



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 11/5/2014
Agenda Placement: 9A
Continued From: 10/15/2014

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: Charlene Gallina for David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: Nancy Johnson, Housing and Community Development Program Manager - 707-299-1352
SUBJECT: Housing Impact Fee Update

RECOMMENDATION

NONRESIDENTIAL DEVELOPMENT PROJECT HOUSING IMPACT FEE

CEQA Status: Consideration and possible acceptance that the project is intended to implement some of the programs in the 2009 Housing Element Update and falls within the scope of the 2009 Housing Element Updated adopted June 23, 2009. The program-level Environmental Impact Report (EIR) prepared for the 2009 Housing Element Update certified on June 23, 2009 adequately describes the activities for the purposes of the California Environmental Quality Act (CEQA). [See CEQA Guidelines 15168(c)]. Further, under the General Rule, it can be seen with certainty that there is no possibility the proposed action may have a significant effect on the environment and therefore CEQA is not applicable. (See CEQA Guidelines 15061(b)(3)). Additionally, 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.

Request: Recommendation to the Board of Supervisors to adopt a resolution updating the nonresidential (commercial) impact fees per 2009 Housing Element Program H-2d and the Nexus Study prepared by Keyser Marston Associates dated April 2014.

Staff Recommendation: Hold a public hearing and make a recommendation to the Board of Supervisors to adopt a resolution recommending an increase in commercial impact fees to the level recommended by the Keyser Marston Associates Nexus Study (April 2014) to become effective 60 days after passage of the resolution.

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CONTINUED FROM OCTOBER 15, 2014 PLANNING COMMISSION MEETING

EXECUTIVE SUMMARY**Proposed Action:**

That the Planning Commission:

1. Hold a public hearing and recommend to the Board of Supervisors to adopt a resolution recommending an increase in commercial impact fees to the level recommended by the Keyser Marston Associates Nexus Study (April 2014) to become effective 60 days after passage of the resolution.

Discussion:

A public hearing was held on October 15, 2014 and was continued to November 5, 2014 to allow for Keyser Marston Associates (KMA) to make a presentation on the the 2014 Nexus Study, as well as answer any questions of the Commission. The Planning Commission wanted the consultant present to review the tables in the report and to answer questions relating to imposition of higher fees.

A copy of the original staff report on this item has been attached for Commission review and discussion (Refer to Attachment A). As previously presented, the current Housing Element of the Napa County General Plan was adopted in 2009 and contains program H-2d that states that the County will update the Affordable Housing Ordinance to adjust the commercial housing impact fee not less frequently than every time the Housing Element is updated.

To determine whether these fees should be increased or modified, the County contracted with Keyser Marston Associates (KMA) to prepare a nexus study to review the jobs/housing balance in the county. The study analyzes the impact commercial development has on the housing market and more specifically on affordable housing. By using a model that incorporates job types, pay rates, household income limits, building types and occupational distribution of employees, the report presents affordability gaps, which illustrates the total cost of assistance required to make housing affordable.

Housing Fees for commercial development are set by resolution of the Board of Supervisors based on the following land use categories: office, retail, warehouse, industrial and hotel. Fees for affordable housing related to nonresidential development were last amended in 2004 with the previous Housing Element adoption. The current proposal does not contain any changes to the residential fees which were amended in 2010. The staff recommendation is adoption of a resolution amending the fees for commercial development as suggested by the 2014 nexus study by KMA.

However, should the Commission wish to recommend a different fee for commercial development other than staff's recommendation, staff will present the Commission's decision in the staff report and presentation to the Board of Supervisors.

FISCAL IMPACT

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| Is there a Fiscal Impact? | Yes |
| Is it currently budgeted? | Yes |
| Where is it budgeted? | Commercial Impact Fees are collected with each building permit issued for nonresidential construction and deposited in the Affordable Housing Fund. |
| Is it Mandatory or Discretionary? | Discretionary |

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|-------------------------------|---|
| Discretionary Justification: | The Board of Supervisors can choose to not increase fees as suggested in the Nexus Study and Commercial Impact Fees would stay at their current rate. |
| Is the general fund affected? | No |
| Future fiscal impact: | Each year the Housing and Intergovernmental Affairs Division budgets for use of Affordable Housing Funds and uses those monies for affordable housing projects. |
| Consequences if not approved: | Commercial Impact Fees would continue to be collected on building permits for nonresidential construction at the current rates. |
| Additional Information: | |

ENVIRONMENTAL IMPACT

The project is intended to implement some of the programs in the 2009 Housing Element Update and falls within the scope of the 2009 Housing Element Updated adopted June 23, 2009. The program-level Environmental Impact Report (EIR) prepared for the 2009 Housing Element Update certified on June 23, 2009 adequately describes the activities for the purposes of the California Environmental Quality Act (CEQA). [See CEQA Guidelines 15168(c)]. Further, under the General Rule, it can be seen with certainty that there is no possibility the proposed action may have a significant effect on the environment and therefore CEQA is not applicable. (See CEQA Guidelines 15061(b)(3)]. Additionally, 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

Refer to Attachment A for a detailed analysis on this item.

SUPPORTING DOCUMENTS

A . Planning Commission Staff Report of October 15, 2014

Napa County Planning Commission: Approve

Reviewed By: John McDowell