



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/10/2015
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Set Time: 9:40 AM
Estimated Report Time: 15 minutes

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: City and County Agreements Regarding Napa Pipe

RECOMMENDATION

Director of Housing and Intergovernmental Affairs requests approval of and authorization for the Chair to sign the following agreements with the City of Napa related to the Napa Pipe Project:

1. A Sphere of Influence Agreement that establishes the development standards, and planning and zoning requirements for the property, as a part of the City's Sphere of Influence (SOI) expansion application to LAFCO.
2. A Third Party Agreement that allows the County, if so desired, to contract with a third party consultant mutually agreeable to both the City and County for processing of ministerial approvals, such as plan reviews and inspections.
3. A Tax and Revenue Sharing Agreement governing the tax and revenue sharing for the property.
4. A Regional Housing Needs Assessment (RHNA) Agreement stating that the County will identify the Napa Pipe property in its 2014-2022 Housing Element and shall issue residential building permits during the 2014-2022 Housing Element cycle, and receive RHNA credit for units permitted on the property while residential portions of the property remain in the County's jurisdiction
5. A Municipal Services Agreement that establishes a process for providing municipal services to the site.

ENVIRONMENTAL DETERMINATION: A Final Environmental Impact Report ("EIR") was prepared for the Napa Pipe Project and certified by the Board of Supervisors on January 14, 2013. An Initial Study/Addendum ("Addendum") to the County's EIR was prepared by the City of Napa and adopted by the City of Napa City Council on July 22, 2014, concluding that the County's EIR for the Napa Pipe Project adequately identified and analyzed the potential environmental effects of the City providing municipal services to and potential annexation of the Napa Pipe Project site. Prior to taking action to recommend Board of Supervisors adoption of ordinances and resolutions regarding the actions requested below, the Planning Commission has made recommended CEQA findings to document the reasons why the County has determined that the EIR and Addendum provide coverage for the proposed actions

and that additional environmental review, in the form of a subsequent or supplemental EIR, is unnecessary prior to Board approval of the Development Agreement and Development Plan.

(CONTINUED FROM JANUARY 27, 2015; STAFF REQUESTS CONTINUANCE TO MARCH 3, 2015 AT 9:25 A.M.)

EXECUTIVE SUMMARY

On October 8, 2013 the City of Napa and County of Napa approved a Memorandum of Understanding (MOU) regarding the Napa Pipe Project. The MOU contemplated the following five agreements between the City and County:

1. An agreement regarding development standards, and planning and zoning requirements for the property, as part of the City's SOI expansion application to LAFCO.
2. An agreement in which the County will contract with a third party consultant for processing ministerial approvals such as plan reviews and inspections.
3. An agreement establishing a process for joint or shared provision of municipal/county services to the property.
4. An agreement for revenue and tax sharing.
5. An agreement establishing that the City will assume the 80% of the County's RHNA obligations through the life of Measure P.

Staff previously reported that this item would be heard by the Board of Supervisors at this meeting. The City of Napa has requested that this item be continued to allow time to provide comments and further discuss the language in the proposed agreements.

PROCEDURAL REQUIREMENTS

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

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	New Revenue
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	Undetermined
Consequences if not approved:	The County would be in violation of the Memorandum of Understanding (MOU) entered into between the City and County in 2013

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Final Environmental Impact Report ("EIR") was prepared for the Napa Pipe Project and certified by the Board of Supervisors on January 14, 2013. An Initial Study/Addendum ("Addendum") to the County's EIR was prepared by the City of Napa and adopted by the City of Napa City Council on July 22, 2014, concluding that the County's EIR for the Napa Pipe Project adequately identified and analyzed the potential environmental effects of the City providing municipal services to and potential annexation of the Napa Pipe Project site. Prior to taking action to recommend Board of Supervisors adoption of ordinances and resolutions regarding the actions requested below, the Planning Commission has made recommended CEQA findings to document the reasons why the County has determined that the EIR and Addendum provide coverage for the proposed actions and that additional environmental review, in the form of a subsequent or supplemental EIR, is unnecessary prior to Board approval of the Development Agreement and Development Plan.

BACKGROUND AND DISCUSSION

On October 8, 2013 the City and County of Napa entered into a MOU relating to development of the Napa Pipe property. The MOU was intended to memorialize the guiding principles and processes for review by the County and City of a series of development applications submitted by Napa Redevelopment Partners (NRP) for the property generally referred to as the Napa Pipe property. It was anticipated at the time of the MOU that a series of agreements between the City and County would be executed concurrent with approvals of the Development Agreement with the Developer. These agreements are as follows:

1. **Sphere of Influence Agreement** - An agreement that establishes the development standards, and planning and zoning requirements for the property, as a part of the City's SOI expansion application to LAFCO. In addition to governing the logical and orderly development consistent with Government Code Section 56425, the agreement is intended to address topics such as:
 - i Future amendments to the development approvals; and
 - i A process for ministerial approvals for final maps, improvement plans, building permits and design guidelines consistency.
2. **Third Party Agreement** - An agreement in which the County can contract (if so desired) with a third party consultant mutually agreeable to both the City and County for processing of ministerial approvals, such as plan reviews and inspections. It was anticipated that this contract could be assumable by the City following annexation.
3. **Tax and Revenue Sharing Agreement**: An agreement governing tax and revenue sharing for the property. The following topics are included in this agreement:
 - i Establishes that the existing tax sharing agreement (as documented by City Resolution No. 80-91 and County Resolution No. 80-31) shall apply to the sharing of property tax revenue from the property after it is annexed.
 - i Sales tax and Transient Occupancy Tax will be split evenly (50%-50%) while the property is in the unincorporated County. After the property is annexed to the City, sales tax and transient occupancy tax will transfer to the City (100%).
4. **RHNA Agreement**: The agreement contains the following:
 - i The County will identify the Napa Pipe property in its 2014-2022 Housing Element and shall issue residential building permits during the 2014-2022 Housing Element cycle, receive RHNA credit for units permitted on the property while residential portions of the property remain in the County's jurisdiction.
 - i Starting with the 2022-2030 planning period, the City and County will work in good faith to obtain the approvals through Government Code Section 65584.03 and 65584.07) for the City to accept 80% of the County's RHNA for each planning period for the life of the County's Measure P.

- i The County will prioritize payments for projects in Napa from the County Housing Trust Fund to facilitate development of affordable housing in the City after the affordable housing on the Napa Pipe project site has been funded.
5. Municipal Services Agreement - This agreement establishes a process for providing municipal services to the site. Under this agreement, the City, with the exception of water service, which will be under an agreement directly between NRP and the City, the City shall provide City services to the property in the same manner as City provides similar services to similar properties in the incorporated city.

Staff previously reported that this item would be heard by the Board of Supervisors at this meeting. The City of Napa has requested that this item be continued to allow time to provide comments and further discuss the language in the proposed agreements.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan