A Tradition of Stewardship
A Commitment to Service

NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO:	Board of Supervisors
FROM:	David Morrison - Director Planning, Building and Environmental Services
REPORT BY:	David Morrison, Director, Planning, Building & Environmental Servi - (707) 253-4805
SUBJECT:	Letter to ABAG Regarding RHNA Methodology

RECOMMENDATION

Director of Planning, Building, and Environmental Services (PBES) requests approval of and authorization for the Chair to sign a joint letter with the Mayor of the City of Napa to the Association of Bay Area Governments (ABAG) regarding the methodology used to calculate the Regional Housing Needs Allocation (RHNA).

EXECUTIVE SUMMARY

On October 15, 2020, the Executive Board for the ABAG passed the proposed RHNA methodology, as recommended by the Housing Methodology Committee (HMC) and the Regional Planning Committee (RPC). The public comment period for the proposed RHNA methodology began on October 25, 2020, and will written comments will be received until noon on November 27, 2020. (Oral testimony will be accepted through the close of the public hearing at the RPC on November 12, 2020.) The ABAG Executive Board is scheduled to take action on the proposed RHNA methodology at its regularly scheduled meeting on January 21, 2020.

PROCEDURAL REQUIREMENTS

1. Staff report.
2. Public comments.
3. Motion, second, discussion, and vote to authorize the Chair to sign the joint letter.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?   No

County Strategic Plan pillar addressed: Livable Economy for All

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 1969, the State of California mandated that all cities, towns, and counties must plan for the housing needs of their residents, regardless of income. This mandate is referred to as the Regional Housing Needs Allocation (RHNA). In this process, the California Department of Housing and Community Development (HCD) determines the number of homes each region within California needs to build, based on an 8-year cycle. Regions then assign each city, town, and county with their share of the total amount of housing needed. Local jurisdictions then designate specific sites where the amount of designated housing can be accommodated as a part of their Housing Element update. The current Housing Cycle runs from 2015 to 2023. For unincorporated Napa County, the current RHNA allocation is 180 housing units.

Planning has already started for the 2023 - 2031 housing cycle. HCD has provided the regional housing allocation to ABAG, which is in the process of determining how to distribute the RHNA to its member jurisdictions. The RHNA allocation methodology proposed by ABAG has three primary components: (1) baseline allocation; (2) income allocation; and (3) factors and weights. The baseline used in the methodology looks at each jurisdiction's share of regional housing, based on the number of households projected in 2050, to be consistent with the Plan Bay Area 2050 Blueprint. Income allocation means that each of the four categories of affordable housing (Very Low Income, Low Income, Moderate Income, and Above Moderate Income) would be analyzed and allocated separately. A variety of weighted factors were considered by the HMC, including: divergence index, jobs-housing balance, future jobs, natural hazards, transit connectivity, and urbanized area.

After considering a variety of factors and weighting alternatives, on September 18, 2020, the HMC recommended Option 8A: High Opportunity Areas Emphasis and Job Proximity. Option 8A was subsequently recommended by the RPC on October 1, 20202, and passed by the ABAG Executive Committee for public comment on October 15, 2020. Option 8A used the following factors and weights in its methodology:

Very Low and Low Income Housing:

- 70% of the weighted allocation was based on Access to High Opportunity Areas;
- 15% to Job Proximity based on automobile commuting; and
- 15% to Job Proximity based on transit commuting.

Moderate and Above Moderate Income Housing:

- 40% was based on Access to High Opportunity Areas; and
- 60% based on Job Proximity based on automobile commuting.

This recommendation resulted in a total of 880 units in the RHNA allocation for unincorporated Napa County for the 2023 - 2030 Housing Cycle, distributed as follows:

- Very Low: 280 units
- Low: 160 units
- Moderate: 120 units
- Above Moderate: 320 units

It should be noted that the total RHNA allocation for the current 2015 - 2023 Housing Cycle for unincorporated Napa County is 180 units. The draft RHNA methodology being considered by ABAG would result in a 489% increase for the next housing cycle, over the current housing cycle. For comparison, other jurisdictions within Napa County received the following draft RHNA allocations (percentage increases):

- American Canyon - 520 units (133% increase)
- Calistoga - 230 units (852% increase)
- Napa - 2,210 units (265% increase)
- St. Helena - 190 units (613% increase)
- Yountville - 90 units (529% increase)

Staff has two primary concerns regarding the RHNA allocation methodology as currently proposed.

- The designation of High Opportunity Areas (HOAs) by HCD relies upon a complex formula involving a range of factors including: poverty, adult education, employment, job proximity, median home value, pollution exposure, school proficiency in math and reading, high school graduation rates, student poverty, poverty segregation, and racial segregation. These factors are primarily socio-economic in their emphasis, but are being used as a primary component of land use decision making. As a result, communities will be directed to provide significantly levels of increased housing without regard to the sewer, water, and energy capacity to support new development; the impacts on local and regional transportation; natural hazards such as wildfire, flooding, sea level rise, or earthquake severity; impacts to agricultural and open space protection, or the effects on air quality and greenhouse gas emissions. Housing is being planned to meet broad social-based goals, regardless of the environmental, economic, or infrastructural impacts to the communities where new development is required to be located.
- The methodology behind developing composite scores for designating HOAs is based on varying databases that use differing geographic data regardless of jurisdictional lines or established communities (census tracts, school districts, watersheds). The data used can require significant assumptions, such as averaging commuting distances for rural areas on a statewide basis, excluding students in college towns from poverty indices, assuming similar levels of pollution from adjoining areas where there are no data points, defining poverty as 200 percent of the federal poverty income level, and assuming that any census tract that has a racial or ethnic concentration of residents more than 25% of the County average is racially segregated. The tenuous relationship between these factors when considered in the aggregate and the assumption of correlation between factors does not support the weight of using this measure for determining 70% of Low and Very Low Income housing allocation.

The public comment period for the proposed RHNA methodology began on October 25, 2020, and will written comments will be received until noon on November 27, 2020. (Oral testimony will be accepted through the close of the public hearing at the RPC on November 12, 2020.) The ABAG Executive Board is scheduled to take action on the proposed RHNA methodology at its regularly scheduled meeting on January 21, 2020.

SUPPORTING DOCUMENTS

A . Attachment A - Draft Joint Letter to ABAG

CEO Recommendation: Approve

Reviewed By: Helene Franchi