



Agenda Date: 1/24/2006  
Agenda Placement: 10A

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Britt Ferguson for Nancy Watt - County Executive Officer  
County Executive Office  
**REPORT BY:** Britt Ferguson, Assistant County Executive Officer, 253-4406  
**SUBJECT:** Regional Housing Needs Legislation

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### **RECOMMENDATION**

County Executive Officer requests discussion and possible action concerning any and all issues related to Regional Housing Needs Allocations, including:

1. Possible support for legislation that would create special housing allocation provisions for Napa County and its cities (Unanimous vote of the Board members present required); and
2. Possible direction concerning level and type of legislative advocacy for housing allocation legislation.

### **EXECUTIVE SUMMARY**

One of the Board's 2006 Legislative Goals is to "Support legislation that caps housing allocations to prime agricultural counties such as Napa and its cities to no more than required to accommodate internal job growth." The County's 2006 Legislative/Regulatory Platform identifies a number of options for addressing this issue, including sponsoring either Napa specific or more general legislation. On January 9th, the Board's Legislative Subcommittee voted to recommend that the County seek Napa specific legislation to accomplish the above goal. Draft legislation has been developed and shared with the County's cities. That legislation essentially calls for limiting the housing allocation to Napa County and each city in the County to the average annual rate of increase in jobs in the relevant jurisdiction over the last three years. Based on input from the cities, additional discussions will be held with local planners to further refine the legislation. The Legislative Subcommittee's goal is to submit draft bill language to the Legislative Counsel's Office by January 27, the deadline for submitting bill-drafting requests. The intent is that this would be placeholder legislation that could be modified as local discussion and analysis continues. The issue before your Board is whether to support moving forward with the proposed legislation.

In addition, if the Board decides to support Napa specific legislation in this area, your Board may want to provide direction as to what level and type of additional resources you would like to see devoted to the County's legislative advocacy efforts for this legislation.

**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**

As your Board is aware, Measure A, approved by Napa County's voters in 1980 and reauthorized by the Board in 2000, limits the number of residential building permits to 1% of the current population of the unincorporated area. Measure J, approved by the voters in 1990, prohibits the redesignation of any property designated "agricultural resource" or "agriculture, watershed and open space" in the General Plan to any other designation without a vote of the people. Currently, Measure A would limit the number of residential building permits the County could issue in any one year to 114.

Notwithstanding these local laws, State law requires the Department of Housing and Community Development (HCD) to periodically identify regional housing needs for each region of the state and designates the various regional councils of government as the agencies to allocate an appropriate share to each city and county in the region. The counties' share is for the unincorporated area. State law requires that this allocation include a "fair share" of anticipated regional housing growth to counties, independent of internal job growth or local jobs/housing ratio. In 1999, this process resulted in the Association of Bay Area Governments (ABAG) allocating approximately 263 housing units a year to unincorporated Napa County. This represented approximately 2.4% of the unincorporated area population at that time. The County met this obligation in large part through negotiating agreements with the cities of Napa and American Canyon to assume part of the County's housing needs allocation.

To address the problems associated with the State's regional housing needs allocation process, in 2004 Napa County supported AB 2158 which required that regional councils of government take a number of factors into consideration when establishing regional housing allocations, including the protection of environmental and agricultural resources, each jurisdiction's projected jobs and housing relationship and County policies to preserve prime agricultural land. This bill was approved by the legislature and signed by the Governor. It is unclear, however, how HCD and ABAG will implement the provisions of AB 2158 in determining future regional housing allocations, and it is expected that HCD will issue new regional housing allocations in the fall of 2006 for at least the next five year period.

Given the above, one of your Board's 2006 Legislative Goals is to "Support legislation that caps housing allocations to prime agricultural counties such as Napa and its cities to no more than that required to accommodate internal job growth." The Board's adopted 2006 Legislative/Regulatory Platform (copy of relevant section attached), identifies a number of possible actions that may be necessary to support this goal, including sponsoring either Napa specific or more general legislation that would require the State and regional councils of government (in our case, ABAG) to eliminate any housing allocation beyond that indicated by the internal job growth rate in the counties, including cities in the counties.

At its meeting on January 9th, the Board's Legislative Subcommittee voted to recommend that the County initiate

Napa specific legislation to accomplish the above goal. Based on that direction, County Counsel and the County's legislative advocate, Don Peterson, have been working on draft bill language. A copy of the most recent draft is attached. As can be seen, this bill would limit the housing allocation for Napa County and each city in the County to the average growth rate in jobs over the last three years, applied to the jurisdictions current housing stock.

The draft language was discussed at the Napa County League of Governments (NCLOG) Countywide Community Development Strategy Task Force meeting on January 19th. At the NCLOG Task Force meeting, members generally expressed conceptual support, but suggested that a technical group of local planners be asked to review the draft and suggest revisions and clarifications. County staff will facilitate these discussions. If your Board decides to proceed with this legislation, the goal would be to send the bill to Legislative Counsel for drafting by no later than January 27th, the deadline for submitting such requests. It would still be possible to make revisions to the bill language after that date and the intent would be that the initial bill would be a place holder that could be revised as the legislative process proceeds.

Staff is also researching what the recent, historic, rate of job growth has been in the unincorporated County and Napa County's cities, so that your Board can have a better sense of how this bill might impact the County's housing allocation. As this point, it is not clear whether that information is readily available. Information for the County as a whole is available and shows that over the last six years job growth averaged 3.3% a year, with significant annual fluctuations. For example, for the last three years County-wide job growth has averaged .5% per year, but for the previous three years it averaged 5.67% per year. Staff is also attempting to get additional information on how ABAG actually allocates each local governments' share of the regional housing allocation and how the new requirements to consider local development restraints might be implemented. It is not clear that information on how ABAG has allocated the regional housing needs allocation will be available by this meeting. According to ABAG staff, no final decisions have been made as to how the AB 2158 requirements will be factored in to the allocation process.

At this point, then, your Board has a number of options, including:

- | You can support Napa specific legislation as recommended by your Legislative Subcommittee or in some other form;
- | You can support more general legislation that would apply to all counties with agricultural reserves, for example;
- | You can decide not to support new legislation at this time, but, rather, focus the County's efforts on working with HCD and ABAG on their allocation processes.

There are also options available that are not mutually exclusive. For example, you can direct staff to work with HCD and ABAG on the allocation processes under existing law and, at the same time, support new legislation. One venue for working with ABAG is the recent effort by ABAG and others to implement a Regional Smart Growth Vision. Applying Regional Smart Growth principles could, in theory, result in ABAG shifting housing needs allocations from agricultural areas to the more urbanized areas of the Bay Area region. This process, however, is just getting under way and will likely not be completed prior to the next round of Regional Housing Needs allocations.

In previous discussions concerning the possible need for new legislation in this area, Board members expressed a concern about the need for adequate County advocacy resources at the State legislature, given the potentially controversial nature of the legislation. As you know, the County currently contracts with Peterson Consulting, at an annual cost of approximately \$43,000, for lobbying services for all County issues. In addition, the County relies on the California State Association of Counties (CSAC) to support county interests generally. If the County seeks Napa specific legislation, CSAC support may not be available. Given this, your Board may want to provide direction as to what level and type of additional resources you would like to see devoted to the County advocacy efforts for regional housing allocation legislation.

**SUPPORTING DOCUMENTS**

- A . Excerpt from 2006 Legislative Priorities
- B . Draft Proposed Housing Legislation Language

CEO Recommendation: Approve

Reviewed By: Maiko Klieman