



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 5f (Consent/Information)

TO: Local Agency Formation Commission

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MEETING DATE: June 3, 2019

SUBJECT: Countywide Update on Housing and General Plans

LAFCO's adopted Strategic Plan 2018-2022 includes the following core guiding principles related to general plans and housing:

- Engagement with local city/town general plan updates
- Active with local agencies in managing housing growth and related issues including transportation

BACKGROUND

This report is for information purposes only and provides an update on implementation of the Strategic Plan principles listed above. A summary is included of current and planned activities relating to each local land use authority's General Plan. Charts are included for each jurisdiction's required Annual Housing Progress Report. This information will support the Commission's future decision-making as it relates to encouraging logical and orderly growth and development throughout Napa County.

State law recognizes the vital role local governments play in the supply and affordability of housing. Each local government in California is required to adopt a Housing Element as part of its General Plan that shows how the community plans to meet the existing and projected housing needs of people at all income levels. Government Code Section 65400 mandates that certain cities and all 58 counties submit an annual report on the status of the General Plan and progress in its implementation to their legislative bodies, the Governor's Office of Planning and Research (OPR), and the California Department of Housing and Community Development (HCD) by April 1 of each year. Only charter cities are exempt from the requirement to prepare Annual Progress Reports unless the charter stipulates otherwise (Government Code Section 65700).

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Regional Housing Need Allocation

The Regional Housing Need Allocation (RHNA) is the state-mandated process to identify the total number of housing units by affordability level that each jurisdiction must accommodate in its General Plan Housing Element. As part of this process, HCD identifies the total housing need for the San Francisco Bay Area for an eight-year period. The Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) develop a methodology to distribute this need to local governments consistent with Sustainable Communities Strategies. Once a local government has received its final RHNA, it must revise its Housing Element to demonstrate how it plans to accommodate its portion of the region's housing need.

Certain actions related to RHNAs are required of the local land use authorities, and certain other actions are strictly advisory. Specifically, jurisdictions are required to zone a sufficient amount of land to accommodate their respective RHNA totals. However, it is only advised that each of these agencies issue housing permits to accommodate their respective RHNA totals.

For the Bay Area, the "projection period", or the time period for which the Regional Housing Need is calculated, is 2014 to 2022. The "planning period", or the timeframe between the due date for one Housing Element and the due date for the next Housing Element, is 2015 to 2023.

Cost of Housing

The median price for a home in Napa County in 2018 was \$590,000 according to CoreLogic as reported in the Napa Valley Register.¹ Average monthly rents in Napa County are approximately \$2,000 for a one-bedroom apartment and \$2,400 for a two-bedroom apartment. The cost of housing is expected to increase as demand continues to outpace available supply.

Median Household Income

The United States Census Bureau American Community Survey reports the annual median household income for Napa County residents was \$79,637 based on five-year estimates from 2013 to 2017. The steadily increasing cost of housing places additional pressure on households earning less than the median.

October 2017 Fires

The October 2017 Northern California wildfires burned nearly 100,000 acres and destroyed approximately 650 homes in Napa County, representing approximately five percent of the total housing stock and exacerbating an existing housing shortage.

¹ Source: https://napavalleyregister.com/business/napa-county-home-sales-median-dips/article_11c8da64-176c-5e22-9b61-f48ebeb1d5382.html.

California Housing Crisis

California Governor Gavin Newsom has emphasized the housing crisis in California as a focus of the administration. The Governor has announced a major legislative proposal as part of a \$1.75 billion package to confront the housing cost crisis. The new proposal sets higher short-term goals for housing that cities and counties must meet, and provides \$750 million in support and incentives to help jurisdictions plan and zone for these higher, ambitious housing targets. The Governor’s proposal would also update and modernize the state’s long-term housing goals through the RHNA to better reflect regional housing and transportation needs. The Governor’s housing package includes \$1 billion in tax credits and loans to spur low, mixed and middle-income housing production through separate legislative and budget proposals.

ABAG and MTC have developed an initiative, called “[Horizon](#)”, to explore the pressing issues and possible challenges Bay Area residents may face through 2050. Part of the initiative includes “CASA – the Committee to House the Bay Area”. CASA has recommended policies to address the housing crisis. These policies have prompted various housing-related bills currently being considered by the State Legislature. The Local Government Working Group, comprised of local government officials, was convened to advise MTC and ABAG on housing-related bills. County Supervisor and Alternate Commissioner Ryan Gregory serves on the Working Group along with City Councilmembers Mary Luros (City of Napa) and Anna Chouteau (City of St. Helena).

Senate Bill 35

Senate Bill (SB) 35 was signed by the Governor in 2017 and created a streamlined, ministerial approval process for infill developments in localities that have failed to meet their RHNA numbers.² HCD now provides an [interactive map](#) to determine which jurisdictions subject to SB 35.

SUMMARY

Each city and county is required submit an Annual Housing Element Progress Report to HCD by April 1. These reports provide updates on each jurisdiction’s 2015-2023 RHNA and total number of housing permits issued during the current planning period. The following tables summarize the 2015-2023 RHNA and permits issued from 2015 through 2018 at each income level for the six local land use authorities.

² When jurisdictions have insufficient progress toward their Above Moderate income RHNA and/or have not submitted the most recent Annual Progress Report, these jurisdictions are subject to SB 35 streamlining for proposed developments with at least 10% affordability (does not apply to any local jurisdictions according to HCD). When jurisdictions have insufficient progress toward their Very Low and Low income RHNA, but have made sufficient progress toward their Above Moderate income RHNA, these jurisdictions are subject to SB 35 streamlining for proposed developments with at least 50% affordability (applies to the County of Napa, City of Napa, City of St. Helena, and Town of Yountville according to HCD).

County of Napa

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	51	30	32	67	180
Permits Issued (2015-2018)	3	1	43	61	108

The County’s current General Plan was adopted in 2008. The County is currently updating the Safety Element. The Circulation Element was updated on February 5, 2019. In addition, the County will be filing revised RHNA permit issuance status based on January 2019 survey results of accessory and farmworker dwelling permits. Revised permit issuance totals to date for the 2015-2023 reporting period will be: 18 Very Low, 6 Low, 11 Moderate, and 99 Above Moderate.

City of American Canyon

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	116	54	58	164	392
Permits Issued (2015-2018)	60	37	141	143	381

American Canyon’s current General Plan was adopted in 1994. The City began a comprehensive General Plan Update this past year. The City is currently performing outreach to the community, including an option to receive email alerts regarding the update.

City of Calistoga

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	6	2	4	15	27
Permits Issued (2015-2018)	23	7	3	30	63

Calistoga’s current General Plan was adopted in 2003. Various elements of the General Plan were updated in 2012, 2014, and 2015. The City is currently updating the Infrastructure Element of its General Plan. This update will reflect some of the background information contained in the most recent Municipal Service Review for Calistoga adopted in December 2016. This activity will be limited to updating Calistoga’s 15-year old Infrastructure Element to reflect current circumstances. No significant changes are anticipated with respect to Calistoga’s policies or programs.

City of Napa

	Very Low	Low	Moderate	Above Moderate	Accessory Dwelling Units	Total
RHNA (2015-2023)	185	106	141	403	0	835
Permits Issued (2015-2018)	53	22	2	750	44	871

The City of Napa is currently updating its General Plan, which was originally adopted in 1998. The City has formed a General Plan Advisory Committee to guide policy development and visioning. As part of the process a robust interactive web site (<https://napa2040.com>) has been developed to inform the public and receive input. LAFCO staff attended three General Plan Update community meetings over the last year. It is anticipated the overall update will take two to three years.

City of St. Helena

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	8	5	5	13	31
Permits Issued (2015-2018)	0	8	0	21	29

St. Helena’s current General Plan was adopted in 1993. In 2007, St. Helena initiated a comprehensive update to its General Plan (2040 General Plan Update). Throughout the process, the City conducted extensive community outreach. Study sessions were held and committees were formed to address water, circulation, new zoning designations, and study areas. Included in the study areas are properties served by the City but outside its jurisdictional boundary and sphere of influence. LAFCO staff submitted a comment letter during this process. The City Council adopted the 2040 General Plan and certified the Program EIR (May 14, 2019).

Town of Yountville

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	4	2	3	8	17
Permits Issued (2015-2018)	1	1	12	14	28

On May 7, 2019, the Town of Yountville completed a comprehensive update of its General Plan. The project titled “Envision Yountville General Plan Update” provided extensive community outreach including community meetings, surveys and polls, speaker series, an interactive web site, Board and Commission meetings, Town Council Study sessions and a Community Open House. In addition, a Town Advisory Group was established to review the existing 1992 General Plan, including policies and programs. LAFCO staff attended one General Plan scoping meeting over the last year.

ATTACHMENTS

None