



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 4/17/2012

Agenda Placement:

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Lawrance Florin - Director
Housing and Intergovernmental Affairs

REPORT BY: Lawrance Florin, DIR HOUSING AND INTERGOVERNMENTAL AFFAIRS - 253-4621

SUBJECT: Creation of a Joint City/County Task Force to review options for Affordable Housing

RECOMMENDATION

Director of Housing and Intergovernmental Affairs requests that the Board of Supervisors, along with the Napa City Council, approve the creation of a joint Countywide Affordable Housing Task Force and designate organizations or representatives to be members of this Task Force.

EXECUTIVE SUMMARY

To evaluate current and future opportunities for providing affordable housing within Napa County, staff from both the County and City of Napa are recommending that a Countywide Affordable Housing Task Force (Task Force) be formed. The Task Force would consist of developers, affordable housing advocates, the business community, agricultural community representatives and environmental advocates. The Task Force should report back to the Board of Supervisors and City Council by the end of 2012 on the following objectives:

- Evaluate the most effective and efficient way to deliver affordable housing throughout Napa County; and
- Identify a mechanism for providing ongoing funding for the City of Napa and County's affordable housing efforts.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County and City of Napa have been proactive in the development of affordable housing over the last decade, with accomplishments such as:

- Producing approximately over 1,200 affordable housing units.
- Distributing approximately 1400 Section 8 vouchers to low-income families, representing approximately \$10,100,000 in rental subsidy dollars.
- Securing State first-time homebuyer funds (such as HOME, HELP and CAL-HOME) for 151 families totaling approximately \$7,505,000.
- The County has allocated \$1,000,000 from the Affordable Housing Fund for the Workforce Proximity Housing program and has to-date approved 30 families to receive housing finance assistance through the program.
- Additionally, the County and City of Napa have recently reserved approximately \$8,000,000 for three new affordable housing projects. The County operates three migrant farmworker centers and is actively planning 24 units of farmworker housing in the unincorporated portion of the county.

However, with the downturn in the economy over the last few years, there has been a similar downturn in residential and commercial development. The number of new projects contributing to both the County and City of Napa's affordable housing funds through permit fees have decreased. The annual contribution from the County's housing impact fee has gone from a high of approximately \$3,000,000 in FY 2008-09 to a low of approximately \$190,000 in FY 2010-11. For the City of Napa, the annual contribution of funds from Redevelopment Housing funds no longer exists due to the recent dissolution of the redevelopment agency in January, 2012. Lastly, State funded housing programs, such as HOME and HELP, have become more competitive and AHP bond funds have been exhausted. The State has not come up with any permanent source of funding to fund affordable housing programs.

As affordable housing funds diminish, the need for affordable housing continues throughout Napa County. Having affordable housing available for our current and future workforce is a significant economic consideration for the local economy. Based upon recent estimates, approximately 30,000 workers enter and leave Napa County each day. Many of those workers choose not to live in the County because of the cost of housing.

To evaluate current and future opportunities for providing affordable housing within Napa County, staff from both the County and City of Napa are recommending that a Countywide Affordable Housing Task Force (Task Force) be formed. The Task Force should be charged with two primary tasks:

- Evaluate the most effective and efficient way to deliver affordable housing throughout Napa County; and
- Identify a mechanism for providing ongoing funding for the City of Napa and County's affordable housing

efforts.

Composition of Task Force

Staff is recommending that the Task Force represent the diversity of stakeholder groups that have interest in affordable housing in the County. The proposed groups or representatives that are recommended to participate in this Task Force are as follows:

- Single family home builder
- Multi-family affordable housing developer
- Commercial property developer/owner
- Affordable housing advocate
- Hospitality industry representative
- Restaurant operator
- Chamber of Commerce representative
- Large employer
- Vintners
- Agricultural community
- Environmental advocate/builder
- Real estate brokers
- Financial institution
- City representative - Co-chair
- County representative - Co-chair

Staff is proposing that both a City and County elected official be designated as co-chairs of the Task Force. City Community Development Department and County Housing and Intergovernmental staff will act as staff to the Task Force. It is suggested that the two elected officials, in conjunction with City and County staff, select the Task Force members from the industry groups identified above. City and County staff will provide background data from existing studies and existing resources to the extent possible. Other outside support may be needed to complete the report.

Affordable Housing Task Force - Working Plan

Below is an outline of the work program to accomplish the two primary tasks:

- Develop an Inventory of Current Affordable Housing opportunities including: number of "for sale" and rental restricted units, existing affordable housing program information, Countywide Census data and current sources of funding for affordable housing projects;
- Identify the need for Affordable Housing from different industry sectors;
- Establish current criteria for eligibility for affordable housing;
- Identify current funding sources and the needs in the community;
- Analyze the costs of providing affordable housing and develop recommendations to provide funding more efficiently; and
- Provide recommendations on mechanisms for raising funds by various industry sectors to provide ongoing financial support for affordable housing.

The goal will be to return to both the Board of Supervisors and City Council by the end of 2012 with a report and possible recommendations for action on the two primary tasks of the Task Force mentioned above.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Danny Nguyen