDGET

DATE: JUNE 3, 2014

SUMMARY

The Council/Commission will conduct a public hearing relating to the 2014/15 Preliminary Annual Budget which was received by Council on May 20, 2014. The Preliminary Budget is presented by the City Administrator as the fiscal plan for Fiscal Year 2015. The Adopted Budget is required to be approved at the July 1, 2014 Council Meeting.

DISCUSSION

The basis of this Preliminary Budget is the second year Financial Plan adopted by Council last year, the items described in the May 20 staff report, and updates, corrections, as listed below. The Council will receive a revised Preliminary Budget at the July 1, 2014 regular meeting, which will continue to reflect updated staff analysis and recommendations, as well as additional direction given to staff following this public hearing, and at the June 24 Budget Workshop. The document approved July 1, 2014, will be the City's working Budget until the Final Budget revisions are approved at the August 12, 2014 Special meeting. The Final Budget will also reflect direction and input from the July 17, 2014 Budget Workshop.

Current Staff Actions

Responding to the requests to exercise caution in approving new expenses, the City Administrator has taken the following action:

- 1) *Prioritized Development of a Reserve Policy.* The Finance / Executive Committee has begun their review of a draft Policy regarding reserves and fund balances. The final budget will reflect these required fund balances, meaning if Reserves are not adequate per the adopted or proposed policy, expenditures will need to be reduced.
- 2) *Postponement of new expenditures:* Any new or restored positions, capital expenditures, and new initiatives reflected in the Adopted Budget will not be executed until after the Final Budget *and* a City Reserve Policy are adopted by the Council.

The following is a list of revisions to the Preliminary Budget since received May 20, 2014. These and other updates will be included in the Budget proposed for Adoption at the July 1, 2014 Council/OPFA meetings.

Corrections

FTE Counts Only (No impact on Expenditures):

Delete Fire Chief FY 2015

\$1,902,400 Corrected figure for Fire Department Salaries and Benefits.

Revenues

Two Pie Charts will be added to reflect proportions of Departmental Revenue and Sources of Non-Departmental Revenue.

RECOMMENDATIONS

Direct staff as necessary.

ATTACHMENTS

Draft Reserve Policy

May 20, 2014 Preliminary Budget Report

Reserve Policies and Practices

The City of Oroville reserve policies are subject to California State law, the Oroville City charter, generally accepted accounting principles (GAAP), and City Council adopted ordinances and resolutions. The City's resources and appropriations policies are extensions of the laws established by the State of California through the City Council and follow GAAP for local governments and budgeting practices.

Assigned Fund Balance Reserves *(footnote 1)*

Risk Management

The City of Oroville participates in a City Risk Management Insurance Pool, the Northern California Cities Insurance Fund. The City participates in the Northern California Cities Self Insurance Fund, a Joint Powers Authority (JPA), to provide processing of claims, pooling of claims exposure and excess insurance coverage, one for general liability coverage and one for workers' compensation coverage. The JPA relies on estimates prepared by professional actuaries to set aside funds adequate to meet potential losses.

General Liability: The City's insurance pool has banking and excess coverage such that our all covered losses have full coverage as long premium payments continue.

Workers Compensation: The City's insurance pool has banking and excess coverage such that all covered losses are fully covered as long premium payments continue. However the City is 100% self-insured for all claims prior to 1990.

The Assigned fund balance objective is set as follows:

General Liability: A minimum of 25% of the prior annual premium in reserve. *(footnote 2)*

Workers Compensation: A minimum of 25% of prior year premium in reserve, plus three years historical (actual or projected basis as available) Pre 1990 claim expense. *(footnote 3)*

Pension, Post-employment Benefits, Accrued Leaves

Pensions: The City provides pension and medical benefits for its public safety and non-safety employees through contracts with CalPERS. The City opted to utilize a Pension Obligation Bond to fulfill a previously unfunded retirement liability; therefore there is no unfunded City Liability for which reserves need to be dedicated. Ongoing bond payments are reflected in each departments Salary and Benefits expenditures, as are the ongoing employer PERS costs for current employees.

The City has liabilities based on employees leave accruals. These include vacation leave, and the conversion of sick leave to Medical and Other Insurance Premiums upon retirement.

-
1. Assigned Fund Balance: Amounts constrained by City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Intent should be expressed by the City Council or a body (a budget or finance committee, for example) or official to which the governing body had delegated the authority to assign amounts to be used for specific purposes.
 2. For FY 2015 a new fund would be created with \$67,500 fund balance.
 3. For FY 2015, the Workers Compensation fund would be reduced by \$205,000, leaving an available balance of \$129,773.

The Accrued Leave Reserve Funds will be set aside annually as follows:

20 % of accrued leave that is compensated upon termination or retirement, including sick time which can be converted to health insurance and other premiums, as of the second payroll of April the previous year. *(footnote 4)*

General Fund Contingency Account

This shall be funded at 2.5% of General Fund expenditures at the beginning of each fiscal year. This fund will function both as a General Fund reserve and a fund for unanticipated expenditures. The City Council must approve all transfers out of this account. *(footnote 5)*

Additional Reserves

The City will maintain these minimum reserves unless the Council acts to override during time of extraordinary fiscal distress. These funds will receive a distribution of available fund balance, up to their maximum. Until that maximum is reached, the following is the suggested distribution of available fund balance:

Capital Asset Replacement Reserve	70%
Economic Community Enhancement	10%
Fee Waivers	10%
Community Promotion	10%

General Fund Capital Asset Replacement Reserve

This goal of this fund is to set aside annual amounts as needed to cover replacement of existing Capital Assets *(footnote 6.)* The reserve will be used to pay for replacement of covered assets. Departments will contribute to this fund based on the fixed assets they are responsible for. Assets purchased through lease or debt financing will not be reflected in the fund, unless the lease term is shorter than expected life of the equipment. Hardware and software assets are included at the fixed asset threshold. The maximum funding will be based on what is required to meet the replacement schedule.

Economic Community Enhancement

The objective of the Economic Community Enhancement fund is to support City Council approved activities up to 0.75% of General Fund expenditures *(footnote 7)*. This reserve is allocated at the discretion of council to assist new development or the expansion of existing businesses. It may also be used to market the economic advantages of doing business in Oroville, including contracts and grants to agencies that perform that function.

-
4. For FY 2015 at these rates, the assigned reserve would be just over \$415,000. Sick time conversion to retiree benefits is also budgeted, as a projected expenditure from this fund, whenever the expenditure can be forecast within the budget year.
 5. Currently Fund 165
 6. The amount needed will be determined after the completion of the physical inventory and completion of the schedule of fixed assets.
 7. Currently approximately \$90,000

Fee Waivers

This fund may be dispensed by the City Council for Fee Waivers, the maximum amount in this fund will 0.1% of annual general fund operating expenditures *(footnote 8)*. These funds will be transferred to the department affected by the fee waiver.

Community Promotion

This fund may be appropriated by the City Council for Community Promotion activities, generally recreational and cultural events which promote the diverse opportunities offered by the Oroville lifestyle. The maximum amount in this fund will 0.4% of annual general fund operating expenditures *(footnote 9)*.

8. Currently projected at \$12,000

9. Currently projected at \$48,000

**OROVILLE CITY COUNCIL/OROVILLE PUBLIC FINANCING AUTHORITY
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS;
CHAIRPERSONS AND COMMISSIONERS**

**FROM: RANDY MURPHY, CITY ADMINISTRATOR;
GLENN LAZOF, INTERIM DIRECTOR OF FINANCE**

**RE: RECEIPT OF PRELIMINARY ANNUAL BUDGET FOR FISCAL YEAR
2014/15 AND SETTING OF COUNCIL BUDGET WORKSHOPS**

DATE: MAY 20, 2014

SUMMARY

The Council/Commission will receive the Preliminary Annual Budget for fiscal year 2014/15.

DISCUSSION

The Preliminary Budget is a document which the Charter requires staff to prepare on or before June 1st of each year. The Preliminary Budget is presented by the City Administrator as the fiscal plan for 2014/15. The Preliminary Budget is the starting point for discussions by the Council/Commission. Upon review of the City Administrator's Preliminary Budget, the Council/Commission may amend (either enhance or reduce expenditures) as a policy decision. The Adopted Budget must be approved at the first meeting in July.

The City is committed to increasing the transparency of the budget process. Due to recent changes in Finance Management, additional time is needed to provide the quality analysis such transparency requires. Staff has recommended to the Executive/Finance Committee that the process in this year be slightly different to permit adherence to the Charter but without short-circuiting the goal of a more inclusive budget discussion. There was no objection from this committee.

The Preliminary Budget submitted is largely reflective of the 2014/15 Budget plan approved following hearings last fiscal year. While there have been several important revisions, which are noted in the attached memoranda, this budget document is primarily designed to conform to legal requirements, provide an initial working budget commencing July 1, 2014, and most importantly start the path for a more complete budget revision at a Special Meeting planned for August.

Staff will be responding throughout this period to questions or comments as directed by the Council. The following opportunities for input are planned and additional workshops will be scheduled at Council's request:

- June 3 Public Hearing during regular Council Meeting.
- June 24 5:00pm to 7:00pm Budget Workshop – General Fund Departments
- July 1 Adopt Preliminary Annual Budget (subject to revisions on August 12)
- July 17 Noon to 2:00pm Budget Workshop – Other Funds
- August 12 Special Meeting to discuss and approve initial revisions to Preliminary Budget, and adopt Final Budget

Transparency and budget monitoring should be ongoing. In addition to the revised monthly reporting, staff is also recommending that budget review be placed on the Agenda at the October 21, 2014, January 20, 2015, and April 21, 2015, City Council regular meetings.

RECOMMENDATIONS

1. Acknowledge receipt of the 2014/15 Preliminary Annual Budget.
2. Set Budget workshops relating to the 2014/15 Annual Budget for June 24, 2014 from 5:00 p.m. to 7:00 p.m. and July 17, 2014 from noon to 2:00 p.m.
3. Call a Special Meeting of the Oroville City Council for August 12, 2014 at 5:00 p.m. to discuss and approve the initial revisions to the 2014/15 Preliminary Budget and adopt the Final 2014/15 Budget.
4. Direct staff to schedule quarterly budget reviews at the second meetings in October 2014, January 2015, and April 2015.

ATTACHMENTS

Memoranda: Notes on the Preliminary Budget

A copy of the Preliminary Annual Budget for fiscal year 2014/15 is available for review by request in the City Clerk's Office.

M E M O R A N D U M

TO: MAYOR AND CITY COUNCIL MEMBERS

**FROM: RANDY MURPHY, CITY ADMINISTRATOR AND GLENN LAZOF,
INTERIM DIRECTOR OF FINANCE**

RE: NOTES OF 2014/15 PRELIMINARY BUDGET

DATE: May 20, 2014

The Preliminary Budget submitted is reflective of the 2014/15 Budget plan approved following hearings last year. Staff was also able to complete a fresh analysis of most General Fund departments. While much more needs to be done and will be done in the coming weeks, we are pleased to present a preliminary budget that is a better starting point than we anticipated as little as two weeks ago.

Council is reminded that the Adopted 2013/14 budget did not reflect the staff reductions made last year, although since they were implemented the benefits are now reflected in the FY 2014 projections, shown here for most General Fund departments. These are also reflected in the FY 2015 preliminary budget. Most expenditures associated with reductions in force occurred during FY 2014, the full financial net benefit of those reductions is also more fully reflected in the 2015 Preliminary Budget.

The following is a list of the Preliminary Budget sections which received a refreshed analysis during the period May 1 – 11, 2014:

- General Fund Summary of Revenues - Four Year Comparison
- General Fund Summary of Expenditures - Four Year Comparison
- General Fund Summary of Expenditures - (Trend Chart)
- City Council
- Mayor
- Treasurer
- Office of the City Administrator
- City Administrator
- Economic and Community Enhancement
- City Attorney
- City Clerk
- Human Resources
- City Hall
- Information Technology
- Finance Summary
- Finance
- Non-Departmental
- Risk Management
- Police
- Fire and Rescue
- Planning and Development Services

Planning and Development Administration
Public Works
Public Works Administration
Streets
Building Code Enforcement
Parks and Trees Administration
Parks and Trees Operations
Centennial Cultural Center
Pioneer Museum
Bolt Museum
Vehicle Maintenance Fund
Sewer and Sewer Treatment Fund 101
Sewer Connection fund 104
Canine Donation Fund 113

All other sections of the submitted Preliminary Budget are a reiteration of FY 2015 as adopted in the two year financial plan. The balance of the analysis will be completed before the Final Budget is adopted August 12.

Additional Comments to the submitted Preliminary Budget:

General: Health Insurance Expense: A placeholder of 10% over FY2013 cost has been added to Salaries and Benefit Expense. This amount will be refined before the major budget revision in August.

Department of Finance: Salaries and Benefits assume the Finance Director position will not be filled until November 1. The RGS agreement is reflected in operating expenses.

Restoration of the Accounting Manager position is funded, assuming a November 1 start date. Overtime/Extra hire has been increased \$12,000 and an out of class assignment is funded to continue through new fiscal year. \$19,700 has been added to rehabilitate the Public Access window so that it is ADA compliant.

Non Departmental: Funds are included to repair and remodel both men's bathrooms in City Hall at a cost of \$22,300.

Information Technology: Information Technology is proposed to be moved from the Finance Department to a separate departmental budget in the City Administrator section. This better reflects de facto roles and responsibilities. The FY15 IT Budget also includes funding for required network updates (\$18,000), and a \$100,000 place holder for a new financial and payroll system, currently listed as a Capital Expense. Eventually all costs in this department will be reflected in our indirect cost plan.

City Clerk: Estimated cost of November Election is included.

Public Safety: Salaries and Benefits reflect the cost savings from the last contract negotiations with Fire and Law Enforcement.

Expenses have also been increased to reflect \$110,000 annual lease cost for thirteen new Police Vehicles, \$80,000 one- time expense to equip the vehicles, and

\$44,000 for annual vehicle maintenance for the new vehicles less savings on the nine surplus vehicles. Four lower mileage vehicles will be kept as back up. We will also add one time revenue of \$6,400 for the sale of the surplus vehicles.

It should be noted that Fire Department is projected to bring in 23% more revenue in current year than FY 2013.

Planning and Development Services: Code Enforcement Specialist paid from the Police budget has been moved to the correct department. Funding for the Police Officer position remains in that department.

Public Works: Funds have been included for adding a Public Works Director. It is assumed that this position would be filled by January. Public Works Administration is projected to bring in nearly twice the revenue in FY 2014. In recognition of this achievement, \$5,000 has been added to the Public Works budget for needed new equipment to be specified later. The increased revenue was in part a citywide effort therefore; a future item may come before the council to consider using up to \$1,000 of this amount for an employee recognition program.

Parks and Trees: We have added a four month Seasonal worker. The Department will leverage this to provide City Hall with janitorial service for 12 months.

Other items awaiting more information or analysis:

Interdepartmental and Interfund Transfers: These will not be fully revised until the Indirect Cost Plan is completed later in FY 2015. If time allows, an estimate will be reflected in the August revision. Except when better information is available all transfers continued to reflect what was reflected in the approved two year budget plan, for FY 2015.

Reserves:

Contingency fund 165 has been revised to more accurately project the beginning fund balance of \$350,000.

An additional \$800,000 reserve remains as reflected in the two year financial plan.

Finally, at this point in the process projected FY 2015 revenues exceed expenditures by \$363,298, representing 3.12% of planned expenditures. This is best illustrated by the space between the red and blue ribbons on the Departmental Revenue and Expense Chart which follows the General Fund Summary of Expenditures and Uses by Department, third page of the preliminary budget document.

At this time because of the incompleteness of the budget process, staff recommends that no action be taken on these reserves, at least until the major revision in August following further validation of these reserve amounts.

Following validation staff will:

- **Further analyze existing policy directives authorizing the establishment of these reserves and recommend revision or creation of reserve policy, including consideration of consolidating all unallocated reserves into one fund.**
- **Recommend new or revised reserve policies which are consistent, transparent, and consistent with best municipal practices and consider all unfunded liabilities such as employee leave accruals, replacement of Capital Assets, etc.**

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: RANDY MURPHY, CITY ADMINISTRATOR
RE: FEATHER RIVER TRAIL AND PARK ENFORCEMENT AND CLEAN-UP
DATE: JUNE 3, 2014

SUMMARY

The Council may consider directing staff in regards to enforcement and clean-up issues relating to the Feather River Trails and Parks.

DISCUSSION

Staff has been made aware of several enforcement issues in and around Bedrock Park as well as along the Feather River Trail. Because the resolution of these matters will require coordination with and among other agencies, staff is seeking direction from Council on how to proceed.

FISCAL IMPACT

Unknown at this time.

RECOMMENDATION

Provide direction to staff.

ATTACHMENTS

None

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINSTRATOR**

**FROM: PAT CLARK, DIRECTOR OF BUSINESS ASSISTANCE AND
HOUSING DEVELOPMENT**

**RE: REINSTATEMENT OF THE PROGRAM ANALYST I POSITION
AND MODIFICATION TO THE JOB DESCRIPTION AND
SALARY INCREASE FOR MANAGEMENT ANALYST III
POSITION**

DATE: JUNE 3, 2014

SUMMARY

The Council may consider the reinstatement of the Program Analyst I position and increasing the salary range and a new job description for the Management Analyst III position.

DISCUSSION

During the Fiscal Year 2013/14 budget process, key positions in the Business Assistance and Housing Development Department were frozen, such as the Program Analyst I and the Administrative/Program Analyst II. Staff is requesting that the Program Analyst I position be reinstated. This individual has been working out of class since March 18, 2013, as an Program Analyst; staff is requesting that this individual's time in Step F count in the current classification as time served towards the next step increase (Longevity Step G) in the new classification due to the length of time this individual has been working out of class.

The current salary for this individual as an Administrative Assistant with a 5% out of class pay is \$45,084.12. The proposed salary for this individual as a Program Analyst I is \$48,546.50. At G Step the Salary would be \$50,973.82.

Additionally, in preparation of the departure and elimination of the Business Assistance and Housing Director position; staff is requesting a salary increase for the Management Analyst III position. The individual filling the Management Analyst III position will be taking on additional duties normally performed by the Director.

A modified job description is attached for review and consideration. The current salary range for this individual is \$74,884.07 at G Step. Staff is proposing that this individual salary be adjusted to F step of the same salary classification as the Enterprise Zone Business Assistance Coordinator at F Step equaling \$78,628.28 and that this individual's time spent in the G step classification be counted as time served towards the next step increase (Longevity Step G) in the new classification. At Step G the Salary would be \$82,559.70.

All positions in the Business Assistance and Housing Development Department are funded from federal and/or State CalHOME grants, federal CDBG Program Income, and City of Oroville Successor Agency (former Redevelopment Agency Housing Set-Aside) funds. There will be no impact to the General Fund. Additionally, the salary savings from the elimination of the Business Assistance and Housing Directors position should off-set cost associated with the salary increases proposed.

FISCAL IMPACT

Program Analyst I

- SALARY: F Step \$48,546.50
- BENEFITS: Estimated Average \$17,091

Management Analyst III

- SALARY: G Step \$78,628.28
- BENEFITS: Estimated Average \$18,563

RECOMMENDATION

1. Approve the Reinstatement of the Program Analyst I position and approve time this individual spent in Step F count in the current classification as time served towards the next step increase (Longevity Step G) in the new classification.
2. Approve the salary increase and new job description for the Management Analyst III position and approve time this individual spent in Step G classification as time served towards the next step increase (Longevity Step G) in the new classification.

ATTACHMENTS

Revised job description for Management Analyst III Position.

**ATTACHMENT WILL BE
RECEIVED UNDER
SEPARATE COVER**

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

FROM: GLENN LAZOF, INTERIM DIRECTOR OF FINANCE

RE: SUPPLEMENTAL BUDGET APPROPRIATION

DATE: JUNE 3, 2014

SUMMARY

The Council may consider a supplemental budget adjustment.

DISCUSSION

The Council authorized the execution of a Settlement Agreement on May 6, 2014 between the City of Oroville, Butte County and Walnut Hill Estate Enterprises. LLC, relating to the Oroville Inn, located at 2066 Bird Street, Oroville.

It is anticipated that the City will ultimately be able to recover the settlement funds following the future rehabilitation of the Oroville Inn.

FISCAL IMPACT

There is no impact to the General Fund. Funds are available in the Contingency Fund for this purpose. Following this payment the Contingency Fund will have a remaining fund balance of \$275,570.

Approve Supplemental Appropriation No. 2013/14-0603-XX :

Increase 165-7010-7420 \$75,000

RECOMMENDATION(S)

Approve Supplemental Appropriation No. 2013/14-0603-XX, as indicated in the fiscal impact of this staff report, dated June 3, 2014.

ATTACHMENTS

None



Mayor Linda Dahlmeier and City Council
City of Oroville
1785 Montgomery Street
Oroville, California

City of Oroville
MAY 1 2014
Administration

May 12, 2014

Dear Mayor Dahlmeier and City Council,

The Oroville Area Chamber of Commerce (Chamber) requests the renewal of the Agreement for Professional Services, 1214-12, between the City of Oroville (City) and the Chamber. The Chamber requests \$10,000. to serve as a Visitor Center for the Oroville area for the fiscal year July 2014 – June 2015.

Tourism revenues support government agencies, such as the City of Oroville, by increasing dollars spent on gasoline, groceries, lodging and retail items above and beyond what the local population spends on these items. The business community of Oroville also depends on a strong tourism market for economic health and growth.

The Oroville Area Chamber of Commerce continues to provide services to strengthen and increase tourism to the Oroville area. Chamber staff responds to over ten thousand inquiries each year. Hours of staff time are spent in meetings, planning, coordinating and executing arrangements and creating, designing and producing informational items such as brochures, posters, and flyers.

The City-Chamber partnership facilitates many things in this community allowing greater flexibility for the city in matters of production. This long term partnership has enhanced, and will continue to strengthen Oroville.

Thank you for your time and for your support of strengthening Oroville's economy through the pursuit of tourism dollars.

