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Title: That the Napa County Planning Commission conduct a public meeting to discuss the contents of the Draft Housing Element Update and receive public and agency comments.

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Attachments: 1. Napa County Draft 6th Cycle Housing Element Update.pdf, 2. Notice of Availability, 3. Section 3: Housing Goals, Policies and Programs, 4. Section 9: Housing Sites Analysis, 5. Public Comments received prior to Draft Housing Element Update, 6. Public Comments received subsequent to Draft Housing Element Update, 7. Additional Comments Received after Agenda Publication.pdf, 8. Additional Comments received after Agenda Publication.pdf

Date	Ver.	Action By	Action	Result
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TO: Napa County Planning Commission

FROM: David Morrison, Planning, Building and Environmental Services Director

REPORT BY: Trevor Hawkes, Planner III - (707) 253-4388

SUBJECT: Napa County Draft Housing Element Update

RECOMMENDATION

That the Napa County Planning Commission conduct a public meeting to discuss the contents of the Draft Housing Element Update and receive public and agency comments.

EXECUTIVE SUMMARY

Earlier in 2021 work began on the required Housing Element Update (HEU) for the State's Sixth Cycle Planning Period to address housing needs within the unincorporated County for the years 2023 through 2031. The HEU must be completed by the County, certified by the State Department of Housing and Community Development (HCD), and adopted by the Napa County Board of Supervisors (BOS) by the end of January 2023.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Draft EIR (DEIR) in preparation. An NOP was issued on January 24, 2022. Pursuant to CEQA and State CEQA guidelines Section 15064, the discussion of potential effects on the environment in the DEIR shall be focused on those impacts that the County has determined may be potentially significant. The County has determined that the project may have significant effects on the environment in the following areas: Aesthetics, Agricultural Resources, Air Quality and Greenhouse Gas Emissions, Biological Resources, Cultural and Historic Resources, Geology and Soils, Energy, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation/Traffic, Tribal Cultural Resources, Utilities and Services Systems, and Wildfires. A public meeting will be held before the Planning Commission to receive public and agency comments on the DEIR when it is released for a 45-day public review period.

BACKGROUND AND DISCUSSION

Background

Napa County proposes to prepare and adopt a comprehensive update to the County's Housing Element for the State's Sixth Cycle Planning Period to address housing needs for the years 2023 through 2031. As part of the HEU, the County also proposes to prepare and adopt limited amendments to other elements of the General Plan, the County's zoning map and regulations, and to improve consistency of the Safety Element with the 2020 Napa County Multi-Jurisdictional Hazard Mitigation Plan and recent changes in state law. The HEU is required to be completed and certified by January 31, 2023.

The publication of the Draft HEU for a 30-day review period represents one of the necessary steps towards the County adopting an HCD certified Housing Element for the sixth housing cycle, a process that has been ongoing since 2021. Further opportunity to participate and provide comments will be available prior to the future BOS hearing considering adoption of the HEU, planned for the end of 2022. Members of the public who submit comments on the HEU will automatically be included in future notifications. If someone did not submit a comment, but would like to receive future notification, please contact the preparer of this Staff Report (noted above). Those interested in reviewing prior public meetings and events may do so through the 2022 Napa County Housing Element Update website (<https://www.countyofnapa.org/3250/2022-Housing-Element-Update>).

This report provides a summary of some of the key components of the HEU, including a breakdown of the chapters contained in the HEU, the general public participation process, and then a general overview of two main sections of the HEU; the proposed Goals, Policies and Programs and the Sites Inventory Analysis.

Housing Element Update contents

Napa County's HEU is divided into the following sections:

-Section 1 (Introduction; Page. 1) serves as the introduction to the document and discusses in greater detail the public participation process during the development of the Draft HEU, the public notification methods the County has employed, and the organization of the document.

-Section 2 (Review of Prior Housing Element; Page. 19) provides a review of the 2014-2022 Housing Element, including an analysis of the effectiveness and appropriateness of each program established for the previous housing element planning period.

-Section 3 (Housing Goals, Policies, and Programs; Page. 28) proposes the goals, policies, and programs to address the County's housing needs during the 2023 - 2031 planning period.

-Section 4 (Quantified Objectives; Page. 44) provides an estimate of the anticipated and potential housing development during the planning period, including units assisted through programs.

-Section 5 (Housing Needs Assessment; Page. 46) provides an analysis of housing conditions and needs in Napa County.

-Section 6 (Assessment of Fair Housing; Page. 117) provides an analysis of fair housing issues in Napa County consistent with the core elements of the federal Affirmatively Furthering Fair Housing Final Rule from July 2015, and completed in accordance with current HCD guidance.

