



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 3/5/2014

Agenda Placement: 9A

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: John McDowell for Pete Parkinson - Interim Director
Planning, Building and Environmental Services

REPORT BY: John McDowell, Deputy Planning Director - 299-1354

SUBJECT: 2014 Housing Element Update - Release of Preliminary Draft

RECOMMENDATION

RELEASE OF NAPA COUNTY DRAFT 2014 HOUSING ELEMENT UPDATE

REQUEST: Presentation and discussion on the initial Draft Housing Element Update for the Planning Period of January 31, 2015 to January 31, 2023. State law requires every city and county to update the Housing Element of its General Plan periodically. The most recent update of Napa County's Housing Element was adopted in 2009 and covered a period of time that will end this year. The interval between updates has been increased from five (5) years to eight (8) years, beginning with the current update. After the presentation, the Commission will receive public comment and provide comments on the Draft. Staff will make any necessary revisions as a result of comments and the direction given by the Planning Commission, and the Draft Housing Element will then be submitted to the State Department of Housing and Community Development (HCD) for its review. The statutory requirements for state review are contained in Government Code Section 65585. Following receipt of HCD comments, anticipated in the Spring or Summer of 2014, staff will make any necessary revisions to the Draft and return the matter to the Planning Commission for a noticed public hearing. The Planning Commission will forward a recommendation to the Board of Supervisors, who will conduct a noticed public hearing before acting on the proposal.

RECOMMENDATION: Receive presentation and public comments, and provide comments to staff.

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EXECUTIVE SUMMARY**Proposed Action:**

1. No formal action requested.

Discussion: State law requires every city and county to update the Housing Element of its General Plan periodically.

The most recent update of Napa County's Housing Element was adopted in 2009 and covered a period of time that will end this year. The housing element planning period has been increased from five (5) years to eight (8) years, beginning with the current update.

Today's requested action is to receive a presentation of the Draft Housing Element Update, consider public comment, and provide Commission comments on the Draft. Staff will make any necessary revisions as a result of today's comments. The Draft Housing Element will then be submitted to the State Department of Housing and Community Development (HCD) for its review. The statutory requirements for state review are contained in Government Code Section 65585. A flow chart of HCD's review process is attached to this report for reference.

Following receipt of HCD comments, staff will make any necessary revisions to the Draft and return the matter to the Planning Commission for a public hearing and recommendation to the Board.

This item is not a formal public hearing, but it is requested that the Commission accept comments from any interested parties. Noticed public hearings before the Planning Commission and Board of Supervisors will occur after comments on the documents are received from HCD, which is anticipated to occur in the Spring or Summer of 2014.

Copies of the Draft Housing Element Update are available for download of the County website at www.countyofnapa.org/PBES

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

The action requested of the Commission at this hearing does not constitute a "project" as defined in Section 15378 of the State Guidelines for Implementation of California Environmental Quality Act (CEQA) and is thus not subject to CEQA. Staff will prepare appropriate CEQA documentation for the 2014 Housing Element Update and this will be presented to the Commission for review prior to making a formal recommendation to the Board of Supervisors.

BACKGROUND AND DISCUSSION

Pursuant to State law, Napa County must adopt an updated Housing Element and submit it to HCD for review. The Housing Element is the only section of the General Plan that is subject to formal State review and determination as to conformance with the statute. State law includes specific requirements for both content and process regarding

periodic Housing Element updates. Content requirements include, for example, a housing needs assessment, a housing site inventory, as well as goals, policies, programs, and objectives related to the production of housing sufficient to satisfy a broad spectrum of community needs. The County is addressing these requirements by preparing two distinct documents – a Policy Document and a Housing Needs Assessment, with draft versions of both being presented today. The County’s current Housing Element (adopted in 2009) has recently been determined by HCD to be in conformance with state law.

Regarding the requirements for public participation, County staff has held two public workshops – one in Napa (late October) and one in St. Helena (early November). Interviews were also conducted with housing and industry groups. In addition to comments received from the public and the Commission at today’s meeting, the public may provide comments at any time during the update process prior to adoption. This includes opportunity to comment as part of the HCD review process.

HCD’s review of the Draft is expected to take up to 60 days. Once the State’s comments are received, they will be reviewed and, if necessary, further revisions will be made to the documents. Staff will then return to Commission for an additional public hearing this summer and, finally, to the Board of Supervisors for adoption, in time for January 2015 deadline.

Each city and county is responsible for planning to accommodate its “fair share” of the regional housing need, which is determined through the Regional Housing Needs Allocation process, or RHNA. In years past, the Association of Bay Area Governments (ABAG) has allocated housing needs directly to each jurisdiction in the Bay Area. However, for the current cycle, Napa County and its cities chose to receive a “lump sum” or subregional RHNA allocation and to then allocate those needs amongst the County and the five cities, all of which are also engaged in updating their housing elements.

This approach, along with the recent integration of the RHNA process with SB 375, which addresses regional growth in a comprehensive fashion, has resulted in a larger proportion of the regional housing needs being allocated to central cities, particularly those with substantial public transit systems.

In the case of unincorporated Napa County, for example, this approach has resulted in a significant reduction in RHNA allocation to 180 housing units for this new 8-year cycle, compared to 651 units in the prior Housing Element cycle. The RHNA allocation is further broken down by affordability levels, ranging from “Above-Moderate (Income)” to “Very Low (Income)”. The lower RHNA in this Housing Element cycle helps the County meet its responsibility to plan for housing while remaining consistent with the County’s fundamental land use policies that focus on preservation of agriculture and directing urban development into the cities.

The County’s recent actions related to the Napa Pipe property will enable the County to accommodate its full RHNA allocation on sites where multi-family housing is allowed by right.

It is worth emphasizing that state housing element law mandates city and county planning for housing but does not mandate the actual development of that housing. Local governments are primarily held responsible for zoning sufficient land within their respective jurisdictions to accommodate their RHNA allocation, while it is understood that the private sector – largely driven by market conditions – bears the primary responsibility for creating the units.

Housing Needs Assessment

The first of the two documents being presented today is the Housing Needs Assessment (HNA). This document is primarily focused on the presentation of data and information related to various segments of the population and the extent to which their housing needs are being adequately addressed. The primary findings in this iteration of the HNA, as compared with the previous update (2009), are as follows:

- As mentioned above, the State-mandated RHNA requirements are significantly lower than in the past;
- The trend toward an older population has continued;
- The developmentally disabled population is now explicitly addressed as a Special Needs category, as required in state law;
- The composition of the farmworker population has changed, with a higher proportion of farmworkers having become permanent residents and accompanied by other family members;
- The overall population of the unincorporated area has declined while population in the incorporated cities has increased; average household size has also declined in the unincorporated area; and
- Employment growth in the unincorporated area was somewhat slower than in the County as a whole over the past thirteen years, but has matched countywide employment growth more recently.

Policy Document

The Policy Document is informed by the Needs Assessment, and, indeed, summarizes some of its findings at the outset. However, its more significant role is to articulate the County's housing policies, at multiple levels of detail. These various categories include Goals, Policies, Programs, and Objectives.

In some cases they are very broad and in others, very specific.

While the County's primary land use philosophy of agricultural preservation in the unincorporated area with the preponderance of both residential and commercial development occurring in the cities of Napa County remains at the forefront of this Housing Element update, as well as the entire General Plan, the Draft Housing Element contains some noteworthy policy changes relative to the 2009 Housing Element:

- Rezoning of the former Napa Pipe property has been completed, thereby making it available for residential development and, in turn, addressing the County's RHNA allocation;
- Policies and Programs related to the redevelopment of Mobilehome Parks have been modified to more explicitly acknowledge their contribution to affordable housing stock and encourage retention of existing affordable units and provision of new affordable units within mobilehome parks;
- Increased cooperation with cities, as evidenced by the Subregional Allocation approach to RHNA process and the Joint Affordable Housing Task Force process;
- The formalization of the Workforce Proximity Program that has provided financial assistance to those households that are seeking housing in close proximity to their workplace; and
- New program to encourage the development of new farmworker housing facilities tailored towards family occupancy.

Mobile/Manufactured Home Park Ordinance Relationship

The County's adopted Housing Element already contains Affordability Policies and Programs that recognize the importance of the de facto affordable housing that exists in mobilehome parks. Adopted Policy H-2j calls for the County to facilitate redevelopment of mobilehome parks to provide new affordable units. Program H-2k states: "The County will allow redevelopment of existing mobilehome parks to provide 25 percent more units than the number

of existing units consistent with their Planned Development (PD) zoning, if the existing number of affordable units is maintained and if the mobilehome park owners provide current mobilehome park residents with relocation assistance consistent with applicable state law.”

Staff believes that the intent of these adopted Housing Element provisions is clearly to protect the existing stock of affordable housing in mobilehome parks and to recognize the vulnerability of that housing and the residents who occupy those units. The revised policy language recommended in the Draft Housing Element (now Policy H-2i) makes this intent more explicit and the revised program language (now Program H-2h) provides clearer direction on implementation. The recommended policy and program also recognize that state law imposes limitations on the County’s authority to regulate mobilehome parks.

Recommended Policy H-2i expressly encourages retaining existing affordable units and/or providing new affordable units when mobilehome parks are rehabilitated and discourages replacement with housing intended for short term or transient use. Program H-2h retains the ability to increase density in mobilehome parks but also requires analysis and mitigation of impacts on existing residents, including housing impacts.

SUPPORTING DOCUMENTS

- A . HCD Housing Element Review Process Flowchart
- B . Draft Housing Needs Assessment
- C . Draft Housing Element Policy Chapter

Napa County Planning Commission: Approve

Reviewed By: John McDowell