Sincerely,

A handwritten signature in black ink that reads "Claudia Knaus". The signature is fluid and cursive, with a large loop at the end of the name.

Claudia Knaus
President and CEO
Oroville Area Chamber of Commerce

Cc: Randy Murphy, City Administrator
Jamie Hayes, Deputy City Clerk

The Chamber and Tourism

The Oroville Area Chamber of Commerce, which serves as the Visitor and Tourism Center for Oroville, currently operates with a staff equivalent of one full time person and two half time staffers. The chamber staff dedicates approximately 200 hours a month on tourism related activities including visitor center coordination and management, inquiry outbound marketing, web site maintenance and updates and dissemination of visitor propaganda.

The Office Manager, who is first in line for answering phone calls and greeting visitors, spends approximately 60% of her time working on tourism related tasks. These tasks include inventory control (brochures, etc.) writing (announcements, website updates), research and answering inquiries via phone, email or in person.

The Member Services Coordinator spends about 25% of his time on tourism related activities which include meetings, media (articles, interviews) planning and execution of projects, and answering phone, email and walk-in queries.

The President/CEO dedicates approximately 35% of her time to tourism related activities, which include meetings, research, planning and executing projects, reviewing documents and answering phone, email and walk-in inquiries..

Chamber Funding

The Chamber and the work it does for tourism is funded from a variety of sources.

Membership Dues	66%
Chamber Events	2%
Chamber Programs	5%
DWR Admin	20%
City Tourism Contract	7%
Total	100%

The Oroville business community supports 73% of the Chamber's work via membership, events and programs. Each source of income is an important factor in enabling the Chamber to effectively serve the community and encourage economic growth.

Oroville Visitor Center
Funding request \$10,000.
Scope of Service

Revised Oroville Visitor Center

- **Visitor Center is open to the public 10:00am – 2:00pm**
- **Distribute applicable tourism materials to visitors and groups, i.e. tournament anglers, boat races, car shows, RV groups, family and class reunions.**
- **Create and deliver to city for mailing Visitor and Relocation packets:**
Approximately 100 packets per year to potential visitors and residents
- **Distribute area maps**
- **Provide lobby display area dedicated to tourism**
- **Feature tourism on the chamber's website, orvillechamber.net**
286,681 website visits in 2012.
- **Cross link the City of Oroville and Chamber websites**
23,890 chamber site visits per month in 2012
- **Recognize the City of Oroville on all contract-funded materials: positive recognition and association for the City.**
- **Promote community events: in the chamber's digital & print newsletters and social media accounts**
- **Manage community calendar of events** *There were 182,187 visits to the community calendar in 2012.*
- **Serve as liaison with community events coordinator**
- **Partner with other agencies in promoting the area: Paradise, Gridley, Chico, Yuba-Sutter Chambers of Commerce, Sierra-Oro Farm Trails, City of Oroville, FRRPD, Butte College, DWR, Upstate Community Enhancement Foundation, OEDCO.**
- **Maintain representation on SBF steering committee: The chamber sits on the SBF committee as a non-voting member**



CALIFORNIA WATER SERVICE COMPANY
 1720 NORTH FIRST STREET
 SAN JOSE, CA 95112 • (408) 367-8200 • F (408) 367-8428

City of Oroville

MAY 23 2014

Administration

May 23, 2014

Advice Letter No. 2128

CALIFORNIA WATER SERVICE COMPANY (U 60 W)

To the Public Utilities Commission of the State of California (Commission):

California Water Service Company ("Cal Water") hereby transmits for filing the following changes in its tariff schedules:

CPUC Sheet No.	Title of Sheet	Schedule No.	Canceling CPUC Sheet No.
10221-W	Preliminary Statement AI		New
10222-W	Table of Contents (Page 1)		10220-W

Summary

By this Tier 2 advice letter, Cal Water requests authorization to open a memorandum account to track costs relating to the treatment of hexavalent chromium ("Chromium-6") in drinking water, authorization that is similar to that accorded to Great Oaks Water Company and California-American Water Company.

Specifically, Cal Water seeks authority to add Preliminary Statement AI, titled "Chromium-6 Memorandum Account" ("Chromium-6 MA"), to its tariff sheets by May 30, 2014, which is the anticipated date by which California's Office of Administrative Law is to approve the proposed Maximum Contaminant Level ("MCL") for Chromium-6. As specified in Preliminary Statement AI, however, costs may not be tracked in the account until the final MCL is adopted, and only costs that are incremental to rates may be included.

Background

In October 2001, the California Legislature signed into law SB 351, which added a new section to the Health and Safety ("H&S") Code (Section 116365.5) requiring the Department of Health Services ("CDPH") to develop a primary drinking water standard for Chromium-6, a human carcinogen, by January 2004.¹

¹ A timeline describing the DPH events relating to Cr VI leading up to this point is available at <http://www.cdph.ca.gov/certlic/drinkingwater/Pages/Chromium6timeline.aspx> (accessed May 22, 2014).



On April 12, 2012, Cal Water filed Advice Letter 2072 requesting a Chromium-6 memorandum account, but withdrew AL 2072 on May 8, 2012 at the request of the Division of Water and Audits ("DWA"). In July 2012, the company again requested a Chromium-6 memorandum account in its 2012 GRC Application (A.12-07-007).

On August 23, 2013, the California Department of Public Health's ("CDPH's") proposed an MCL for Chromium-6 at 10 parts per billion ("ppb" or micrograms per liter). In A.12-07-007, Cal Water, the Office of Ratepayer Advocates ("ORA"), and the majority of parties in the proceeding submitted a Proposed Settlement Agreement on October 30, 2013 that would allow a Chromium-6 memorandum account with certain parameters. The Agreement is still under consideration by the Commission.

On December 5, 2013, the Commission issued Resolution W-4965 authorizing Great Oaks Water Company ("Great Oaks") to establish a memorandum account for Chromium-6 to track costs that include "testing, treatment, remediation, and other costs associated with complying with CDPH's final Chromium-6 MCL regulation" (Res. W-4965 at 6). The memo account was ordered effective on "the date when CDPH's final Chromium-6 MCL is approved by the Office of Administrative Law" (*Id.*).

On December 11, 2013, California-American Water Company ("Cal-Am") submitted supplemental Advice Letter 1020-A modifying language in the preliminary statement for its proposed Chromium-6 Compliance Memorandum Accounts for its Sacramento and Los Angeles Districts. Cal-Am requested that the account become effective "the date that the California Department of Public Health's final Chromium-6 drinking water standard regulation is approved by the Office of Administrative Law" (AL 1020-A at 5). The Commission approved the preliminary statement proposed in AL 1020-A with an effective date of December 16, 2013.

Discussion

Pursuant to General Order 96-B ("GO 96-B"), Water Industry Rule 8.2, "a Utility may submit an advice letter requesting approval, authorization, or other relief similar to that accorded another Utility by Commission order" if the utility "is similarly situated in all material respects, and is requesting the same relief and relying on the same justification as in the cited order(s)."

Similarity of Treatment. Cal Water is similarly situated to Great Oaks and Cal-Am in the following material respects:

- Mandatory compliance with the same drinking water standards;
- Anticipated adoption of a final Chromium-6 MCL prior to next GRC;
- Compliance with the final Chromium-6 MCL will benefit company's ratepayers;²
and
- Costs of compliance may be significant.

² "When CDPH's Chromium-6 MCL is finalized, required compliance with the new standard will benefit Great Oaks' ratepayers." Res. W-4965 at 5.



Reliance on the Same Justification. Cal Water relies on the same justifications raised by Great Oaks and Cal-Am; specifically, the imminent adoption of a final MCL for Chromium-6, and the need to incur potentially significant costs to comply quickly thereafter.

Same Relief Requested. In this advice letter, Cal Water is requesting the adoption of the attached Preliminary Statement AI for a Chromium-6 Memorandum Account ("Chromium-6 MA"). The text of the preliminary statement is the same as that provided in Attachment 5 of the Proposed Settlement Agreement submitted on October 30, 2013 in A.12-07-007. The preliminary statements for the Chromium-6 memo accounts authorized for Great Oaks and Cal-Am mirror Cal Water's proposed Preliminary Statement AI in both substance and format.

Requested Effective Date

While Cal Water submits this Tier 2 advice letter as a "request for similar treatment" pursuant to Water Industry Rule 7.3.2(7), Cal Water requests an effective date of May 30, 2014, which is less than 30 days after submission. Under Water Industry Rule 7.2(2), however, "Staff may allow a Tier 2 advice letter to be made effective, subject to refund, in less than 30 days" upon "request and justification by the Utility."

While costs would only be allowed in Cal Water's proposed Chromium-6 MA after approval of the final drinking water standard, Cal Water requests authorization to add Preliminary Statement AI to its tariff sheets by May 30, 2014 because it is the date by which CDPH anticipates the final drinking water standard will be adopted. In reference to the proposed MCL for Chromium-6, CDPH's website currently states:

PLEASE NOTE: This is the proposed final regulation. Pursuant to the Administrative Procedure Act, the Office of Administrative Law (OAL) has 30 working days to review and approve or disapprove the Department's proposed filing. *CDPH anticipates that OAL will make this determination by May 30, 2014.*³

Cal Water's request is consistent with the authorizations granted to Great Oaks and Cal-Am, which allowed the companies to add the preliminary statements to their tariffs prior to adoption of the final MCL, and specified in those preliminary statements that costs can only be tracked after adoption of the final MCL.

Cal Water has diligently pursued planning for the most cost-effective treatment approaches for Chromium-6, and is poised to initiate the administrative processes needed to implement those plans as soon as a final MCL is adopted. Because this advice letter only seeks the creation of a memo account similar to those already authorized for two companies, and the Commission has found that those accounts to be beneficial to ratepayers, granting this request for an effective date that is less than 30 days from submission should not result in any adverse impacts to interested parties or the public interest.

³ <http://www.cdph.ca.gov/services/DPOPP/regs/Pages/DPH-11-005HexavalentChromiumMCL.aspx> (emphasis added) (accessed May 22, 2014).



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 2128, Chromium-6 Memorandum Account

Page 4

Notice and Service

In accordance with General Order 96-B, General Rule 4.3 (Service Lists) and 7.2 (Serving Advice Letters and Related Documents) and Water Industry Rule 4.1 (Advice Letters Generally), a copy of this advice letter will be mailed or electronically transmitted today to competing and adjacent utilities and other utilities or interested parties having requested such notification. A list of those utilities and/or parties is attached. This advice letter does not seek to increase any rate or charge, so individual customer notice is not required.

Response or Protest

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. A protest shall provide citations or proofs where available to allow staff to properly consider the protest. The grounds for a protest are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a prior order of the Commission.)

A response or protest must be made in writing or by electronic mail and must be received by the Division of Water and Audits within 20 days of the date this advice letter is filed.

The address for mailing or delivering a protest is:

Tariff Unit, Division of Water and Audits, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Division of Water and Audits, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Natalie Wales
California Water Service Company
1720 North First Street,
San Jose, California 95112
Fax 408/367-8430 or
E-mail nwales@calwater.com



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 2128, Chromium-6 Memorandum Account

Page 5

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Division of Water and Audits within the 20-day protest period so that a late-filed protest can be entertained. The informing document should include an estimate of the date on which the proposed protest might be voted.

The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within 5 business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

If you have not received a reply to your protest within 10 business days, contact California Water Service Company at 408/367-8200.

CALIFORNIA WATER SERVICE COMPANY

/s/

Natalie Wales
Regulatory Attorney

Enclosures

cc: Ting-Pong Yuen, ORA

**CALIFORNIA PUBLIC UTILITIES
COMMISSION
DIVISION OF WATER AND
AUDITS
Advice Letter Cover Sheet**

(Date Filed / Received Stamp by CPUC)

AL # 2128	Date Mailed to Service List: May 23, 2014	Requested Effective Date: May 30, 2014	Requested Tier: Tier 1 <input checked="" type="checkbox"/> Tier 2 Tier 3
---------------------	---	--	--

Replacing AL#:	Authorized by:	Compliance Filing? Yes <input checked="" type="checkbox"/> No	Rate Impact	\$	n/a
				%	n/a

The public has 20 days from Date Mailed (above) to protest this advice letter. If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:

Director
Division of Water and Audits
505 Van Ness Ave.
San Francisco, CA 94102

and if you have email capability, also email to:

water_division@cpuc.ca.gov

Your protest also must be served on the Utility

(see attached advice letter for more information and grounds for protest)

Company Name: California Water Service Company

CPUC Utility Number:

Address: 1720 North First Street

WTA U-60-W

City, State, Zip: San Jose, CA 95112

	Contact Name:	Phone No.	Fax No.	Email Address:
Filer	NATALIE WALES	408-367-8566	408-367-8426	nwales@calwater.com
Alternate	JAMES POLANCO	408-367-8239	408-367-8426	ipolanco@calwater.com

Description:

In this space or on the back of this form:

1. Explain justification for requested Tier – GO 96-B, Water Industry Rule 7.3.2
2. Describe service affected and how it is affected – No services directly affected
3. Describe differences from related Advice Letters (Similar service, replacement filing): n/a

(FOR CPUC USE ONLY)

WTS Budget/Activity/Type	Process as:	Tier 1	Tier 2	Tier 3
_____ / _____ / _____	20th Day	<input type="checkbox"/>	30th Day	<input type="checkbox"/>
Project Manager:	Suspended on:			
Analyst:	Extended on:			
Due Date:	Resolution No.:			
Completion Date:	AL/Tariff Effective Date:			

C.P.U.C. Sheet No.	Title of Sheet	Schedule No.	Cancelling C.P.U.C. Sheet No.
10221-W	Preliminary Statement AI	Not Applicable	New
10222-W	Table of Contents (Page 1)	Not Applicable	10220-W

Table of Contents

The following listed tariff sheets contain all effective rates and rules affecting the rates and service of the Utility together with information relating thereto:

<u>Sheet Subject Matter</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page .....	.....5613-W
Table of Contents .....	.....10222-10200-10183-10219-10158-10197-10206-10212-2926-W (C)
Preliminary Statement A .....	.....9240-8212-W
Preliminary Statement B-D .....	..... 610-W
Preliminary Statement E .....	.....6175-W
Preliminary Statement F .....	.....8312-W
Preliminary Statement G .....	.....6479-W
Preliminary Statement H .....	.....6686-W
Preliminary Statement I .....	.....6757-W
Preliminary Statement J .....	.....6759-W
Preliminary Statement K .....	.....7313-W
Preliminary Statement L .....	.....7107-W
Preliminary Statement M .....	.....7345-8372-9682-9931-9817-9820-9895-9844-10068-W
Preliminary Statement M .....	.....10073-10079-9719-9851-9826-10084-9908-10089-10095-W
Preliminary Statement M .....	.....9742-9744-9749-9832-9915-10051-9918-10004-9922-W
Preliminary Statement O .....	.....7318-W
Preliminary Statement P .....	.....7446-W
Preliminary Statement Q .....	.....10043-W
Preliminary Statement R .....	.....8011-W
Preliminary Statement S .....	.....8013-W
Preliminary Statement T .....	.....8017-W
Preliminary Statement U .....	.....8446-W
Preliminary Statement V .....	.....8154-W
Preliminary Statement W .....	.....8156-W
Preliminary Statement X .....	.....8314-W
Preliminary Statement Y .....	.....8316-W
Preliminary Statement Z .....	.....8805-W
Preliminary Statement AA .....	.....8634-W
Preliminary Statement AB .....	.....8635-W
Preliminary Statement AC .....	.....8637-W
Preliminary Statement AD .....	.....8807-W
Preliminary Statement AE .....	.....9022-9023-W
Preliminary Statement AF .....	.....9025-W
Preliminary Statement AG .....	.....9032-W
Preliminary Statement AH .....	.....9147-W
Preliminary Statement AI .....	.....10221-W (N)
Preliminary Statement AJ .....	.....9671-W
Preliminary Statement AK .....	.....10101-W
Preliminary Statement AL .....	.....10208-W

(continued)

(To be inserted by utility)
 Advice Letter No. 2128
 Decision No. -

Issued by
PAUL G. TOWNSLEY
NAME
Vice President
TITLE

(To be inserted by Cal. P.U.C.)
 Date Filed _____
 Effective _____
 Resolution No. -

Preliminary Statement
(continued)

AI. CHROMIUM-6 MEMORANDUM ACCOUNT (CHROMIUM-6 MA)

(N)

1. **PURPOSE:** The purpose of the Chromium-6 Memorandum Account (Chromium-6 MA) is to track the incremental costs incurred to comply with the Maximum Contaminant Level (MCL) that is adopted by the California Department of Public Health (CDPH) for chromium-6 in order to coordinate recovery of costs with adopted revenue requirements. Cal Water may begin tracking incremental costs in this account after a final MCL is adopted by the CDPH, and may request recovery of the tracked costs through a one-time Tier 3 advice letter per district, or through its next GRC, according to the procedures described below.
2. **APPLICABILITY:** The Chromium-6 MA applies to all regulated operations. This excludes out-of-state affiliates and unregulated operations expenses. The MA is to be closed as part of Cal Water's 2015 general rate case application (for Test Year 2017).
3. **RATES:** The Chromium-6 MA has no rate component.
4. **ACCOUNTING PROCEDURE:** After an MCL for chromium-6 is adopted by the CDPH, Cal Water shall make the entries described below. The "incremental costs" that may be tracked in this account are costs (including labor, overhead, operations & maintenance expenses, and capital-related costs including return on investment, income taxes, ad valorem tax, depreciation, and other taxes and fees) that are over and above those that the Commission has approved for recovery through base rates. Cal Water may not track in this memo account costs that can be reasonably forecasted for inclusion Cal Water's next general rate case application, to be filed in July 2015 (i.e., Cal Water may not include in this memorandum account costs and revenue requirement expected to be incurred starting in January 1, 2017, the beginning of the GRC cycle following A.12-07-007).
 - (a) A debit or credit entry equal to incremental expenses for compliance with the MCL, as described above;
 - (b) A debit or credit entry equal to the incremental revenue requirement of each operationally in-service and closed to plant capital investment for compliance with the MCL (including return on investment, income taxes, ad valorem tax, depreciation, and other taxes and fees), as described above.
 - (c) A monthly debit or credit entry equal to the average balance in each segment of the account multiplied by 1/12th of the most recent month's interest rate on Commercial Paper (prime, 90-day) published in the Federal Reserve Statistical Release H-15.
5. **REGULATORY PROCEDURE:**
 - (a) Required justifications: For each capital project, Cal Water will provide detailed justifications that contain least-cost analyses considering all feasible alternatives, including but not limited to blending, removing the well from active status, and Best Available Technologies ("BATs") for chromium-6 treatment as specified in Title 22, California Code of Regulations. The need to maintain the affected well's active status, thus requiring capital investment, must be supported with consideration of the district's available water supply resources, including new supply projects authorized in the 2012 GRC.
 - (b) For recovery through an advice letter: Cal Water may only file one Tier 3 advice letter per district. When the last capital project in a district is nearing completion (operationally in-service and closed to plant), approximately one month before an advice letter seeking recovery is filed, Cal Water will confer with the Office of Ratepayer Advocates to alert it of the advice letter filing, and begin providing the data supporting both the capital projects and expenses in the memo account for which recovery will be requested. The advice letter will request (a) inclusion of the revenue requirements for the authorized projects in rates going forward, and (b) a surcharge to recover the incremental revenue requirement and expenses tracked in the memo account.
 - (c) For recovery in a GRC: To the extent that incremental chromium-6 costs are not included in the beginning plant balance for the next GRC, or are not otherwise recovered, Cal Water may request cost recovery in the next GRC. In that event, Cal Water shall note the request in the Chromium-6 MA for tracking purposes.

(N)

(To be inserted by utility)

Issued by

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PAUL G. TOWNSLEY
NAME

Date Filed

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Vice President
TITLE

Effective

Resolution No. -

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MAY 26 2014



California Public Employees' Retirement System
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Reference No.:
Circular Letter No.: 200-004-14
Distribution: IV, V, VI, X, XII, XVI
Special:

Circular Letter

January 24, 2014

TO: ALL CALPERS EMPLOYERS

SUBJECT: EMPLOYER BILLING CHANGE FOR THE INTERNAL REVENUE CODE SECTION 415(b) REPLACEMENT BENEFIT PLAN

The purpose of this Circular Letter is to inform you of the change in how the California Public Employees' Retirement System (CalPERS) will bill all participating employers for the Internal Revenue Code (IRC) section 415(b) Replacement Benefit Plan (RBP).

A CalPERS employer becomes a participating RBP employer whenever any eligible former employee is paid a retirement allowance that exceeds the annual dollar limit set under IRC 415(b). IRC section 415(b) is a federal provision that limits the amount of the annual retirement benefit an individual can be paid from a tax-qualified defined benefit pension plan such as CalPERS.

At the end of each year, the Internal Revenue Service issues the IRC 415(b) limit on the maximum benefit that is payable from a defined benefit plan for the next calendar year. For 2014, the annual limit is \$210,000 for members who retire at ages 62 - 65. The annual limit is lower for members who retire at ages 50 - 61.

CalPERS, in accordance with Government Code section 21750 et seq. and Title 2 of the Code of Regulations section 589 et seq., established a Replacement Benefit Plan (RBP) to ensure that members are provided with retirement and other related benefits that are commensurate with the benefits that would have been received had the benefits not been limited due to IRC 415(b).¹

Participating Employers

All contracting agencies in CalPERS are deemed to have elected to participate in the RBP based on statute.

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¹ Effective January 1, 2013 in accordance with the California Public Employees' Pension Reform Act of 2013 (PEPRA), section 7522.43(b) provides that a public retirement system may continue to administer a plan of replacement benefits for employees first hired prior to January 1, 2013.



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IRC SECTION 415(b) & REPLACEMENT BENEFIT PLAN FACT SHEET

What is Internal Revenue Code Section 415(b)?

Internal Revenue Code Section 415(b) (IRC 415) is a federal provision that limits the amount of annual retirement benefit an individual can receive from a tax-qualified defined benefit pension plan such as the California Public Employees' Retirement System (CalPERS). The annual retirement benefits payable from the CalPERS retirement plan are subject to the dollar limits imposed by IRC 415.