-Section 7 (Projected Housing Needs; Page. 196) provides a summary of the Regional Housing Needs Allocation (RHNA) for the 2023 to 2031 planning period.

-Section 8 (Housing Constraints; Page. 198) provides an evaluation of governmental and non-governmental constraints on housing.

-Section 9 (Housing Sites Analysis; Page. 226) provides an analysis and identification of available land to accommodate the County's allocation of above moderate, moderate, low, and very low-income dwelling units for the 2023 - 2031 planning period.

Public Participation

California Government Code (Section 65583.c.7) requires that local governments make diligent efforts to solicit public participation from all economic segments of the community, especially low-income persons, in the development of the Housing Element. County Staff and our consultants have engaged the public and key stakeholders in the process towards the development of the public draft of the HEU through the following methods:

-The Napa Sonoma Collaborative (NSC): As part of an Association of Bay Area Government (ABAG/MTC) effort, the 16 jurisdictions that make up Napa and Sonoma counties have been able to work together collaboratively as part of a regional approach to housing policy. This includes participation by Napa County with the Equity Working Group (EWG) which serves as an advisory group organized by the NSC to provide a direct connection between underserved communities, trusted community partners, and jurisdictional representatives in Napa and Sonoma Counties.

-Housing Element Advisory Committee Meetings: In 2021, County staff established the Housing Element Advisory Committee (HEAC). This working group was formed to vet and gather feedback throughout the Housing Element update process on housing-related planning and policy projects. The HEAC is comprised of 12 individuals representing a wide range of perspectives, including the real estate industry, housing advocacy groups, housing developers, Planning and Design Commissioners, and local non-profits. A total of six (6) HEAC meetings have been conducted or have been identified to occur over the course of the Housing Element update schedule beginning in autumn of 2021 through autumn of 2022.

-Community Workshop: The County also conducted a virtual community workshop for general members of the public in January of 2022 to provide an interactive and informational summary of the Housing Element process and to provide background and gather public input on housing issues within the County. During the interactive workshop, members of the public were asked about what they like about housing in their community, what housing challenges they have faced in their community, and what the County could do to meet the community's housing needs.

-Stakeholder Engagement: Participation in the virtual stakeholder survey process involved twelve (12) regional and local organizations identified by the County, including organizations suggested by participants in the first HEAC meeting. These stakeholder representatives include professionals from the building industry, non-profit organizations, and advocacy groups that are actively involved in addressing key housing issues such as housing development and management of affordable housing, housing advocacy, and organizations working directly with disadvantaged communities.

Housing Goals, Policies, and Programs

Napa County has made good progress in implementing its programs from the Fifth Cycle Housing Element

(2015 - 2023) and many of the Housing Element programs from the Fifth Cycle remain relevant with updated housing goals and policies. Programs that called for one-time actions that have been completed or are no longer relevant have been removed from the Sixth Cycle HEU. The HEU retains but modifies/expands 11 programs from the 5th Cycle Housing Element (Programs H-2a, H-2i, H-2j, H-2l, H-2m, H-3d, H-3e, H-3i, H-3j, H-4b, H-4d) and removes three programs (Programs H-4e, H-4f). A discussion of reasons for the modification/expansion or removal of programs from the 5th to 6th Cycle HEU is provided on page 24 of the HEU.

On an overall level, the 2015 to 2023 Housing Element was effective in guiding achievement of Napa County's housing goals and objectives. In particular, the County issued building permits for 175 housing units between 2015 and 2021, just short of the total unit count for its quantified objective for new construction and overall RHNA (180).

Like most jurisdictions, the County is falling short of its objectives in the production of housing units affordable to extremely low-, very low-, and low-income households. However, the County has already exceeded its objectives for production of housing units for moderate- and above moderate-income housing units.

The overall production numbers reflect the strong demand for housing in Napa County and the County's ability to work with the developer community to deliver new housing units in response to that demand. At the same time, the fact that the permit activity for above moderate- and moderate-income units (i.e., market rate units) exceeds the RHNA targets and the County's own objectives and the permit activity for below market rate units reflects the limited resources available to develop subsidized housing that can meet the needs of moderate- and lower-income households.

As mentioned previously, many 5th Cycle Housing Element programs remain relevant and have been carried forward for the 6th Cycle. As noted in Appendix B of the HEU, modifications have been made to many of the retained programs to reflect current conditions and new emphasis for the 6th Cycle, including Affirmatively Furthering Fair Housing. The 6th Cycle HEU proposes nine goals, an increase in one additional goal from the 5th Cycle Housing Element. The 6th Cycle HEU also proposes 43 supporting policies for each of the nine goals, an increase in three policies from the 5th Cycle Housing Element, and these policies are organized around topics of Rehabilitation, Affordability, Special Housing Needs, Housing Development, Removal of Governmental Constraints, Energy and Water Conservation, and Affirmatively Furthering Fair Housing.

Housing Sites Inventory

As required by State law, a Housing Element is to include an inventory of available land that is appropriately zoned and suitable for housing development to accommodate a jurisdiction's Regional Housing Needs Allocation (RHNA), including sites that are or can be made available for housing development affordable to households of varying income levels. Following approval by the Association of Bay Area Governments (ABAG) of the joint RHNA transfer request in March 2022, Napa County's RHNA for the Sixth Cycle HEU

stands at 106 units and is allocated as follows: 45 units affordable to very low-income families, 16 units affordable to low-income families, 14 units affordable to moderate-income families, and 31 units affordable to above moderate-income families.

In order to demonstrate that Napa County can accommodate its RHNA allocation, Staff evaluated several different methods for identifying sites that can be included in the inventory of suitable lands. These included:

- Sites that allow continued development of single-family residences and accessory dwelling units (ADUs);
- Sites from prior housing elements; and
- Sites for lower income housing with access to urban infrastructure (primarily water and wastewater services).

The sites inventory began with a consideration of existing sites designated for affordable housing in the current Housing Element. Under certain conditions, the County may carry forward sites from previous Housing Elements into the current cycle. However, after an analysis of the County's Fifth Cycle Housing Element, staff determined that those sites were unlikely to develop in this cycle due to either existing development or wildfire hazard concerns.

The inventory then evaluated existing parcels with the potential to develop single family residences and ADUs. The County's General Plan and zoning ordinances permit construction of one single family residence on each legal lot with the exception of industrially zoned properties. The Project Team performed an analysis of County GIS data (parcels, typography, roads, etc.,) to determine the number of existing parcels that could allow single family residences under existing zoning, are vacant (no existing single family residence), and were not constrained through lack of road access or steep slopes. The analysis determined that the County has 230 parcels which fit this criteria. Based on historical trends in home sales in the unincorporated county the Project Team assumes that 100% of these parcels would develop at market rate. This analysis demonstrates that Napa County has adequate existing land under current zoning to accommodate all of its above-moderate income RHNA allocation (32 units).

HCD guidance suggest that jurisdictions may assume that ADUs and Junior Accessory Dwelling Units (JADUs) continue to develop at the same pace and affordability levels that has occurred over the last three years. Napa County issued building permits for 34 ADUs and JADUs during the 2018-2020 period, an annual average of 11.33 units which the Project Team has used to project a likely development potential of 72 units during the eight (8) year timeframe of the Sixth Cycle Housing Element. Unlike single-family detached residences ADUs and JADUs are not expected to build out at one specific income level, and instead, as confirmed by Napa County and ABAG survey data, develop across all levels of income at the following percentages; very low-income - 12% or 8 units, low-income - 10% or 8 units, moderate-income - 33% or 24 units, and above moderate-income - 45% or 32 units. Based on the expected development of 72 ADUs over the

next cycle, Napa County will be able to accommodate its moderate-income RHNA allocation (14 units) for the Sixth Cycle HEU through continued ADU permit issuance.

Next, County Staff and our consultants developed initial screening criteria to identify sites appropriate for low and very low-income housing through known HCD and local land use requirements and study sessions with the Napa County Board of Supervisors, Planning Commission, and Housing Element Advisory Committee. The resulting criteria are as follows:

- Sites must have access to existing or planned water, sewer, and other dry utilities with sufficient capacity available to support housing development (Source: State requirement);

- Sites must generally be between 0.5 and 10.0 acres in size (Source: State requirement); and

- Sites must be located outside of areas designated Agricultural Resource or Agriculture, Watershed & Open Space as of September 28, 2007 (the date specified in Measure P, approved by the voters in November 2008).

Notwithstanding this requirement, sites within these designations may be identified for qualifying farmworker housing development. In addition, sites within these designations that are identified as existing commercial development on General Plan Figure AG/LU-2: Location of Parcels Subject to Policy AG/LU-45, may be identified for redevelopment as housing; (Source: Local requirement)

With input from residents, stakeholders, and the HEAC, additional goals for the sites were identified as:

- Outside of high and very high fire severity zones as designated (in State Responsibility Areas) or recommended (in Local Responsibility Areas) by CalFire;

- Outside of Zones A through D of the applicable Airport Land Use Compatibility Plan; and

- Proximate to transit routes and/or employment opportunities and services (e.g., groceries) where possible.

