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**Daniel S. Little, Executive Director**

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DATE: April 9, 2014  
TO: 2015 Regional Transportation Plan Project File  
FROM: Sean Tiedgen, Associate Planner  
SUBJECT: 2015 RTP/SCS Growth Projections and consistency with 2014-2019 Regional Housing Need Allocation (RHNA)

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### *I. Background/Purpose*

Senate Bill 375 (SB 375) created a new requirement that Metropolitan Planning Organizations (MPO) develop a Sustainable Communities Strategy (SCS) that considers the impacts of land use and transportation as part of their Regional Transportation Plans (RTP). SB 375 specifically states:

***“The Sustainable Community Strategy shall (i) identify the general location of uses, residential densities, and building intensities within the region, (ii) identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth, (iii) identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to [Government Code] Section 65584, (iv) identify a transportation network to service the transportation needs of the region, (v) gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Section 65080.01, (vi) consider the state housing goals specified in Section 65580 and 5581, (vii) set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the state board, and (viii) allow the regional transportation plan to comply with Section 176 of the federal Clean Air act (42 U.S.C. Sec. 7506).”***

This memo seeks to address items (ii) and (iii) of the SCS requirements. Specifically the purpose of this memo is to document a modification of the RTP population, housing and employment growth projections that were developed as part of the 2011 travel model update and can be viewed in the following document prepared by Mike Aronson formerly of Dowling Associates (now Kittelson & Associates, Inc.): *Shasta County Forecast Assumptions, November 8, 2011.*

## II. Regional Housing Need Allocation (RHNA)

The RHNA is a projection of the additional housing units likely needed by a city or county in a specific region to accommodate the projected household growth within a specified period. The housing projection also attempts to ensure a “fair share” of housing across all income categories, including: “very-low,” “low,” “moderate,” and “above-moderate.” The project represents only the minimum housing units needed to be accommodated, and local jurisdictions can account for more units if desired. California laws related to RHNA can be found in California Government Code Sections 65580-65589.8. A link to the entire code can be found here:

[http://leginfo.ca.gov/faces/codes\\_displayText.xhtml?lawCode=GOV&division=1.&title=7.&part=&chapter=3.&article=10.6](http://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=1.&title=7.&part=&chapter=3.&article=10.6)

On June 30, 2012 the cities of Anderson, Redding and Shasta Lake, and Shasta County received notification from the California Department of Housing and Community Development (HCD) for their RHNA determination and plan for the time period January 1, 2014 through June 30, 2019. The breakdown of housing units needed to be accommodated by each jurisdiction is show in the table below:

**Table 1: January 1, 2014 – June 30, 2019 Shasta County RHNA Distribution**

Jurisdiction	Very-low	Low	Moderate	Above-Moderate	Total:
Anderson	32	21	24	59	136
Redding	287	181	205	502	1,175
Shasta Lake	32	21	23	58	134
Unincorporated	189	117	128	321	755
<b>Total:</b>	<b>540</b>	<b>340</b>	<b>380</b>	<b>940</b>	<b>2,200</b>

The three cities and county have two years to review and update their housing elements from the time they receive notification from HCD. Housing elements for all three cities and county are due June 30, 2014. Because these housing elements will not be fully updated and approved within a reasonable timeframe before the adoption of SRTA’s 2015 RTP, SRTA staff worked to ensure the RTP accommodates the projected housing needs for the time period January 1, 2014 through June 30, 2019.

## III. 2015 RTP Growth Assumptions

In 2011 SRTA worked with city/county planners to update the population, housing and employment forecasts for the region and incorporated those updates within the regional travel demand model. The purpose of the update was threefold:

- 2010 US Census demographic data became available
- Economic conditions since 2005 had changed drastically due to the “Great Recession” that started in 2008
- Many development projects originally planned to be completed were marginally being built or were nonexistent.

After review of available economic forecasts it was recommended by Mike Aronson of Dowling Associates that SRTA use the *California County-Level Economic Forecast 2010-2035* that was developed by The California Economic Forecast for Caltrans. Additionally, the update included a “recession adjustment” to account for the current recession and estimated that full recovery would take 20 years, or by year 2030 for the Shasta County region. A summary of the population/housing assumptions and forecasts from the November 2011 memo is below:

**Table 2: Shasta County Region-wide Population Forecasts**

Year	Shasta County Model (2005)	Recommended Countywide Forecast	Anderson	Redding	Shasta Lake	Shasta County (uninc.)
2000		163,256	9,027	80,865	9,093	
2005	165,430	173,029	9,731	87,146	10,069	66,082
2010	182,071	177,223	9,932	89,861	10,164	67,266
2015	198,875	183,173	10,280	94,237	10,650	68,005
2020	214,734	190,192	10,353	99,071	11,210	69,558
2025	230,231	197,747	10,426	103,539	11,845	71,938
2030	245,904	205,990	10,498	106,666	12,478	76,348
2035		214,364	10,925	111,002	12,985	79,451
2040		222,738	11,352	115,339	13,493	82,555

**Table 3: Shasta County Region-wide Housing Forecasts**

Year	Shasta County Model (2005)	Recommended Countywide Forecast	Anderson	Redding	Shasta Lake	Shasta County (uninc.)
2000		63,426	3,374	32,103	3,426	
2005	68,220	67,392	3,772	34,424	3,828	25,368
2010	75,158	70,346	3,944	36,130	3,943	26,329
2015	81,658	73,956	4,474	38,669	4,339	26,473
2020	88,154	78,054	4,513	40,704	4,545	28,292
2025	94,670	82,054	4,544	42,903	4,779	29,827
2030	101,150	85,859	4,576	44,197	5,046	32,041
2035		89,274	4,762	45,993	5,251	33,268
2040		92,689	4,948	47,790	5,456	34,495

#### **IV. Comparison of November 2011 Housing Growth Forecasts and 2014-19 RHNA**

##### *Housing Forecast Comparisons*

Post-release of the RHNA allocations, SRTA compared the November 2011 housing forecasts to the 2014-19 RHNA to ensure regional consistency. SRTA staff found that all jurisdictions, except for the City of Anderson exhibited an adequate amount of housing to accommodate the RHNA. SRTA staff reviewed and considered that the best approach would be to assume that more growth would happen in the City of Anderson and less in the unincorporated region of Shasta County. Assumed growth forecasts for the City of Redding and Shasta Lake would remain unchanged.

*City of Anderson Impacts*

By reviewing US Census data it was found that the City of Anderson averaged a 1% growth rate from 2000-2010. Keeping in mind the recession adjustments and local development assumptions, SRTA in consultation with Anderson planners determined that an average 0.83% growth rate was appropriate until year 2030. This resulted in an additional 4.0% population growth from the previously forecasted population growth in the November 2011 update. This also resulted in a slight reduction in the growth rate for the unincorporated region of Shasta County (see results below):

**Table 4: Population Forecast Comparisons – City of Anderson and Unincorporated County**

Year	Anderson Forecast (Nov. 2011)	Anderson Forecast (Jan. 2014)	Unincorporated County Forecast (Nov. 2011)	Unincorporated County Forecast (Jan. 2014)
2000	9,027	9,027		
2005	9,731	9,731	66,082	66,082
2010	9,932	9,932	67,266	67,266
2015	10,280	10,329	68,005	67,957
2020	10,353	10,742	69,558	69,169
2025	10,426	11,172	71,938	71,191
2030	10,498	11,619	76,348	75,227
2035	10,925	12,084	79,451	78,292
2040	11,352	12,567	82,555	81,339

*“2020 RHNA” Year Methodology*

Because the RHNA cycle does not exactly match RTP forecast years, SRTA staff developed a methodology to create a “2020 RHNA” year to compare to the RTP 2020 forecast year. The process to develop the methodology is described below:

- Step 1** - Each jurisdiction’s total 2014-19 RHNA was divided by 5.5 to develop an average annual housing growth for the time period.
- Step 2** – The calculated average was then added for one additional year to get a “2020 RHNA” total.
- Step 3** – The calculated “2020 RHNA” year was then compared to the new housing forecast to ensure enough housing units were accommodated.

Below is an example of those steps for Anderson:

- **Step 1** – 136 housing units/5.5 years = 25 housing units per year.
- **Step 2** – 136 + 25 = 161 housing units for “2020 RHNA”
- **Step 3** – Compare “2020 RHNA” to 2020 revised housing forecast.

Anderson “2020 RHNA” Total	New Anderson HH Forecasted Growth by 2020	Difference in Housing Units
161	187	+26

*V. New City of Anderson and Unincorporated County Population and Housing Forecasts*

Planning staff from the City of Anderson and Shasta County, and members of the Shasta Model Users Group reviewed the information contained within this memo in February 2014 and were in agreement with the results. The revised population and housing forecasts for the 2015 RTP are available below:

**Table 5: Revised Shasta County Region-wide Population Forecasts<sup>1</sup>**

Year	Shasta County Model (2005)	Recommended Countywide Forecast	Anderson	Redding	Shasta Lake	Shasta County (uninc.)
<b>2000</b>		163,256	9,027	80,865	9,093	
<b>2005</b>	165,430	173,029	9,731	87,146	10,069	66,082
<b>2010</b>	182,071	177,223	9,932	89,861	10,164	67,266
<b>2015</b>	198,875	183,173	10,329	94,237	10,650	67,957
<b>2020</b>	214,734	190,192	10,742	99,071	11,210	69,169
<b>2025</b>	230,231	197,747	11,172	103,539	11,845	71,191
<b>2030</b>	245,904	205,990	11,619	106,666	12,478	75,227
<b>2035</b>		214,364	12,084	111,002	12,985	78,292
<b>2040</b>		222,738	12,567	115,339	13,493	81,339

**Table 6: Revised Shasta County Region-wide Housing Forecasts<sup>1</sup>**

Year	Shasta County Model (2005)	Recommended Countywide Forecast	Anderson	Redding	Shasta Lake	Shasta County (uninc.)
<b>2000</b>		63,426	3,374	32,103	3,426	
<b>2005</b>	68,220	67,392	3,772	34,424	3,828	25,368
<b>2010</b>	75,158	70,346	3,944	36,130	3,943	26,329
<b>2015</b>	81,658	73,956	4,495	38,669	4,339	26,452
<b>2020</b>	88,154	78,054	4,682	40,704	4,545	28,123
<b>2025</b>	94,670	82,054	4,870	42,903	4,779	29,502
<b>2030</b>	101,150	85,859	5,064	44,197	5,046	31,552
<b>2035</b>		89,274	5,267	45,993	5,251	32,762
<b>2040</b>		92,689	5,478	47,790	5,456	33,965

Notes: <sup>1</sup>Data above the bold line in the tables remain unchanged from November 2011 memo.