



Agenda Date: 10/9/2007
Agenda Placement: 9A

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Hillary Gitelman - Director
Conservation, Development & Planning
REPORT BY: Hillary Gitelman, Director, 253-4805
SUBJECT: Soscol Redevelopment Plan Agreement

RECOMMENDATION

Director of Conservation, Development and Planning requests approval of and authorization for the Chair to sign an Agreement with the City of Napa whereby the County will support establishment of the Soscol Gateway Redevelopment Project in exchange for elimination of the revenue sharing clause within the 2003 Memorandum of Understanding (Napa County Agreement No. 6148) and for additional housing sites accommodating 164 units in future Regional Housing Needs Allocation (RHNA) cycles.

EXECUTIVE SUMMARY

Under the agreement proposed for adoption by the Board of Supervisors, the County would support the City's establishment of the Soscol Gateway Redevelopment Area and thus the use of future property tax revenue that would otherwise fund County services for plan implementation as long as the City agrees to set aside the revenue sharing provision of the 2003 Housing Memorandum of Agreement (MOU) between the City and the County, and provides the County with sites and credits for 164 additional housing units in future Regional Housing Needs Allocation (RHNA) cycles. The County would also agree to extend provisions of the 2003 MOU related to sale of surplus property and limitations on tourist-serving and regional retail uses in the Airport Industrial Area.

The same agreement was adopted by the Napa City Council on October 2, 2007.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Not Applicable
Is it Mandatory or Discretionary?	Discretionary

- Discretionary Justification: The City's redevelopment plan will finance needed infrastructure improvements by collecting and bonding against future tax increment, meaning the percentage of the future property tax revenues generated in the area that are above and beyond taxes collected in the current "base" year. As a result, the County will not receive the percentage it would normally receive if no redevelopment plan existed. Fiscal impacts, if any, would be experienced in future years for the life of the redevelopment plan, not in the current fiscal year.
- The City has argued that future development in the proposed redevelopment area will not occur -- and thus future tax revenues will not be realized -- unless needed infrastructure is funded through adoption of the redevelopment plan.
- Is the general fund affected? Yes
- Future fiscal impact: If the City is correct that development would not occur in the area unless infrastructure improvements funded by the redevelopment plan occur, future tax revenues to the County will exceed what would have occurred if there were no redevelopment plan.
- Consequences if not approved: If the proposed agreement is not approved, the County will not be relieved of its ongoing revenue sharing obligation under the 2003 MOU, and will not receive the future housing credits contained in the agreement. Also, the County could object to the City's redevelopment proposal.
- Additional Information:

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

In 2003, Napa County and the City of Napa entered into an agreement whereby the City agreed to meet some of the County's housing obligations in exchange for certain considerations, including revenue sharing associated with units constructed within the City, and "creation of a joint City-County financing district to allow for land cleanup, assembly and infrastructure upgrades in an effort to encourage and allow infill housing and commercial projects along the Soscol corridor located in the City."

Since adoption of the 2003 agreement, the City has developed plans for a redevelopment project in the Soscol Corridor in lieu of another "joint financing district," and the County has expressed concerns about the appropriateness of redevelopment as a tool, as well as potential fiscal impacts to the County. The proposed agreement would address the County's concerns by exempting the County from the revenue sharing provision of the 2003 agreement and providing for additional housing credits to the County. In exchange, the County would support the City's efforts to provide for infrastructure upgrades, economic development, and infill housing in areas subject to flooding by establishing the Soscol Gateway Redevelopment Project.

SUPPORTING DOCUMENTS

A . Agreement

CEO Recommendation: Approve

Reviewed By: Helene Franchi