



Napa County

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Legislation Text

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TO: Board of Supervisors
FROM: Brian Bordona - Interim Director of Planning, Building & Environmental Services
REPORT BY: Trevor Hawkes - Supervising Planner
SUBJECT: Amendment to the Housing Element of the Napa County General Plan

RECOMMENDATION

PUBLIC HEARING 1:30 PM - PROPOSED GENERAL PLAN AMENDMENT: 2023 - 2031 HOUSING ELEMENT UPDATE

Interim Director of Planning, Building and Environmental Services requests the Chair hold a public hearing and adopt resolutions recommending the following:

- (1) certification of the FEIR and adoption of Findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program pursuant to CEQA, and
- (2) adoption of a resolution replacing the 2014 Housing Element with the updated Housing Element amendment to the General Plan for the 2023 - 2031 planning period.

EXECUTIVE SUMMARY

Proposed Actions:

That the Board of Supervisors:

1. Hold a public hearing
2. Adopt the attached resolution (Attachment A) certifying the Environmental Impact Report and adopting

Findings, a Statement of Overriding Consideration and a Mitigation Monitoring and Reporting Program pursuant to the California Environmental Quality Act for the 2023 - 2031 Housing Element and Safety Element updates to the Napa County General Plan*; and

3. Adopt the attached resolution (Attachment B) replacing the 2014 Housing Element of the General Plan with the updated Housing Element for the 2023-2031 planning period, in compliance with State Housing Element law.

*Please note that while staff is recommending that the FEIR on the Housing and Safety Elements be adopted by the Board, as recommended by the Planning Commission, conflicts between the January 31, 2023, Sixth Cycle Housing Element adoption deadline and a required review of the draft Safety Element by the California Board of Forestry is preventing Staff from bringing both items to the BOS for a hearing at the same time. The California Board of Forestry approved Napa County's Draft Safety Element on January 17, 2023, which clears the document for adoption by the BOS. Staff is tentatively looking at bringing the Safety Element to the Planning Commission for a public hearing to consider recommending adoption to the BOS in February 2023.

Discussion:

Pursuant to State law, Napa County must adopt an updated Housing Element by January 31, 2023, and submit it to the California Department of Housing and Community Development (HCD) for certification. The Housing Element is subject to formal State review and determination as to conformance with the housing element statutes. State law includes specific requirements for both content and process regarding periodic Housing Element updates. Content requirements include a review of the prior housing element's effectiveness, a housing needs assessment, an assessment of fair housing, an assessment of constraints on housing, a housing sites inventory, as well as goals, policies, programs and objectives related to the production of housing sufficient to satisfy a broad spectrum of community needs.

On June 22, 2021, the Board of Supervisors (BOS) held a meeting to direct Staff on the formation of a Housing Element Advisory Committee (HEAC) and to enter into a contract with the County's HEU consultant team. The BOS reviewed applications for HEAC committee members on September 28, 2021, and adopted the HEAC by-laws on November 16, 2021. Staff has also previously brought HEU items to the BOS, seeking discussion and direction. On December 7, 2021, the BOS held a meeting to discuss and provide direction to staff on the County's existing Regional Housing Needs Allocation (RHNA) sharing agreements with the cities of Napa, American Canyon and St. Helena, the percentage of units to transfer to the cities and the criteria to be used in identifying sites for accommodating the County's low and very-low RHNA allocation for the sixth cycle. On May 3, 2022, the BOS also conducted a meeting with staff to discuss the initial sites proposed for analysis in the Draft HEU inventory.

Subsequent to the May 3, 2022, BOS meeting staff and the consultant team have continued to proceed forward

with preparing the Draft HEU and the environmental analysis with the intention of meeting the State’s January 31, 2023, deadline for adoption of sixth cycle Housing Elements for jurisdictions within the Association of Bay Area Governments (ABAG).

The Draft HEU was released for public review from June 6, 2022, to July 25, 2022, and included public sessions before the HEAC (July 14, 2022) and the Planning Commission (July 6, 2022) to discuss the contents of the Draft and receive agency and public comments. Similarly, a Draft Environmental Impact Report (for both Housing and Safety Element Amendments to the General Plan) was released for public review on August 23, 2022, for a 45-day review period with a public session before the Planning Commission held on October 5, 2022.

The Draft HEU was submitted to the State Department of Housing and Community Development (HCD) for its review on August 8, 2022. Following receipt of HCD's review comments on November 7, 2022, staff prepared additional revisions to the Draft HEU and met with the HEAC for final direction and recommendations from the committee. On January 11, 2023, the Planning Commission held a noticed public hearing, received testimony and adopted resolutions recommending the BOS certify the FEIR, adopt Findings under CEQA and adopt the Housing Element Update for the 2023 - 2031 planning period with the recommendation that the Bishop parcel be removed from the housing sites inventory.

Subsequent to the January 11, 2023, hearing on the Final Draft Housing Element with the Planning Commission the County received written communication that the property owner for the Altamura site (originally site 3) would not consider affordable housing development at the site during the Sixth Cycle planning period. Because HCD places a strong emphasis on a site’s ability to develop over the Sixth Cycle when reviewing Housing Elements, Staff recommends the Altamura site be removed from consideration.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Planning, Building and Environmental Services Budget Unit with support from State and ABAG/MTC Grants
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	Any future expenses will be budgeted accordingly.
Consequences if not approved:	County will be out of compliance with State Law if Update is not completed, which may disqualify the County from some categories of State funding and may allow challenge to the General Plan.
County Strategic Plan pillar addressed:	Healthy, Safe, and Welcoming Place to Live, Work, and Visit
Additional Information	Update addresses multiple Strategic Plan Pillars

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Final Environmental Impact Report (FEIR) prepared and circulated (State Clearinghouse #2022010309). Before the County may approve the proposed Project, it must independently review and consider the information contained in the FEIR, certifying that the FEIR adequately discloses the environmental effects of the Housing Element Update (HEU), that the FEIR has been completed in conformance with the California Environmental Quality Act (CEQA), and that the decision-making body of the Lead Agency independently reviewed and considered the information contained in the FEIR. Certification of the FEIR would indicate the County's determination that the FEIR adequately evaluated the environmental impacts that could be associated with the HEU. The FEIR was prepared in compliance with the CEQA, the State CEQA Guidelines (California Code of Regulations Section 15000 et seq.), and Napa County Local Guidelines Implementing CEQA as well as relevant case law.

BACKGROUND AND DISCUSSION

Napa County proposes to 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. Pursuant to State law, Napa County must adopt an updated Housing Element by January 31, 2023, and submit it to HCD for certification. The Housing Element is subject to formal State review and determination as to conformance with the housing element statutes. State law includes specific requirements for both content and process regarding periodic Housing Element updates. Under State law, the Housing Element is required to include an assessment of fair housing and address barriers to fair housing choice and identify sites and programs that provide housing opportunities for lower income families and individuals near high quality schools, employment opportunities, and public transportation. State law also requires local governments to identify meaningful goals to address the impacts of systemic issues such as residential segregation, housing cost burden, and unequal educational or employment opportunities to the extent these issues create and/or perpetuate discrimination against protected groups. These requirements have been incorporated into the Draft HEU, including the site selection recommendation. Ultimately the General Plan amendment and rezoning will assist in the Housing Element goals of developing more affordable housing.

Napa County's Final Draft HEU contains the following discussion areas as required by state law and 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. 31) 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. 41) proposes the goals, policies, and programs

to address the County's housing needs during the 2023 - 2031 planning period.

- Section 4 (Quantified Objectives; Page. 57) 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. 59) provides an analysis of housing conditions and needs in Napa County.
- Section 6 (Assessment of Fair Housing; Page. 135) 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. 221) provides a summary of the Regional Housing Needs Allocation (RHNA) for the 2023 to 2031 planning period.
- Section 8 (Housing Constraints; Page. 223) provides an evaluation of governmental and non-governmental constraints on housing.
- Section 9 (Housing Sites Analysis; Page. 258) 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.

Work on the Napa County Sixth Cycle Housing Element Update for the 2023 - 2031 planning period began in the fall of 2021. 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 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 worked 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: On September 28, 2021, the BOS 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 was 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 nine (9) HEAC meetings were held over the course of the preparation of the Final Draft HEU.

- **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.
- **Meeting with Spanish-Speaking Community Members:** County Staff held an informal meeting including translation services for five attendees of Hispanic origin who live and work in Napa County. This five-member group had reached out to County staff at the conclusion of the 4th HEAC meeting requesting translation assistance in understanding the proposed programs of the Housing Element Update and to speak with staff concerning the housing needs/constraints of the Napa County Hispanic community with limited English language proficiency.
- **Spanish Language Workshops:** Under direction from the HEAC to conduct additional outreach for the Spanish speaking community Staff organized two additional housing workshops in October 2022 with local community groups Puertas Abiertas, Up Valley Family Center, and On the Move. Notification for the workshops was distributed through the community groups social media sites and the three County farmworker centers. Workshops were fully translated (English/Spanish) and participants in the workshops were asked about what they like about housing in their community, what housing challenges they have faced in their community, what the County could do to meet the community's housing needs, as well as surveyed on their opinions of the sites inventory from the Draft HEU.
- **2022 Housing Element Website:** Throughout the update process the 2022 Napa County Housing Element Update website maintained the meeting videos and materials for the nine (9) HEAC meetings, two (2) public workshops, as well as documents noticed for hearings before the Planning Commission and BOS. The 2022 Housing Element Update website can be viewed here: <https://www.countyofnapa.org/3250/2022-Housing-Element-Update>

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 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 extremely low and 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 and factors for identifying potential sites. These included:

- Sites that allow continued development of single-family residences and accessory dwelling units (ADUs).
- Sites from prior housing elements.
- 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 2014 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 accessory dwelling units (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. Staff analyzed County GIS data (parcels, topography, roads, etc.) to determine the number of existing parcels that could allow single family residences under existing zoning, were vacant (no existing single-family residence), and were not constrained through lack of road access or steep slopes. The analysis demonstrated that Napa County has adequate existing land under current zoning to accommodate all of its above-moderate income RHNA allocation (31 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 constructed 14 ADUs and JADUs during the 2019-2021 period, for an annual average of 4.66 units which Staff has used to project a likely development potential of 38 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 a survey conducted by the Center for Community Innovation at UC Berkeley, develop across all levels of income at the following percentages: very low-income - 5% or 2 units, low-income - 30% or 11 units, moderate-income - 50% or 19 units, and above moderate-income - 15% or 6 units. Based on the expected development of 38 ADUs over the next cycle, Napa County should be able to accommodate its moderate-income RHNA allocation (14 units) for the Sixth Cycle HEU through continued ADU construction*.

*It should be noted that Staff is requesting the BOS to approve an Errata (Attachment G) to the Final Draft HEU which would, among other things, update the Final Draft HEU's ADU affordability assumptions for the Sixth Cycle. If the Errata is approved the County's assumption for total ADU production for the Sixth Cycle would be based on a three (3) year average of Building Permits issued and not Certificates of Occupancy issued. Total projected ADU's for meeting RHNA requirements would increase to 98 units for the eight (8) year

planning period. The 98 project units would be expected to build out at 11 above moderate-income units, 29 moderate-income units, and 58 low- and very low-income units.

Next, Staff 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 were 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).
- 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 Housing Element 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 and the need to include sites with access to areas of high opportunity, Staff recommended the following

sites in the public review draft of the Housing Element*;

Site 1 - Spanish Flat (APN 019-261-041 & 040, 18.38 acres)

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

Site 3 - Altamura (APN 039-320-016, 5.83 acre parcel)*

Site 4 - Imola Avenue (APN 046-450-041, 201.7 acre parcel, in the Skyline Park area)

Site 5 - Foster Road (APN 043-062-008 & 102-016, 108.62 acres)

*Please note, subsequent to the January 11, 2023, hearing on the Final Draft Housing Element with the Planning Commission the County received written communication that the property owner for the Altamura site would not consider affordable housing development at the site during the Sixth Cycle planning period. Because HCD places a strong emphasis on a site's ability to develop over the Sixth Cycle when reviewing Housing Elements, Staff recommends the Altamura be remove from further consideration.

Environmental Review

An Environmental Impact Report (EIR) is an informational document that is used to inform public agency decision-makers and the general public of the potentially significant environmental effects of a project; to identify possible ways to mitigate or avoid those significant effects; and to describe a range of reasonable alternatives to the project that could feasibly attain most of the basic objectives of the project while substantially lessening or avoiding any of the project's significant environmental impacts. Public agencies are required to consider the information presented in the environmental impact report when determining whether to approve a project. Napa County's Draft Environmental Impact Report (DEIR) for the General Plan Housing Element and Safety Element Amendments was released for public review on August 23, 2022, for a 45-day public review period. The Napa County Planning Commission met in public session on October 5, 2022, to receive input from agencies and the public on the DEIR. The Planning Commission meeting to review the DEIR, including the Staff Report and Public Comments received can be reviewed at the following link: <https://napa.legistar.com/LegislationDetail.aspx?ID=5854756&GUID=A3CEAD37-20A7-45E4-90FA-3E8665C3549D>

The DEIR is a program EIR, as authorized by CEQA Guidelines Section 15168, which analyzes the potentially significant environmental effects of the overall development potential of the Project and not the site-specific impacts of any individual development project, the details of which are not known at this time. According to the DEIR, the proposed project would have sixteen significant and unavoidable environmental impacts in the resources areas of: aesthetics, air quality, cultural resources, greenhouse gas emissions, noise, transportation, and utilities and service systems. Although mitigation measures will be implemented, some impacts will remain significant and unavoidable, or in the case of cumulative impacts, cumulatively considerable. All other impacts can be mitigated to a less than significant level with mitigation. In addition to an impact analysis of the proposed project, and in accordance with State CEQA Guidelines Section 15126.6, the DEIR analyzed alternative scenarios and compared the potential environmental effects of each alternative to those of the proposed project.

The DEIR evaluated two alternative scenarios to the proposed project. The first, the No Project Alternative, assumes the HEU would not be adopted and that the goals and policies within the existing Housing Element would remain unchanged. Further, the County's existing land use and zoning designations would also remain unchanged. Rezoning within portions of the County would not occur, however reasonably foreseeable development could still proceed, and residential development within the County would continue to be directed and governed in the manner that it is currently. The second, Reduced Program Alternative, would update the County's Housing Element in the same manner as the proposed HEU, but would eliminate the Altamura, Foster Road, and Imola Avenue sites from the housing sites inventory. No General Plan or zoning changes would be pursued to accommodate multi-family housing on these sites, the land use and zoning designations currently in place would continue, and any development on the sites would be subject to policies and standards that currently exist. Only the Spanish Flat and Bishop housing sites would be designated for multi-family development under this alternative.

Other alternatives considered but not evaluated in further depth in the DEIR included six additional housing sites. Each of the alternative scenarios to the project is discussed in further detail in Chapter 5 of the DEIR. Because the No Project Alternative (described above in DEIR Section 5.3.1) would avoid all adverse impacts resulting from the proposed project analyzed in the DEIR, it is the environmentally superior alternative. However, the No Project Alternative would not meet the objectives of the project as presented in DEIR Section 5.1.1, and it would result in the County being out of compliance with state law and not enable development of an adequate supply of housing to meet the County's RHNA obligations. When the environmentally superior alternative is the No Project Alternative, the State CEQA Guidelines (Section 15126.6[d][2]) requires selection of an environmentally superior alternative from among the other action alternatives evaluated. As illustrated in Table 5-2 of the DEIR, Alternative 2 (Reduced Program Alternative) would be the environmentally superior action alternative among all other alternatives because this alternative would eliminate six of the 16 significant and unavoidable impacts associated with the proposed HEU related to aesthetics, air quality, cultural resources, and noise. The Reduced Program Alternative would also reduce the severity of other significant and unavoidable impacts related to utilities and noise. As a result, the Reduced Program Alternative would be the environmentally superior alternative for the purpose of the EIR.

The County received a significant number of comments on the DEIR. The FEIR's roster of commenters includes two (2) government agencies, one (1) Native American tribe (consultation was not requested), three (3) organizations, and twenty nine (29) individual commenters. The FEIR also provides responses to nine (9) public speakers at the October 5, 2022, Planning Commission hearing as well as comments made by three (3) Planning Commissioners. While the FEIR responds to each individual comment, due to the overlapping nature of many of the comments received, master responses are provided for several environmental topic areas. These areas include; water service, wildfire and emergency evacuation, pedestrian and bicycle safety at the Bishop site, flooding concerns at the Bishop site, noise concerns at the Bishop site, biological resource concerns at the Bishop site, sewer service concerns at the Bishop site, as well as master responses for comments of a non-CEQA nature and comments concerning recirculation of the DEIR.

Based on comments received on the DEIR, or in response to modifications of the Draft HEU, modifications were made to the analysis narrative or proposed mitigation measures of the DEIR. Modifications were made in the following sections; Project Description, Biological Resources, Greenhouse Gas Emissions, Hydrology and Water Quality, Land Use and Planning, Noise and Vibration, Transportation and finally Utilities and Service Systems. No new significant impacts were identified during the review of the public comments on the DEIR or in response to modification of the Draft HEU.

Attachment C of this agenda packet includes the FEIR for the Draft HEU. The FEIR incorporates the DEIR by

reference, and includes responses to comments received during the 45-day public review period of the DEIR, responses to late comments, errata (text changes) to the DEIR since the public review period either in response to comments or initiated by Staff, an appendices which includes the Mitigation, Monitoring and Reporting Program (MMRP), an informational/non-CEQA Traffic Level of Service study, a transcript of the October 5, 2022, Planning Commission hearing on the DEIR, and a revised version of the DEIR.

