



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/19/2020

Agenda Placement: 9H

Set Time: 1:30 PM

Estimated Report Time: 180 Minutes

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: Recess to Joint Meeting of the Board of Supervisors and Planning Commission with discussion and possible direction to staff regarding the following topics:

RECOMMENDATION

Recess to Joint Meeting of the Board of Supervisors and Planning Commission, with discussion and possible direction to staff regarding the following topics:

1. Planning Division priorities
2. Housing Element update and policy

EXECUTIVE SUMMARY

The Planning Commission meets with the Board of Supervisors to discuss items of a planning nature. This is the first such meeting since 2015 and is intended to provide the Board and the Commission with an opportunity to exchange views and discuss important land use issues related to planning priorities and housing.

PROCEDURAL REQUIREMENTS

1. Planning Commission roll call & Planning Commission Chair calls Planning Commission Special Meeting to order.
2. Chair of the Board of Supervisors makes opening comments.
3. Chair of the Planning Commission makes opening comments
4. Topics:
 - a. Historic Overview
 - i. Staff Presentation
 - ii. Commissioner Comments
 - iii. Supervisor Comments

- iv. Discussion
- b. Planning Priorities
 - i. Staff Presentation
 - ii. Commissioner Comments
 - iii. Supervisor Comments
 - iv. Discussion
- c. Housing Policy
 - i. Staff Presentation
 - ii. Commissioner Comments
 - iii. Supervisor Comments
 - iv. Discussion
- 5. Other Supervisor/Commissioner Comments or Concerns.
- 6. Public Comment.
- 7. Board Discussion and Direction to Staff.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?

No

County Strategic Plan pillar addressed:

Livable Economy for All: Collaboratively design systems and structures that promote a diverse and stable economy, with livable wages.

Action Item 9C. Work with stakeholders to update and develop sustainable regulations for issues including but not limited to residential development, view shed development, solar facilities, winery compatibility, outdoor winery hospitality, food pairings, and pesticide use.

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

HISTORICAL OVERVIEW

Please see Attachment A.

PLANNING WORKLOAD PRIORITIES

Direction to the Planning Division within the PBES Department takes many forms, including the Strategic Plan, General Plan action Items, the APAC recommendations as revised by the Board of Supervisors, the Process Improvement Study, future Board agenda items, Commission requests, the budget, and annual goals set by the Director as a part of their annual evaluation.

Listed below are the primary current pending projects for the Planning Division. Note that this does not include goals that are set separately for each of the other divisions within PBES. Items are not listed in any order of preference. Also note that these items are in addition to the processing of permit applications, appeals, litigation, and other ongoing responsibilities.

- | Climate Action Committee
- | Climate Action Plan
- | Color Palette Guidelines
- | Commercial Cannabis Outreach
- | Film Ordinance
- | Groundwater Sustainability Plan
- | Housing Element update
- | Joint Watershed Study with the City of Napa
- | LAFCO Municipal Service Review Study evaluation and comment
- | LAFCO Sphere of Influence policy development Napa Sub-region Housing Allocation Committee
- | Noticing Ordinance to require on-site posting
- | Process Improvement Plan implementation
- | Residential Development Ordinance
- | Safety Element update
- | Sign Ordinance
- | Temporary Event Ordinance
- | Traffic Impact Fee
- | Winery Annual Production Reporting Ordinance

The most recent status update of General Plan action items and APAC recommendations are provided in Attachments B and C.

Staff believes that the most important planning priorities for the 2020 calendar year are the ones that are legally mandated, as well as have the greatest impact both long-term and regionally. These include: (1) the Regional Housing Needs Allocation and the start of preparation of a Housing Element update; (2) preparation of an update to the Safety Element to incorporate the recently adopted Hazard Management Plan; and (3) preparation of the Groundwater Sustainability Plan. Although they are placed in a second tier of priorities, there are several topics that are timely and of general public interest. These include: (1) commercial cannabis outreach; (2) residential development and a color palette; (3) support for the Climate Action Committee; and (4) a winery annual production reporting requirement.

HOUSING ELEMENT UPDATE

2014 Napa County Housing Element

The 2014 Housing Element was adopted by the Board of Supervisors in December 2014 and was subsequently certified by the California Housing and Community Development Department (HCD). The Element was required to meet a RHNA of 180 total residential units from 2015 to 2023. The RHNA Included the following: 51 very-low income units; 30 low-income units; 32 moderate income units; and 67 above-moderate income units. Compliance was achieved by designating 13 sites for future housing, generally located in Angwin, Moskowite Corner, Spanish Flat, and Napa Pipe.

The California Department of Finance (DOF) estimates that as of January 1, 2020, unincorporated Napa County had 11,768 homes. Note that is nearly as many as the Cities of American Canyon, Calistoga, and St. Helena, and the Town of Yountville combined (12,823 homes). It is also less than the number of homes that unincorporated Napa County had when the current Housing Element cycle began in 2015, when there were 12,363 homes. It

should be noted that during this same time, the 2017 Napa Fire Complex and the 2018 Steele Canyon Fire resulted in the destruction of 663 homes, of which only 66 have completed reconstruction.

Each city and county is required to report annually to the California Department of Housing and Community Development (HCD) regarding its progress in meeting its RHNA allocation. From 2015 through 2019, Napa County has reported the development of 131 housing units, as follows: 4 very-low income units; 3 low-income units; 46 moderate income units; and 78 above-moderate income units.

Regional Housing Needs Allocation (RHNA)

The RHNA allocation for the Bay Area region (including unincorporated Napa County) has not yet been provided by the HCD. Based on recent allocations to other regions within the state, the 2023-2031 allocation could range anywhere from a 6% increase (San Diego Association of Governments), to a 46% increase (Sacramento Area Council of Governments), to a 207% increase (Southern California Association of Governments). HCD is expected to assign the RHNA allocation to the Association of Bay Area Governments (ABAG) this summer, with ABAG assigning the RHNA allocation to the Napa Sub-region this autumn. Using these examples to estimate, Napa County's RHNA allocation for the next Housing Element could range from 191 to 373 units. It should be noted that the Development Agreement with the City of Napa for the Napa Pipe Specific Plan requires that 80% of the County's RHNA allocation be transferred to the City of Napa's RHNA allocation for the 2022-2030 cycle. This would reduce the County's RHNA share to between 38 and 75 units, using the above estimated range.

Legislative Changes

In the past three years, extensive changes have been made to Housing Element law. There are two primary outcomes to the new legislation. It will be more challenging to identify sites that qualify for housing under the new criteria and it is required that sites for affordable housing be provided in high opportunity areas. Regarding the first change, the new requirements include that eligible sites relied upon in future Housing Elements must:

- | Have available water, sewer, and dry utilities, or must be in a program to have utilities extended to the site;
- | Not have been included in the prior two Housing Elements if not yet been developed, unless the zoning density is increased and by-right housing for low income is allowed;
- | Not be less than 0.5 acres, unless the jurisdiction can demonstrate the site is developable;
- | Not be larger than 10 acres, unless the jurisdiction can demonstrate the site is developable; and
- | Demonstrate that existing developed sites have additional residential capacity.

For the second outcome, Housing Elements must now:

- | Have a program that affirmatively furthers fair housing and that promotes housing opportunities throughout the community for protected classes; and
- | Identify specific sites throughout the community that further fair housing.

ABAG Methodology

The Housing Methodology Committee (HMC) for ABAG is made up of elected officials, staff, stakeholders, and agencies from throughout the Bay Area region. The purpose of the HMC is to develop the methodology that will be used to determine RHNA allocations for each jurisdiction and sub-region within ABAG, consistent with Plan Bay Area 2050 and state legislation. The HMC has been meeting since October of 2019. They are currently focused on a methodology that incorporates the following potential factors: Access to High Opportunity Areas (schools, parks, amenities, etc.); Divergence Index (variance from regional average in racial distribution); Job Proximity (by both auto and transit); Vehicle Miles Traveled (commuting); Jobs-Housing Balance; Jobs-Housing Fit (price of housing

relative to local wages); Future Jobs; Transit Connectivity; and Natural Hazards. The HMC is currently considering four scenarios based on various weighting of these different potential factors, and will be making its recommendation to ABAG in the autumn of 2020.

Preliminary Housing Site Analysis

In July 2019, ABAG performed an analysis of the sites referenced in the adopted Housing Elements for jurisdictions within the nine-county region. The analysis applied the standards included in current Housing Element requirements to determine how many of the existing housing sites could be carried over into the next housing cycle (2023-2031). The evaluation was not definitive, but was intended to give jurisdictions a general sense of changes that may be needed. Based on ABAG's preliminary analysis, only one site from the current Housing Element may be used in the updated Housing Element: Angwin - Site B located on the campus of Pacific Union College, which was estimated to provide the potential for 77 residential units.

County staff hired the firm of Environmental Science Associates (ESA) to evaluate sites in Napa County for possible suitability in the next Housing Element update. They concurred with ABAG that the Moskowitz Corner and Spanish Flat sites no longer would meet the current criteria to qualify for inclusion in the Housing Element. Napa Pipe has since been annexed to the City of Napa and is no longer available to count towards the County's RHNA share. Sites largely surrounded by the City of Napa (i.e., Pueblo Park, Imola, Old Sonoma Road) are also disqualified from consideration. ESA agrees that Site B in Angwin remains viable, but there are limited other potential housing sites in the unincorporated area, all of which require rezoning for more density, are already currently developed, or are zoned agricultural.

Napa Sub-region Housing Allocation Committee

Under State law, local jurisdictions have the ability to join together to form a sub-region for the purposes of RHNA allocation. Instead of RHNA being allocated to each individual jurisdiction, a RHNA allocation is made to the sub-region by ABAG, and the sub-region members may allocate the RHNA amongst themselves. Sub-regions must meet the same statutory requirements as the regional allocation, including determining methodology, holding public hearings, and appeals. The sub-regional allocation must also be consistent with the Bay Area's Sustainable Communities Strategy.

For the 2023-2031 Housing Element Cycle, there are three sub-regions within the Bay Area: San Mateo, Solano, and Napa. The Napa Sub-region includes the Cities of American Canyon and Napa, and the Town of Yountville. ABAG will assign the Napa Sub-region its draft allocation in the autumn of 2020. The final RHNA allocation to the sub-region will occur in December 2020. All final RHNA allocations will be determined by ABAG in December 2021. The County Housing Element Update must be certified by HCD by January 2023.

SUPPORTING DOCUMENTS

- A . Attachment A - Historic Timeline
- B . Attachment B - General Plan Implementation
- C . Attachment C - APAC Implementation

CEO Recommendation: Approve

Reviewed By: Helene Franchi