The County's Housing Element must provide sites sufficient to accommodate its RHNA as well as an ample buffer. A buffer is particularly important because of the "no net loss" provisions in state Planning Law (Government Code § 65863), which requires that the land inventory and site identification programs in the Housing Element include sufficient sites to accommodate the unmet RHNA. This means that if a site is identified in the Housing Element as having the potential for housing development that could accommodate lower-income units towards meeting the RHNA, but is instead developed with units at a higher income level or with fewer units, then the locality must either: 1) identify and rezone, if necessary, an adequate substitute site;

or 2) demonstrate that the land inventory already contains an adequate substitute site.

As such, an adequate buffer will be critical to ensuring that the County remains compliant with these provisions without having to amend the Housing Element with additional sites prior to the end of the cycle.

Because of the requirements of the “no net loss” statute, more sites need to be identified and rezoned than the minimum needed to meet the County’s lower income RHNA. In addition, under new provisions in State law, the County’s sites inventory must “affirmatively further fair housing,” which means that the sites need to provide both access to areas of high opportunity (those with good access to jobs, transit, and open space and good schools), while containing programs to improve areas of lower opportunity. Recognizing the need for a buffer, the need to include sites with access to areas of high opportunity, and the potential that HCD may question the validity of one or more sites in their review of the Draft HEU, County Staff is recommending the following sites in the public review draft of the Housing Element;

Site 1 - Spanish Flat (APN 019-261-041, 16.85 acre parcel)

Existing Zoning: Commercial Neighborhood District (CN)

Proposed Zoning: Commercial Neighborhood: Affordable Housing Combination District (CN:AHCD) Rezoned Area: 10 acres

Existing Allowable Density: 0 du/ac

Proposed Allowable Density: 20 du/ac minimum, 25 du/ac maximum on buildable area. Realistic Unit Capacity: 100-125 dwelling units.

Description: The site is privately owned and the property owner/developer has expressed interest in developing the site for housing, including providing Staff with a draft site plan. Staff recommended actions would be to rezone 10 acres adjacent to existing roads for the AHCD zoning district, recognizing that the steepest areas of the site are unlikely to develop. A program within the proposed HEU would amend Napa County Code Chapter 18.82 to provide for multi-family development at minimum density of 20 units to the acre and a maximum density of 25 units to the acre. Water and wastewater would be served by Spanish Flats Water District. The site is within a medium fire severity zone.

Site 2 - Bishop (APN 039-320-005, 24.5 acre parcel)

Existing Zoning: Residential Country District (RC)

Proposed Zoning: Residential Multiple District (RM) Rezoned Area: 5 acres

Existing Allowable Density: 3 du/ac (1 Single Family-Detached, 1 ADU, 1 JADU) Proposed Allowable Density: 20 du/ac minimum, 25 du/ac maximum

Potential Buildout: 100-125 dwelling units

Description: The site is privately owned and the owner has expressed interest in the rezoning. The site is not fully vacant, but a large section of the site along Hedgeside Avenue is currently used for grazing. Staff

recommends that a five (5) acre portion of the site along Hedgeside Avenue be rezoned to the RM zoning district designation. This housing site is within the City of Napa water service boundaries and proximate to City infrastructure, however it would require City Council approval for water service. The site is also adjacent to Napa Sanitation District wastewater infrastructure, and the Napa Sanitation District has described conditions under which service could be provided, including rehabilitation of the adjacent 10" sewer trunk line to reduce stormwater infiltration and provide additional service capacity.

Site 3 - Altamura (APN 039-320-016, 5.8 acre parcel)

Existing Zoning: Planned Development District (PD) Proposed Zoning: Residential Multiple District (RM)
Rezoned Area: 5.8 acres

Existing Allowable Density: 3 du/ac (1 Single Family-Detached, 1 ADU, 1 JADU) Proposed Allowable Density: 20 du/ac minimum, 25 du/ac maximum

Potential Buildout: 58 dwelling units

Description: The site is privately owned and the owner has expressed interest in developing it in the past. The site is not fully vacant and contains the shell of a previous structure. Staff recommends that the entire site be rezoned to the RM zoning district designation. A program within the proposed HEU would amend Napa County Code Chapter 18.60 to provide for multi-family development without a Use Permit (because the site was included in a prior housing element), a minimum density of 20 units to the acre and a maximum density of 25 units to the acre. This housing site is within the City of Napa water service boundaries and proximate to City infrastructure, however it would require City Council approval for water service. The site is also adjacent to Napa Sanitation District wastewater infrastructure, and the Napa Sanitation District has described conditions under which service could be provided, including rehabilitation of the adjacent 10" sewer trunk line to reduce stormwater infiltration and provide additional service capacity. Based on experience with similar proposals, The Project Team has taken a conservative approach to potential build out and estimated it would likely not build out the entire parcel.

Site 4 - Big Ranch Corner (APN 038-190-007, 3 acre parcel)

Existing Zoning: Residential Country District (AW)

Proposed Zoning: Residential Multiple District (RM) Rezoned Area: 1.5 acres

Existing Allowable Density: 3 du/ac (1 Single Family-Detached, 1 ADU, 1 JADU) Proposed Allowable Density: 20 du/acre minimum, 25 du/acre maximum

Potential Buildout: 20 - 25 dwelling units

Description: The site is privately owned and the owner has expressed interest in developing housing in the past. The site is not fully vacant and currently contains vineyards on one half of the rectangular parcel and a vacant single family detached residence. Staff recommends that a 1.5 acre half portion along Big Ranch Road be rezoned to the RM zoning district designation with a minimum density of 20 units to the acre and a maximum density of 25 units to the acre. The 1.5 acres would also be re-designated on the General Plan Land Use Map, reflecting its designation on September 28, 2007, the effective date of Measure P. (Measure P is not applicable to this site because of its land use designation on this date.) This housing site is within the City of Napa water

service boundaries and proximate to City infrastructure, however it would require City Council approval for water service. The site is also adjacent to Napa Sanitation District wastewater infrastructure, and staff of the Sanitation District have discussed the process by which this site could be provided with service.

Site 5 - Imola Avenue (APN 046-450-041, 201.7 acre parcel)

Existing Zoning: Agricultural Watershed: Skyline Wilderness Park Combination District (AW:SWP) DGS
Surplus Property: 20.34 acres

Housing area identified within the surplus area: 5.0 acres Existing Allowable Density: 0 du/ac

Proposed Allowable Density: 20 du/ac Potential Buildout: 100 dwelling units

Description: The State has expressed an interest in selling Skyline Park to the County and at the same time, developing workforce housing on the area of Skyline Park immediately adjacent to the Office of Education on Imola Avenue, south and east of the City of Napa and adjacent to the Napa State Hospital. The Department of General Services (DGS) currently identifies a 20.34-acre site (APN 046-450-041) on the Real Estate Services Division's map of surplus property identified pursuant to Executive Order N-06-10, Affordable Housing Development, and DGS staff has indicated that a 5-acre portion is likely to be pursued for development of affordable housing within the eight-year planning period. The property is located on a 201.7 acre parcel that makes up a portion of Skyline Park, adjacent to Imola Avenue, Napa State Hospital, Creekside School, and the County Office of Education offices. The property would need to connect to the City of Napa water service and Napa Sanitation District for wastewater service. Rezoning the property would not be necessary given that the property is owned by the State of California and the development would not be subject to the local General Plan and Zoning regulations. The Project Team has used the default density specified in Government Code 65583.2 of 20 du/ac in determining the potential buildout of the site.

Site 6 - Foster Road (APN 043-062-008, 24.0 acre parcel)

Existing Zoning: Agricultural Watershed: Urban Reserve Combination District (AW:UR)

Proposed Zoning: Residential Multiple District (RM)

Rezoned Area: 5 acres

Existing Allowable Density: 3 du/ac (1 Single Family-Detached, 1 ADU, 1 JADU) Proposed Allowable Density: 20 du/ac minimum, 25 du/ac maximum

Potential Buildout: 100 - 125 dwelling units

Description: The site is privately owned and the property owner has expressed interest in developing the site for housing. This housing site is within the City of Napa water service boundaries and adjacent to Napa Sanitation wastewater infrastructure. The site is also located within the City of Napa's Sphere of Influence (SOI) and Rural Urban Limit (RUL), and the Napa County General Plan requires that the development be annexed into the City of Napa prior to occupancy. The City of Napa's proposed General Plan Update currently indicates a maximum development density of 10 DU/acre, and suggests the need for further planning for the entire Foster Road area. Staff recommends inclusion of this housing site recognizing that its development would require coordination between the property owner, County, and City Staff and could serve as a 'pilot program' to test development standards in the area and offer a route for the property owner to annex a portion of the parcel to

the City of Napa in the near term. Staff's recommended actions would be to rezone 5 acres adjacent to existing roads for the RM zoning district designation, with a minimum density of 20 units to the acre and a maximum density of 25 units to the acre.