



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 3/20/2018

Agenda Placement: 10B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: John McDowell for David Morrison - Director
Planning, Building and Environmental Services

REPORT BY: John McDowell, Principal Planner - 299-1354

SUBJECT: Annual Report to OPR/HCD Regarding the Napa County General Plan

RECOMMENDATION

Director of Planning, Building and Environmental Services to provide an annual report regarding the status of the Napa County General Plan and progress in its implementation as required by Government Code Section 65400.

EXECUTIVE SUMMARY

Section 65400 of the Government Code requires planning agencies to provide an annual report to their legislative body (i.e. the Board of Supervisors), the State Department of Housing and Community Development (HCD), and the Governor's Office of Planning and Research (OPR). The report is required to address the status of the plan and progress in its implementation. HCD provides forms that must be used for the housing element portion of the report and Section 65400(a)(2)(B) requires the report to be considered at a public meeting where members of the public are allowed to provide oral testimony and written comments.

PROCEDURAL REQUIREMENTS

1. No action required

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: No action is requested and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The Napa County General Plan was comprehensively updated in June 2008 and the County's Housing Element was last updated in December 2014 in accordance with Government Code Sections 65580 et seq. All chapters or "elements" of the General Plan include goals, policies, and implementation tasks ("action items" and "programs") that collectively guide land use decision making for unincorporated Napa County.

Section 65400 of the Government Code requires planning agencies to prepare an annual report regarding the status of their general plan and its implementation, and to provide copies of the report to their legislative body (i.e. the Board of Supervisors), the State Department of Housing and Community Development (HCD), and the Governor's Office of Planning and Research (OPR). HCD provides a form that must be used for the Housing Element portion of the report which contains a Regional Housing Needs Allocation (RHNA) progress report section, and a section on implementation of Housing Element programs. Also required but contained in a separate table is a progress report on all other action items in the General Plan. The report includes a cover letter highlighting significant County actions taken to support and/or develop affordable housing.

Regional Housing Needs Allocation Progress Report

In 2014, HCD certified the County's Housing Element commencing implementation of the 5th Cycle of the RHNA program, with the reporting period running from 2014 and 2022. During this period the County has been assigned a RHNA of 180 total housing units divided among four income categories as follows: 51 very low income units; 30 low income units; 32 moderate income units; and 67 above moderate income units.

This year's housing building activity report has been significantly revised to correct a reporting error, and to change the methodology for reporting building permit activity. The County often partners with the cities on developing deed-restricted affordable housing projects within the cities (and town). In previous RHNA cycles, the County was entitled to claim the County-funded portion of units constructed in a city and within the housing cycle in which the units were funded. This form of reporting changed in 2014, but in 2014 and 2016 Staff erroneously carried forward the prior RHNA sharing practice and included County-funded affordable units developed within the City of Napa. Under the terms of current RHNA sharing agreements, the County cannot claim these units within this cycle. Instead, the County receives credit for these units through adjustments in its RHNA in the 6th Cycle (commencing in 2023) with the units being assigned to the city/town receiving County funding support. This error was discovered by Staff during preparation of this year's annual report, and Staff received direction from HCD to revise and resubmit the 2014 and 2016 totals.

In prior RHNA cycles the County was assigned large housing allocations despite the inherent conflict with local (and State) land use policies aimed at protecting agricultural land. With the 5th Cycle, the State implemented a major policy shift redirecting the majority of housing allocations throughout the State toward urban areas, thus recognizing the importance of avoiding unwarranted conversion of agricultural lands. As a result, and in concert with updated RHNA sharing agreements between the governments of Napa County, the County's share of the RHNA for 5th Cycle is greatly reduced from what it had been in prior years. To support this new policy direction, it remains important for the County to continue to partner with the cities to implement urban-centered housing projects directing new housing away from the agricultural preserve and transferring 6th Cycle RHNA to partner cities.

General housing building permit activity for 2014 through 2017 has also been revised based on HCD guidance. In

previous RHNA cycles the County reported housing building activity based on completed housing units, which are reflected on a building permit as a 'final occupancy' or 'certificate of occupancy'. HCD however bases housing credit on issued permits, which constitutes the point in the development review process where the County's obligation to enable a project has been satisfied. New annual housing unit totals for 2014 through 2017 are included in this annually report based on 'issued permits' as opposed to 'final occupancy'. This reporting change has resulted in an overall modest increase in unit counts for the moderate income and above moderate income categories. The County has satisfied the 5th Cycle moderate income housing allocation and is on track to likely reach the above-moderate income housing allocation next year.

The County's main effort on complying with RHNA obligations continues to be directed at developing low and very income units on designated sites in the current Housing Element. The County's development criteria for these sites allow by-right (or ministerial) permit processing for qualifying affordable housing projects. This by-right allowance is fully compliant with recent State housing law changes enacted under Senate Bills 35 and 166 which are geared toward addressing the State's housing crisis and mandate by-right housing in specified circumstances. With the County's RHNA obligation standing at 30 low income and 51 very low income units, it is possible that 5th Cycle obligations can be met with the development of just one or two of the 13 housing sites identified in the Housing Element. In addition, qualifying low and very low income farmworker housing development is possible on agriculturally-zoned land throughout the County. The County will continue to actively engage owners of agriculturally zoned property who have expressed interest in partnering on a project. The recent adoption of the County Accessory Dwelling Unit (ADU) ordinance may also help to meet the affordable housing allocation where units can be shown to meet income requirements.

General Plan Implementation

The attached General Plan Implementation Table reports on status on the 76 action items that are separate from Housing Element programs. The majority of these action items are either completed, ongoing or in progress. Only 7 action items have yet to commence consisting of:

- 1) AG/LU 15.5.1 – Reevaluate buffers of non-agricultural uses from agriculture;
- 2) AG/LU 43.1 – Consider additional commercial recreation uses at Lake Berryessa;
- 3) AG/LU 48.1 – Reevaluate home occupation permits for greater flexibility;
- 4) AG/LU 54.5.1 – Develop definition of 'formula business';
- 5) AG/LU 125.1 – Consider reducing zoning locations for new religious institutions;
- 6) CC 19.1 – Undertake comprehensive inventory of historic resources;
- 7) CON-NR-1 – Amend Conservation Regulations to incentivize environmental sustainability;

Current General Plan related work program is focused on the following implementation items:

- 1) Climate Action Plan
- 2) Circulation Element / Complete Streets Update
- 3) APAC (Agricultural Protection Action Committee) action items
- 4) Zoning ordinance update and clarification items
- 5) Groundwater Sustainability Management Act compliance
- 6) Napa Operational Area Hazard Mitigation Plan 5 year update and Safety Element
- 7) Environmental Justice policies

Public Input

Government Code Section 65400(a)(2)(B) requires the report to be considered at a public meeting where members of the public are allowed to provide oral testimony and written comments. While no action by the Board of Supervisors is requested, the Board should accept oral and written comments from the public, and Staff would be

happy to answer questions.

SUPPORTING DOCUMENTS

- A . Attachment A: Draft Cover Letter to State Agencies
- B . Attachment B: HCD Annual Progress Report Form
- C . Attachment C: Housing Programs Implementation Table
- D . Attachment D: General Plan Action Item Implementation Table

CEO Recommendation: Approve

Reviewed By: Helene Franchi