



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 9/23/2014

Agenda Placement: 70

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Nancy Johnson for Lawrance Florin - Director
Housing and Intergovernmental Affairs

REPORT BY: Nancy Johnson, Housing and Community Development Program Manager - 707-299-1352

SUBJECT: Extension of a contract with Keyser Marston Associates for a Nexus Study on Commercial Impact Fees

RECOMMENDATION

Director of Housing and Intergovernmental Affairs requests approval of and authorization for the Chairman to sign Amendment No.1 to Agreement No. 8035 with Keyser Marston Associates extending the term through June 30, 2015 to prepare a Nexus Study on Commercial Impact Fees with no increase to the contract maximum.

EXECUTIVE SUMMARY

The County executed an Agreement with Keyser Marston Associates on October 22, 2013 to prepare a Nexus Study to update Commercial Impact Fees per policy H-2d of the Housing Element of the General Plan. The contract expired on June 30, 2014, but the work continues until the new fee structure is considered by the Board of Supervisors. This amendment extends the date of the contract with no increase in the contract amount.

FISCAL IMPACT

Is there a Fiscal Impact? No

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 1993, the Board of Supervisors adopted Ordinance No. 1026, which created the Affordable Housing Fund and established housing Impact Fees for residential and non-residential development projects. The fees are collected upon issuance of a building permit and the funds are used for the development of affordable housing. The non-residential fees were established pursuant to the findings of a "Jobs-Housing Nexus Study" conducted in 1992 per the requirements of AB 1600.

Over the past 21 years, the monies collected have been used to help with the construction or renovation of close to 1,000 affordable housing units throughout the Napa Valley. From time to time and as economic conditions change, Keyser Marston has been tasked with updating their studies, which in 2010, led to an increase in the fees assessed for residential development. The older studies were based on data from the 2000 census and did not evaluate the need for affordable housing based on the creation of new vineyards. The purpose of the nexus study is to document the relationship between the development of job generating property and the demand for affordable housing. The nexus study has quantified the housing needs at each level of affordability associated with each type of non-residential workplace building and vineyard land. Because different types of workplace buildings and vineyards generate different employment densities, the non-residential fees were established on a per square foot basis, varying from \$2.00 per square foot for offices, down to \$0.80 per square foot for warehouses.

The new nexus analysis has looked at development over the last ten years since the non-residential fees were last updated in an attempt to balance the goal of increasing affordable housing opportunities without discouraging economic development. The new nexus analysis and corresponding ordinance change will go before the Planning Commission in October and will be heard by the Board of Supervisors after the Planning Commission makes a recommendation.

The amendment to the contract extends the contract to include the current fiscal year, but does not change the cost of the contract.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan