



Agenda Date: 8/28/2007  
Agenda Placement: 9B

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Hillary Gitelman - Director  
Conservation, Development & Planning  
**REPORT BY:** Hillary Gitelman, Director, 253-4805  
**SUBJECT:** Workforce Housing Study

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### **RECOMMENDATION**

Director of Conservation, Development and Planning requests approval of and authorization for the Chair to sign an agreement with Keyser Marston Associates, Inc. (KMA) for a maximum of \$90,000 for the term of August 28, 2007 through June 30, 2008 for the preparation of a study to determine the feasibility of developing a Workforce Housing Program.

### **EXECUTIVE SUMMARY**

At a meeting on June 12, 2007 Supervisor Luce -- with the support of the other members of the Board of Supervisors -- requested that staff undertake a study of workforce housing issues to determine the feasibility of requiring home buyers or renters of certain units within new multi-family development to be employed within Napa County or geographic proximity. The proposed study would evaluate the need for and feasibility of developing such a program, which is intended to assist the local workforce in finding housing, reduce commute traffic, reduce associated air pollution and green house gas emissions, and ensure that workers can reach their workplace in the event of an emergency (e.g. flood, earthquake).

Since there are a number of legal, financial and logistical issues involved in such an undertaking, County staff is proposing that Keyser Marston Associates (KMA), a San Francisco-based economics and real estate consulting firm that has a great deal of experience with this type of study - both for the County and elsewhere - conduct a study to address those issues. The results of this study would be utilized to help County staff draft an ordinance to create a workforce housing program that could be applied to future residential development projects.

This is an opportune time for such an undertaking due to two pending project proposals and the ongoing update of the County's General Plan. Additionally, the County will be updating its Housing Element once again beginning in 2008 -- a document that would most likely include some input resulting from this study.

KMA has been chosen based, in large part, on their experience working for Napa County on similar and related issues and the background information they already possess that will expedite the completion of this study and,

thereby, its cost.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Conservation, Development & Planning. This study will help to implement policies and action items proposed in the ongoing general plan update and will also be relevant to the next housing element update. Funds already budgeted in FY07/08 for the general plan update will be utilized (Account 29200).
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The study is needed to support preparation of a workforce housing ordinance whereby the County would ensure that a percentage of residential units constructed as part of multi-family development proposals are reserved for people working in Napa County or in geographic proximity.
Is the general fund affected?	Yes
Future fiscal impact:	None
Consequences if not approved:	County staff would be unable to prepare a draft workforce housing ordinance for the Board's consideration.
Additional Information:	A scope and cost has been negotiated with KMA without competitive bidding due to KMA's past experience working for Napa County on similar and related issues and the background information they already possess that will expedite the completion of this study and, thereby, its cost.

### **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 many Bay Area communities, housing prices are not compatible with wage levels, thereby requiring local residents to travel great distances from their residence to their place of employment. Napa County, in particular, has long held the dubious distinction of one of the larger gaps between wage levels and local housing prices and has recently taken several steps to help increase the supply of affordable housing locally.

Current County regulations include the designation of 14 parcels throughout the unincorporated area as "Affordable Housing Combination Districts" which allow higher density residential development on those parcels, but only under certain conditions of affordability. These conditions, however, pertain exclusively to household income level and not on place of employment. Results of the proposed study will be used to help craft an ordinance aimed at assisting the local workforce in the search for housing that is proximate to their workplace,

regardless of their income level.

The County's Housing Allocation Program, originally known as "Measure A", limits the number of residential building permits that can be issued in a certain year and includes a 15% set-aside for affordable housing permits, targeted to households that earn up to 120% of local median income. (Once again, there is no accounting for place of employment in the process of allocating these permits, only income level.) Results of the proposed study would allow the Board to consider possible changes to the Housing Allocation Program to provide for housing the local workforce.

In the course of the study, KMA will be evaluating the need for such a program based on housing market conditions, commute patterns, and a possible mismatch between the types of housing being produced here and the needs of those working locally. KMA will also assess the effectiveness of such a program at meeting the Board's stated objectives, potential impacts of the program, and other issues.

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi