



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/6/2009

Agenda Placement: 9B

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: John McDowell for Hillary Gitelman - Director
Conservation, Development & Planning
REPORT BY: Hillary Gitelman, Director - 253-4805
SUBJECT: Housing Element Update

RECOMMENDATION

PROPOSED GENERAL PLAN AMENDMENT (2009 HOUSING ELEMENT UPDATE & CONFORMING AMENDMENTS TO OTHER SECTIONS OF THE GENERAL PLAN) AND PROPOSED IMPLEMENTING ORDINANCES

Title: A RESOLUTION OF THE CONSERVATION, DEVELOPMENT & PLANNING COMMISSION OF THE COUNTY OF NAPA, STATE OF CALIFORNIA RECOMMENDING THAT THE NAPA COUNTY BOARD OF SUPERVISORS CERTIFY THE NAPA COUNTY HOUSING ELEMENT UPDATE FINAL EIR; AND A SECOND RESOLUTION RECOMMENDING THAT THE NAPA COUNTY BOARD OF SUPERVISORS TAKE THE FOLLOWING ACTIONS: (1) SUPERSEDE AND REPLACE THE EXISTING HOUSING ELEMENT WITH THE 2009 HOUSING ELEMENT UPDATE; (2) ADOPT CONFORMING AMENDMENTS TO OTHER SECTIONS OF THE NAPA COUNTY GENERAL PLAN; AND (3) AMEND THE NAPA COUNTY CODE TO IMPLEMENT PROGRAMS IN THE 2009 HOUSING ELEMENT UPDATE, INCLUDING PROGRAMS TO: (A) ALLOW SECOND UNITS IN THE AGRICULTURAL PRESERVE ZONING DISTRICT UNDER SPECIFIED CONDITIONS; (B) ALLOW EMERGENCY SHELTERS IN THE INDUSTRIAL ZONING DISTRICT; (C) CLARIFY THAT TRANSITIONAL AND SUPPORTIVE HOUSING ARE SUBJECT TO THE SAME RESTRICTIONS AS RESIDENTIAL DWELLINGS OF THE SAME TYPE; (D) REMOVE DENSITY STANDARDS FOR LARGE AND MEDIUM RESIDENTIAL CARE FACILITIES; (E) ALLOW SINGLE ROOM OCCUPANCY UNITS IN ZONES WHERE MULTIFAMILY HOUSING UNITS ARE ALLOWED; (F) ALLOW ACCESSORY DWELLING UNITS IN COMMERCIAL LIMITED AND COMMERCIAL NEIGHBORHOOD ZONES UNDER CERTAIN CONDITIONS; (G) CLARIFY THAT FARMWORKER ACCOMMODATIONS ARE ALLOWED IN CONFORMANCE WITH HEALTH AND SAFETY CODE SECTIONS 17021.5 AND 17021.6; (H) REMOVE THREE PARCELS IN THE MONTICELLO ROAD/ATLAS PEAK AREA FROM THE AFFORDABLE HOUSING COMBINATION DISTRICT AND ADJUST REQUIREMENTS FOR REMAINING PARCELS IN THE COMBINATION DISTRICT; AND (I) SIMPLIFY THE HOUSING ALLOCATION PROGRAM AND IMPLEMENTATION OF THE COUNTY'S GROWTH MANAGEMENT SYSTEM

CEQA Status: A Final Environmental Impact Report (EIR) has been prepared. Prior to adopting a resolution recommending adoption of the 2009 Housing Element Update, related amendments to other sections of the General Plan, and implementing ordinances, the Commission is required to review and consider the Final EIR and to recommend that the Board of Supervisors certify that the Final EIR has been prepared in compliance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and local procedures for implementing CEQA, and that the Final EIR reflects the County's independent judgement and analysis.

Request: The General Plan Amendment would adopt the 2009 Housing Element Update and make other changes to the General Plan to ensure internal consistency and to comply with AB 162 from 2007; associated ordinances would implement programs in the 2009 Housing Element Update.

Staff Recommendation: Hold a public hearing and adopt the two attached resolutions recommending certification of the Final EIR, adoption of the 2009 Housing Element Update and associated general plan amendments and implementing ordinances.

Staff Contact: Hillary Gitelman 253-4805

EXECUTIVE SUMMARY

Proposed Action:

1. That the Planning Commission adopt the Resolution attached as Exhibit A recommending to the Board of Supervisors certification of the Final Environmental Impact Report prepared for the 2009 Napa County Housing Element Update.
2. That the Planning Commission adopt the Resolution attached as Exhibit B recommending that the Board of Supervisors: 1) Supercede and replace the existing Housing Element with the 2009 Housing Element Update; 2) Adopt conforming amendments to the other sections of the 2008 Napa County General Plan; and 3) amend the Napa County Code to implement programs in the 2009 Housing Element Update.

Discussion:

Pursuant to State law, Napa County is required to adopt an updated Housing Element and submit it to the State (HCD) for certification prior to July 1, 2009. The Housing Element is the only piece of the County's General Plan that was not updated on June 3, 2008, and it is the only piece that must be approved by the State. There are specific requirements in State law regarding the process and content of Housing Element updates. Required components include a housing needs assessment, a housing sites inventory, goals/policies and programs designed to encourage the production of housing, and numeric objectives for the current planning period from 2007 to 2014.

Following review by the Planning Commission and the Board, a draft of the Housing Element (including the referenced Housing Needs Assessment) was submitted to HCD for review in November 2008. Both documents have now been revised to respond to HCD's January 2009 comments as well as to comments from the public and direction from the Board of Supervisors. Conforming amendments to other elements of the General Plan (Agricultural Preservation & Land Use, Conservation, and Safety) have also been revised in response to comments, and a Final Environmental Impact Report (EIR) has been prepared along with four implementing ordinances associated with some of the Housing Element's programs.

The following documents have been provided for the Commission's review and recommendation and were made available on the County's website on April 23, 2009:

- 1 Final Environmental Impact Report (consists of the Draft EIR plus comments, responses, and necessary changes to the text of the Draft EIR)

- | Revised Draft Housing Element -- Policy Document
- | Revised Draft Housing Element -- Housing Needs Assessment
- | Revised Draft Conforming Amendments to Other Sections of the General Plan
- | Draft Implementing Ordinance -- Growth Management System Simplification
- | Draft Implementing Ordinance -- Affordable Housing Combination District (ACHD) Changes
- | Draft Implementing Ordinance -- Other Zoning Code Changes
- | Draft Implementing Ordinance -- Rezoning of AHCD Sites at Monticello Road/Atlas Peak

Planning staff is requesting the that Commission hold a public hearing and then adopt resolutions recommending certification of the Final EIR and approval of the proposed General Plan amendment and ordinances on May 6 or May 20, 2009. The Board is tentatively scheduled to hold a public hearing on these materials and to consider the Planning Commission's recommendations on June 9, 2009.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

A Final Environmental Impact Report (EIR) has been prepared. Prior to adopting a resolution recommending adoption of the 2009 Housing Element Update, related amendments to other sections of the General Plan, and implementing ordinances, the Commission is required to review and consider the Final EIR and to recommend that the Board of Supervisors certify that the Final EIR has been prepared in compliance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and local procedures for implementing CEQA, and certify that the Final EIR reflects the County's independent judgement and analysis. Approval of the project will require the Board of Supervisors to adopt findings pursuant to CEQA Guidelines Section 15091 (Findings) and 15093 (Statement of Overriding Considerations) due to identified significant and unavoidable impacts.

BACKGROUND AND DISCUSSION

State law requires that Napa County and other local jurisdictions periodically review and update the Housing Element of their General Plans. State statutes specify the contents of housing elements, and require that local jurisdictions provide sites sufficient to accommodate their assigned Regional Housing Needs Allocation (RHNA), a specific number of housing units aimed at households in various income categories. Napa County's RHNA is assigned by the Association of Bay Area Governments (ABAG) following a region-wide methodology that is adjusted for each housing cycle (a cycle is usually about 7 years). ABAG's regional share (i.e. the number of units they must distribute among their member cities and counties) is assigned by the State's Department of Housing and Community Development (HCD).

Napa County's RHNA & Other Statutory Requirements

In the current housing cycle (from 2007 through 2014), unincorporated Napa County was assigned a RHNA of 651 units, which was subsequently reduced after ABAG's approval of a transfer agreement between the County and the City of Napa. The County's original and adjusted RHNA is shown below:

	VeryLow & Low Income	Moderate	Above Moderate	Total
Original RHNA	297	130	224	651
Less Transfer	38	16	28	82
Net Adjusted RHNA	259	114	196	569

The current RHNA represents a lower number than during the last housing cycle (when the County's RHNA was close to 2,000 units), reflecting successful lobbying by the County, adoption by the State legislature of factors that must be considered in regional allocations, and the County's active participation in development of the regional methodology.

Also, it should be recognized that providing housing sites sufficient to accommodate the County's RHNA has never been a problem in the Moderate and Above Moderate income categories, since the County has ample vacant parcels upon which a single family house can be built (generally considered to serve Above Moderate income households), and many parcels where a legal second unit of up to 1,200 square feet (generally considered to serve Moderate income households) can be built. The County's main challenge is to identify sites sufficient to accommodate housing at sufficient densities to be considered to serve Very Low and Low income households. Household Income categories are defined as follows:

- Very Low = Less than 50% of Area Median Income
- Low = Between 50 and 80% of Area Median Income
- Moderate = Between 80 and 120% of Area Median Income
- Above Moderate = Greater than 120% of Area Median Income

**(2008 Area Median Income was about \$81,000 for a four person household)*

State law indicates that permitted minimum densities of 20 units per acre are automatically considered sufficient to meet the local jurisdiction's share of the lower income housing need. If sites in the housing inventory do not include this density (20 du/acre), the housing element must analyze how the allowed lower densities will accommodate the jurisdiction's share of the lower income housing need (Government Code Section 65583.2(c) (3)). Also, if rezoning is required to meet a jurisdiction's RHNA for the lower income housing need, it must provide for development of Very Low and Low units "by right" (without a use permit or other discretionary review).

In addition to requirements related to the sites inventory, State law requires that housing elements include goals, policies, programs and objectives related to housing production, rehabilitation, and etc. Programs are specific actions that will be taken by the agency to meet quantified objectives, and for the first time agencies are required to include an implementation schedule for programs in this housing cycle.

2009 Housing Element Update -- Planning Process & Deadline

Locally adopted housing elements must be submitted to HCD for certification by the June 30, 2009 deadline. Failure to adopt and submit an update by the June 30, 2009 deadline would expose the County to potential litigation, which could in turn result in a moratorium on all building permits and potentially threaten the County's voter-initiated agricultural preservation policies and/or land use protections around the Napa County Airport.

Napa County's Housing Element update has been underway since early 2008 and started with three public workshops to guide the process. After those workshops, County staff and consultants prepared a draft of the Housing Element for review and discussion by the Board and the Planning Commission on October 14, 2008. Following revisions to reflect the comments and direction received, a copy of the draft Housing Element was provided to the State in November 2008 for review as required by California Government Code Section 65585(b). HCD provided written comments dated January 12, 2009 (see letter, attached), and the proposed draft Housing Element and accompanying amendments to other elements of the General Plan were circulated to consulting agencies and other interested parties consistent with State law.

HCD's comments have been addressed in revisions to the Draft Housing Element Update (including the Draft Housing Needs Assessment), and revisions to these documents have also been made to address comments received from other reviewers and direction provided by the Board of Supervisors on March 17, 2009. (See the summary of revisions, below.)

Concurrently, an environmental review process has been underway, and a Draft Environmental Impact Report (EIR) was circulated for public and agency comments starting in January 2008. The public comment period ended March 9, 2009 and staff and consultants have prepared responses to the comments and a Final EIR. The Final EIR was mailed to commenters (in Compact Disc form) and posted to the County website on April 23, 2009. The Final EIR must be certified before the Board of Supervisors can consider adoption of the Housing Element Update and forward it to HCD.

Finally, concurrent with adoption of the 2009 Housing Element Update, County Planning staff is requesting adoption of conforming General Plan amendments necessary to retain internal General Plan consistency and to conform with AB 162 from 2007 (CGC Section 65302(g)), as well as four ordinances that would amend Napa County Code to implement programs within the proposed Housing Element. The conforming General Plan amendments made available for public review in mid-January have also been revised in response to public comments. (See the summary of revisions, below.)

2009 Housing Element Update -- Revisions Based on HCD & Community Comments

The Revised Draft Housing Element Update and Housing Needs Assessment together contain all of the components required in a Housing Element including a sites inventory that addresses the County's RHNA. The sites inventory was revised based on HCD and community comments to include (a) scattered sites for single family home and second unit development; (b) Affordable Housing Combination District (ACHD) sites in Angwin, Spanish Flat, and Moskowite Corner; and (c) approximately 20 acres of the 150+ acre Napa Pipe sites. Consistent with HCD practice, the inventory contains a "buffer" beyond the actual RHNA requirement, and consistent with Government Code Section 65583.2(h), it would allow some development on the Napa Pipe site "by right" following rezoning. (The sites inventory envisions 304 dwelling units at Napa Pipe, half of them "by right" and all of them at densities of at least 20 dwelling units per acre. Rezoning would occur after project-specific environmental review.) Please see Table H-G on p. H-11 of the *Revised Draft 2009 Housing Element Update* (attached) for a summary of the sites inventory.

Programs in the Housing Element Update have generally been revised to address HCD comments, to include an implementation schedule as required by SB 375, and to make them more implementable and effective. Two programs have been adjusted specifically in response to public comments as follows:

- 1 Program H2l in the prior draft (now Program H2k) has been clarified to provide the ability for existing mobile home parks zoned Planned Development (PD) to add up to 25% more units consistent with their PD zoning even if they are located in areas designated for agriculture in the General Plan provided that certain conditions are met. Two mobile home parks have been identified that might qualify under this program --

one on Highway 29 south of St. Helena, and one in Moskowite Corner.

- | Program H2k in the prior draft (now Program H2j) has been modified to include removing the :AH overlay zoning from the Monticello Road/Atlas Peak housing sites included in the 2004 Housing Element, but to omit the proposed redesignation of a small area adjacent to the City of Napa from Rural Residential to Urban Residential. This aspect of the original program was controversial due to substantial opposition in the affected area and did not offer appreciable benefits to the County in terms of affordable housing production.

Other adjustments to the program are more technical in nature and are simply intended to improve the County's conformance with State statutes. For example, one of the programs calls for changes to the zoning code to remove the spacing requirements for medium and large residential care facilities and relax the requirement that those facilities be located within ½ mile of a hospital. (See 2009 Housing Element Update Program H-3j.)

Revisions to the draft Housing Needs Assessment are almost entirely technical changes to address comments from HCD regarding the sufficiency of County sites and programs. Revisions to the conforming amendments affecting other sections of the General Plan are based on community comments, and include:

- | Changes to the Growth Management System (Policy AG/LU-119) to retain references to the nine Bay Area counties and the historic growth rate of 1% per year;
- | Changes to the Growth Management System (Policy AG/LU-119) to clarify that periodic adjustments to the annual permit limit (115 dwelling units) shall not reduce the number of permits *unless warranted by annexations or incorporations that have occurred since the last adjustment*; and
- | Changes to policies in the Agricultural Preservation & Land Use Element that apply to Napa Pipe, retaining the "Study Area" designation instead of using the term "Transitional" and specifying that the "Study Area" designation permits multifamily housing on sites included in the Housing Element.

2009 Housing Element Update -- Implementing Ordinances

As noted above, the Revised Draft 2009 Housing Element Update includes a variety of programs intended to address statutory requirements related to the rehabilitation, development, and affordability of housing. Many of the programs will require amendment of Napa County Code and some are proposed for implementation via adoption of four ordinances concurrent with the General Plan amendments. These draft ordinance have been developed by County Counsel and would accomplish the following:

1. The first implementing ordinance would remove references to the Monticello Road/Atlas Peak sites from the Affordable Housing Combination District (AHCD) section of the zoning ordinance (implementing Housing Element Program H2j), would make other technical changes to that section of the code, and would reference mitigation measures from the Final EIR that are relevant to the remaining AHCD sites.
2. The second implementing ordinance would amend other sections of the zoning code to allow second units in the Agricultural Preserve (AP) zoning district (Program H2f) and allow accessory dwellings in the Commercial Limited (CL) and Commercial Neighborhood (CN) zoning districts under specified conditions (Program H-4d); would allow emergency shelters "by right" in the Industrial (I) zoning district (Program H-3d); would clarify rules governing transitional and supportive housing (Program H-3e); would remove density standards and change location requirements for large and medium residential care facilities (Program H-3j); would define SRO units and allow them where multifamily housing is permitted (Program H-4f); and would clarify sections of the zoning ordinance related to farmworker housing (Program H-3i).
3. The third implementing ordinance would amend the zoning map to remove the Monticello Road/Atlas Peak sites from the AHCD district as indicated in item 1.

4. The fourth implementing ordinance would amend the code section related to the County's annual building permit allocation system to be consistent with changes made to the Growth Management System (General Plan Policy AG/LU-119) and Revised Draft 2009 Housing Element Update Program H-5d.

Additional ordinances changing sections of County Code, for example related to the Affordable Housing Trust Fund, will be required by the end of 2009, and an ordinance rezoning the Napa Pipe site and addressing related mitigation measures from the Final EIR will be required by the end of 2010. (This rezoning is expected to rely on the project-specific EIR that is currently being prepared to evaluate Napa Redevelopment Partners' proposal for the site.)

2009 Housing Element Update -- Additional Input Received After the Comment Period & Changes to the Draft EIR

All of the public and agency comments received on the Draft EIR or on the draft housing element documents between the start of the comment period on January 16, 2009 and shortly after the end of the comment period on March 9, 2009 have been included in the Final EIR along with specific responses. At a certain point, however, it became infeasible to include late comments in the Final EIR, and additional comments have been submitted in advance of the Commission's May 6, 2009 public hearing. These comments include the following:

- | A March 17, 2009 letter from Ron Walker to Mark Luce, Chairman of the Board of Supervisors, requests that the Final EIR prepared for the housing element update "state the positive environmental impacts of program H2K in terms of improving both surface and groundwater quality" and indicate that traffic associated with the program would not significantly affect the surrounding street system. Impacts of this program were included in the Draft EIR at a programmatic level and more specific information has been included in comments and response to comments from Mr. Walker and others included in the Final EIR. No further revisions to the environmental documents are required for compliance with CEQA.
- | A March 23, 2009 letter from Eve Kahn to Hillary Gitelman provides comments on the draft Conforming Amendments to other elements of the General Plan, requesting that Napa Pipe sites stay as a "Study Area" and asking for adjustments to the Growth Management System changes. The requested changes have been incorporated into the revised documents as explained above.
- | An April 6, 2009 letter from Lisa Carboni of Caltrans to Nancy Johnson providing additional comments on the Draft EIR. These comments have been responded to by Fehr & Peers, the County's traffic consultant in a memo, attached.
- | An email from Penelope Brault to the Planning Commission dated April 20, 2009 and other correspondence expressing opposition to Program H2k in the draft housing element. The affected section of Program H2k (now Program H2j) has been deleted from the Revised Draft 2009 Housing Element Update as discussed above.

County staff has reviewed all of the comments received since the Final EIR was assembled, and has considered all of the revisions to the Draft EIR, the 2009 Housing Element Update, Housing Needs Assessment, and conforming amendments to other elements of the General Plan in light of State CEQA Guidelines Section 15088.5. None of the comments and changes constitute "significant new information" requiring recirculation of the Draft EIR, since none would involve a new significant impact, a substantial increase in the severity of an impact already identified, or feasible alternatives and mitigation measures that were not already considered. In fact, most of the changes to the Housing Element update (changes to the sites inventory for example) would have the effect of decreasing the severity of impacts identified in the Draft EIR, even to the point of eliminating the need for one traffic mitigation measure as explained in the attached memo from the County's EIR consultants. One specific program that is not explicitly addressed in the Final EIR would remove the spacing requirements for medium and large residential care facilities and relax the requirement that those facilities be located within ½ mile of a hospital (2009 Housing Element Update Program H-3j). This program would not change the zoning districts that allow medium

and large residential care facilities or change the requirement for a use permit, allowing for the assessment of project-specific impacts at the time that specific proposals come forward. For these reasons, the proposed program in and of itself is not expected to change or increase the number of facilities or change cumulative impacts described in the Final EIR.

The proposed implementing ordinances have been intentionally crafted to implement programs of the Housing Element Update and therefore to fall within the impacts described in the Final EIR. No additional environmental review is required prior to certification of the Final EIR and consideration of the proposed General Plan amendments and ordinances.

2009 Housing Element Update -- Recommendation & Next Steps

Planning staff is recommending that the Planning Commission hold a public hearing on May 6, 2009 and consider two draft resolutions -- one recommending certification of the Final EIR, and one recommending adoption of the 2009 Housing Element Update, conforming amendments to other elements of the General Plan including adoption of the implementing ordinances by the Board of Supervisors. Because the Final EIR concluded that the Housing Element would result in significant, unmitigable impacts, and because there are mitigation measures that fall outside the County's jurisdiction, the Board of Supervisors will be asked to adopt a resolution containing findings of overriding consideration in addition to other required CEQA findings.

Staff will be available to answer questions on May 6, 2009, and to summarize a meeting with HCD staff scheduled for May 5, 2009. Barring unforeseen events, staff will be requesting that the Commission take their action at the May 6 meeting, or continue the matter until May 20, 2009 for action then. May 20, 2009 is also the date that the Airport Land Use Commission (ALUC) will consider whether the proposed General Plan and zoning changes are consistent with the Airport Land Use Compatibility Plan.

If the Planning Commission and the ALUC make their recommendations/findings on or before May 20, 2009, the Planning Commission's recommendations will be summarized in the public notice of a Board of Supervisors hearing on June 9, 2009. At that time, the Board of Supervisors will be asked to hold a public hearing and consider adoption of a motion of intent to certify the Final EIR and approve the Housing Element Update together with accompanying General Plan amendments and implementing ordinances.

Following local adoption of the 2009 Housing Element Update, the document (including the Housing Needs Assessment) will be provided to HCD for review and certification. HCD is required to review the adopted element and report their findings to the County within 90 days.

SUPPORTING DOCUMENTS

- A . PC Recommending Certification of FEIR
- B . PC Reso Recommending Adoption of HEU
- C . Comment Letter from HCD
- D . Revised Draft 2009 Housing Element Update
- E . Revised Draft Housing Needs Assessment
- F . Revised Draft Conforming General Plan Amendments
- G . Draft Implementing Ordinance: AHCD
- H . Draft Implementing Ordinance: Zoning Text

- I . Draft Implementing Ordinance: Zoning Map
- J . Draft Implementing Ordinance: Annual Permit Allocation
- K . Fehr & Peers Memo - Late Caltrans Comments
- L . DCE Memo - Mitigation Measure Applicability
- M . H2-K Comment Letters
- N . Ron Walker March 17, 2009 Letter - Site H2-K
- O . Caltrans Letter - April 6, 2009 Additional Comments

Napa County Planning Commission: Approve

Reviewed By: John McDowell