This law was enacted to prevent employers from using tax-qualified defined benefit plans as tax shelters. The CalPERS retirement plan may lose its tax-exempt status if it fails to comply with IRC 415.

Internal Revenue Code Section IRC 415(b) Retirement Benefit Limit

IRC 415 places a dollar limit on the annual retirement benefit (allowance) that can be received from a tax-qualified pension plan such as CalPERS.

Overview

- The 2014 annual dollar limit is \$210,000 for retirees aged 62-65. (These ages are designated as "normal retirement age" by the Social Security Administration.)
- Determination of whether a CalPERS member's retirement benefit will be subject to the IRC 415 limit can only be made at retirement.
- For members who retire between the ages of 50-61, the annual dollar limit is lower, adjusted to be the actuarial equivalent as if the member were aged 62-65 at retirement.
- Retirees whose defined benefit allowances are limited under IRC 415 will receive replacement benefits from a separate fund through the CalPERS Replacement Benefit Plan (RBP), as permitted by California retirement law effective January 1, 2013¹. Please see page 3, "Who is Eligible to Participate in the RBP?"

¹ Effective January 1, 2013 only retirees with a CalPERS membership date prior to January 1, 2013 are eligible for the Replacement Benefit Plan in retirement.

Replacement Benefit Plan

At the time a member retires, the IRC 415(b) limit is applied to the calculated retirement allowance in accordance with all applicable factors affecting the limit (such as the age at which the member retires) to determine if the retirement allowance is subject to the IRC 415(b) limit. CalPERS retirees whose allowances exceed the limit are notified via letter that their benefit is subject to the limit and that they will be issued two payments, one from the Public Employees' Retirement Fund (PERF) on the first of each month, and a quarterly payment from the Replacement Benefit Custodial Fund (RBF), typically issued on March 1, June 1, September 1, and December 1.

CalPERS then calculates the RBP amount and submits an invoice to each of the retiree's former employers using a proportionate calculation method based on the service credit earned with each employer. After all the employer invoices are paid, the RBF payment is issued to the retiree during the next quarterly cycle.

Once a retirement allowance has been limited due to IRC 415(b), it will be re-tested annually to determine if the IRC 415(b) limit has increased to such a point that the total retirement allowance no longer exceeds the limit, at which point the retirement allowance would be fully paid through the PERF. Likewise, with this annual re-testing, allowances that are close to the IRC 415(b) limit in one year may become limited upon payment of the cost-of-living allowance increase (COLA) or any other adjustment that increases the allowance in a subsequent year.

Employer Billing Changes for the RBP

For members newly retired in 2013, employers are billed proportionately for replacement benefits based on the amount of service credit earned by the member with that employer. Employers may be billed for service earned many years prior to the member's actual retirement date, and the member may not have retired directly from that employer. Beginning in 2014, the same multi-employer billing process will apply for all retirees who retired prior to 2013 and whose allowances are already limited by IRC 415(b). Employers will be billed for replacement benefits based on the amount of service credit earned by the member with that employer. Historically, CalPERS had billed the RBP amount to the employer where the member earned the highest amount of service credit, typically the last employer from which the member directly retired. However, the multi-employer billing process is required to comply with current Internal Revenue Service regulations. Given the above, in January 2014, employers who have not previously had a retiree participating in the RBP may receive an annual invoice for a former employee who worked for that employer in the distant past and is now retired.

Employer Impact

Annual employer valuations are calculated based on the maximum allowance payable from the PERF, in accordance with IRC 415(b) limits. Because the PERF benefits of affected retirees are reduced due to the RBP payments, the PERF contribution valuation for affected employers will also be reduced.

Section 415 & Replacement Benefit Plan Fact Sheet

How is a retiree's IRC 415 annual dollar limit determined?

The annual dollar limit is calculated using the following factors:

- date of membership in the CalPERS defined benefit pension plan
- age at retirement
- tax-deferred member contributions
- rollover and post-tax contributions used to purchase service credit

The annual dollar limit is lower:

- For a benefit in any form other than a life-only annuity (unmodified allowance) or a qualified joint and survivor annuity (an allowance where 50% or more of the retiree's allowance is payable to a spouse upon the retiree's death).
- If retirement occurs before age 62.

The age 62-65 annual dollar limit is used instead of the actual age dollar limit:

- For the allowances of police officer and firefighter members with 15 or more years of service as full-time employees of a police department or a fire department providing police protection, firefighting services, or emergency medical services. Service with employers other than a police or fire department, such as correctional facilities, does not qualify.
- For a survivor's allowance payable due to the pre-retirement death of a member.
- For disability retirement before age 62.

What is the process for applying the IRC 415 limit to a retirement allowance?

It cannot be determined before actual retirement whether a member's retirement allowance will be limited by IRC 415. The allowance is tested as follows:

Screening: All retirement allowances are automatically screened to identify those needing testing for the IRC 415 limit. This screening is performed at retirement for all new allowances. Beginning in 2014, this screening will be performed annually on all retirement allowances.

Testing process: Once a screened allowance is identified for testing, an actuarial program determines if the allowance must be limited and, if so, calculates the annual dollar limit.

Section 415 & Replacement Benefit Plan Fact Sheet

If the allowance must be limited, the test determines:

- **Dollar Limit:** The maximum annual amount of retirement allowance payable to the retiree from the California Public Employees' Retirement Fund (PERF).
- **Replacement Benefit:** This is the annual allowance amount in excess of the dollar limit. This amount must be paid to CalPERS by the retiree's former employers and is then paid to the retiree through the Replacement Benefit Plan (RBP).

Grandfather Provision

There is an IRC 415 "grandfather" provision that exempts a retirement allowance from the dollar limit only if the retiree's former employers did not provide any retirement benefit improvement effective on or after October 14, 1987. Examples of benefit improvements are a change in retirement formula or a change from a three-year to a one-year final compensation, etc.

CalPERS REPLACEMENT BENEFIT PLAN (RBP)

What is the Replacement Benefit Plan?

The Replacement Benefit Plan (RBP) is a plan that allows for replacement of the annual allowance that exceeds the IRC 415 dollar limit. The RBP is funded by the retiree's former employers. CalPERS invoices and receives the replacement benefit amounts from the affected employers and then disburses payment to the retiree.

Every CalPERS employer must participate in the RBP in accordance with Government Code IRC 21761. The RBP statutes are Government Code IRC s 21750 – 21765 and the RBP regulations are California Code of Regulations 589 – 589.10.

Who is eligible to participate in the RBP?

CalPERS retirees who became CalPERS members prior to January 1, 2013 and whose combination of reportable compensation, benefit factor, retirement contributions and service credit cause their annual retirement allowances to exceed the IRC 415 dollar limits are eligible to participate in the RBP.

How does the RBP work?

When a retiree's annual retirement allowance exceeds the IRC 415 dollar limit CalPERS invoices the retiree's former employers for the amounts payable from the RBP. The invoice payments are deposited into the Replacement Benefit Fund (RBF). CalPERS issues payment from the RBF to the retiree. Payment by the employers into the RBF is required before any replacement benefit can be issued to a retiree.

Section 415 & Replacement Benefit Plan Fact Sheet

How is the replacement benefit taxed?

The income received through the Replacement Benefit Plan (RBP) is a wage under federal tax law. The replacement benefit is subject to the Federal Insurance Contributions Act (FICA) tax, which consists of the Old Age, Survivors and Disability Insurance (OASDI) Social Security tax and the Hospital Insurance/Medicare (Medicare) tax. The FICA tax payment is due only in the first year an allowance is limited. The replacement benefit is subject to these federal taxes if, while employed, the individual's earnings were subject to these taxes. The taxes are computed as follows:

1. CalPERS actuaries calculate the present value² of the replacement benefit.
2. Taxes are computed on the present value as follows:
 - Social Security tax rate for employees is 6.2%, up to maximum earnings of \$117,000 for 2014.
 - Social Security tax rate for employers is 6.2% up to maximum earnings of \$117,000 for 2014.
 - Medicare tax rate is 1.45% for employers and employees with no maximum earnings amount.
3. CalPERS invoices the employers for their taxes.
4. CalPERS deducts the employee taxes from the retiree's replacement benefit. FICA taxes are paid before any benefits are issued to the retiree.
5. CalPERS remits both employee and employer taxes to the Internal Revenue Service.
6. At the end of the tax year, CalPERS issues the retiree a W-2 tax form for the replacement benefits paid.

Rev. 1/2014

Important: *The information included in this document is general. The California Public Employees' Retirement Law and the Internal Revenue Code are complex and subject to change. If there is a conflict between the law and the information in this document, the law supersedes the information in this document.*

²Present value is the discounted amount the retiree will receive in lifetime replacement benefits. This discounted amount is based on CalPERS' valuation interest rate, the post-retirement mortality table, and the Cost-of-Living Adjustment assumption. For tax purposes, the present value is treated as if it were fully paid in the year the replacement benefit becomes payable.

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Attached is the Internal Revenue Code Section 415(b) Fact Sheet additional information.

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

ANTHONY SUINE, Chief
Benefit Services Division



OROVILLE PUBLIC FINANCING AUTHORITY

Council Chambers
1735 Montgomery Street

JUNE 3, 2014

Immediately following the
Oroville City Council Meeting
MEETING AGENDA

ROLL CALL

Commissioners Andoe, Berry, Bunker, Pittman, Simpson, Vice Chairperson Wilcox, Chairperson Dahlmeier

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

This is the time the Chairperson will invite anyone in the audience wishing to address the Commission on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation. Under Government Code Section 54954.3 the time allotted for presentations may be limited.

CONSENT CALENDAR

1. **APPROVAL OF THE MINUTES OF THE FEBRUARY 18, 2014 AND MAY 20, 2014 ADJOURNED MEETINGS OF THE OROVILLE PUBLIC FINANCING AUTHORITY** – minutes attached

2. **ESTABLISHMENT OF THRESHOLD FOR FIXED ASSETS** – staff report

The Commission may consider establishing a threshold of \$1,000 for Fixed Assets and Equipment. (Randy Murphy, City Administrator and Glenn Lazof, Interim Director of Finance)

Commission Action Requested: **Approve the establishment of a \$1,000 threshold for Fixed Assets and Equipment.**

PUBLIC HEARINGS

2. **2014/15 PRELIMINARY ANNUAL BUDGET** – staff report

The Commission will conduct a public hearing relating to the 2014/15 Preliminary Annual Budget which was received by the Commission on May 20, 2014. (Randy Murphy, City Administrator and Glenn Lazof, Interim Director of Finance)

Commission Action Requested: **Direct staff as necessary.**

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

This is the time the Chairperson will invite anyone on the audience wishing to address the Commission on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations will be limited to five minutes.** The Council is prohibited by State Law from taking action or possible discussion on any item presented, if it is not listed on the agenda, except under special circumstances as defined in the Governmental Code.

ADJOURNMENT

The meeting will be adjourned. The Oroville Public Financing Authority meets on an as needed basis.

**OROVILLE PUBLIC FINANCING AUTHORITY MEETING - MINUTES
FEBRUARY 18, 2014**

The agenda for the February 18, 2014 Oroville Public Financing Authority meeting was posted on the bulletin board at the front of City Hall and on the City's website located at www.cityoforoville.org on Friday, February 14, 2014 at 12:18 p.m.

The February 18, 2014 adjourned meeting of the Oroville Public Financing Authority was called to order at 8:50 p.m. by Chairperson Dahlmeier.

ROLL CALL

PRESENT: Commissioners Andoe, Berry, Bunker, Pittman, Simpson, Vice Chairperson Wilcox,
Chairperson Dahlmeier
ABSENT: None

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS - None

CONSENT CALENDAR

A motion was made by Commissioner Bunker, seconded by Commissioner Berry, to approve the Consent Calendar:

1. ANNUAL AUDIT AND COMPREHENSIVE FINANCIAL REPORT – staff report

The Commission received the 2012/13 Annual Audit and Comprehensive Annual Financial Report.
(Diane MacMillan, Director of Finance)

Commission Action Requested: **Receive the 2012/13 Annual Audit and Comprehensive Annual Financial Report.**

The motion to approve the Consent Calendar was passed by the following vote.

AYES: Commissioners Andoe, Berry, Bunker, Pittman, Simpson, Vice Chairperson Wilcox,
Chairperson Dahlmeier
NOES: None
ABSENT: None
ABSTAIN: None

ADJOURNMENT

The meeting was adjourned at 8:51 p.m. The Oroville Public Financing Authority meets on an as needed basis.

Randy Murphy, City Clerk

Linda L. Dahlmeier, Chairperson

**OROVILLE PUBLIC FINANCING AUTHORITY MEETING - MINUTES
MAY 20, 2014**

The agenda for the May 20, 2014 Oroville Public Financing Authority meeting was posted on the bulletin board at the front of City Hall and on the City's website located at www.cityoforoville.org on Thursday, May 15, 2014, at 3:35 p.m.

The May 20, 2014 adjourned meeting of the Oroville Public Financing Authority was called to order at 7:20 p.m. by Chairperson Dahlmeier.

ROLL CALL

PRESENT: Commissioners Andoe, Berry, Bunker, Pittman, Simpson, Vice Chairperson Wilcox,
Chairperson Dahlmeier
ABSENT: None

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS - None

CONSENT CALENDAR

A motion was made by Commissioner Bunker, seconded by Commissioner Andoe, to approve the Consent Calendar:

1. RECEIPT OF PRELIMINARY ANNUAL BUDGET FOR FISCAL YEAR 2014/15 AND SETTING OF COUNCIL BUDGET WORKSHOPS – staff report

The Commission received the Preliminary Annual Budget for fiscal year 2014/15. **(Randy Murphy, City Administrator and Glenn Lazof, Interim Director of Finance)**

Commission Action Requested:

- 1. Acknowledge receipt of the 2014/15 Preliminary Annual Budget.**
- 2. Set Budget workshops relating to the 2014/15 Annual Budget for June 24, 2014 from 5:00 p.m. to 7:00 p.m. and July 17, 2014 from noon to 2:00 p.m.**
- 3. Call a Special Meeting of the Oroville City Council for August 12, 2014 at 5:00 p.m. to discuss and approve the initial revisions to the 2014/15 Preliminary Budget and adopt the Final 2014/15 Budget.**
- 4. Direct staff to schedule quarterly budget reviews at the second meetings in October 2014, January 2015, and April 2015.**

The motion to approve the Consent Calendar was passed by the following vote.

AYES: Commissioners Andoe, Berry, Bunker, Pittman, Simpson, Vice Chairperson Wilcox,
Chairperson Dahlmeier

NOES: None
ABSENT: None
ABSTAIN: None

ADJOURNMENT

The meeting was adjourned at 7:21 p.m. The Oroville Public Financing Authority meets on an as needed basis.

Randy Murphy, City Clerk

Linda L. Dahlmeier, Chairperson