Revisions to the Draft Housing Element Update

Napa County's Draft HEU was released for public review on June 10, 2022. The statutory 30-day public review period on this Draft HEU was extended for an additional two (2) weeks, ending on July 25, 2022. The Napa County Planning Commission met in public session on July 6, 2022, to discuss the contents of the Draft HEU and to receive public and agency comments. The Planning Commission meeting to review the Draft HEU, including the Staff Report and public comments can be reviewed at the following link (public comments from this meeting are also contained in the appendices of the Final Draft Housing Element Update:

<https://napa.legistar.com/LegislationDetail.aspx?ID=5712600&GUID=C34561FA-58E6-48EF-917F-1EB27BCECE19>

On July 14, 2022, a meeting of the HEAC was held to provide further opportunity for public comments and to receive feedback from HEAC members on responding to comments and revising the Draft HEU. Subsequent to this meeting and after the public review period ended on July 25, 2022, Staff considered the comments received and made a number of revisions to the Draft HEU. Most comments received during the public review period fall into two categories: concerns over site suitability and Housing Element policy input.

The majority of feedback received on the Draft HEU during the public review phase was on site suitability, with commenters generally advocating that particular sites be excluded from the sites inventory for various reasons. Many of these comments included environmental concerns that were either addressed in the forthcoming DEIR or would be in the FEIR's response to comments. Some comments on site suitability required revisions to the Draft HEU. The owner of the Big Ranch Corner site, one of the six proposed affordable housing sites brought before the BOS on May 3, 2022, contacted the County indicating that they would not consider developing housing on the site, and it was subsequently removed from the inventory. The City of Napa also contacted the County with a number of requests or clarifications for sites identified for connection to City of Napa water service.

Subsequently Staff expanded the area considered for the Foster Road site to include a second 84.6 acre parcel to the south as well as expanded discussion on the procedures for annexation and water service extensions. Finally, a comment letter was also received from the Local Agency Formation Commission of Napa County (LAFCO) highlighting the various procedural requirements before certain agencies can provide water or sewer service to the housing sites. While many of the specific procedural concerns raised in LAFCO's letter were analyzed in the DEIR, Staff also added Program H-4k in response to LAFCO's comments.

Additionally, a few comments were received concerning the Draft HEU's policies and programs. Staff made the following revisions in response to these comments; Programs H-2j was refined to call for study of potential to modify land use controls and to explore funding to preserve mobile home parks as affordable housing, and Program H-4b was modified to include priority for senior housing (and farmworker housing).

A more thorough summary of the public input received on the Public Review Draft HEU and the changes made in consideration and response to those comments can be found on pages 22 through 26 of Attachment E.

California Department of Housing and Community Development's Review of the Draft Housing Element

Subsequent to the public review period and a period of 10 business days prior to which jurisdictions must consider public comments received on their Draft HEUs, State law requires that the County submit its Draft HEU to HCD for review prior to the County's adoption of its HEU. Staff submitted Napa County's revised Draft HEU to HCD on August 9, 2022. HCD has a maximum review period of 90 days in which to provide jurisdictions with comments on the Draft HEU's. On November 7, 2022, Napa County received correspondence from HCD (Attachment H) which included an appendix of necessary revisions to the Draft HEU. Those comment topics and the general categories they fall under are provided below;

1. Several of HCD's comments requested additional information from, or additional analysis be added to, the Housing Needs Assessment, Assessment of Fair Housing and Housing Constraints sections of the Draft HEU. Those areas have subsequently been updated in the Draft HEU and include the following:
 - AFFH (Affirmatively Furthering Fair Housing) and RCAAs (Racially Concentrated Areas of Affluence)
 - Disproportionate housing needs and displacement risk
 - Local data and knowledge that captures trends and issues
 - Housing conditions
 - Overpayment by lower-income households
 - Homelessness and population in need of emergency shelters
 - Farmworkers trends, characteristics, and needs
 - Process and regulation for emergency shelters and supportive and transitional housing
 - Fees, exactions, and local processing and permit procedures

2. HCD's requested clarification or modifications to Section 3 (Goals, Policies & Programs) of the Draft HEU. Staff has reviewed HCD's comments and has made edits to the Draft HEU where necessary. Topics covered in these edits include:
 - Progress of 5th Cycle programs
 - Timelines for identified Sixth Cycle programs
 - Annexation timelines and procedures
 - Programs to mitigate/remove constraints
 - Mobile home preservation steps and timelines
 - AFFH analysis, goals, and actions
 - Accessory dwelling unit (ADU) production and affordability

3. HCD requested that additional information be added to the sites inventory. Staff has edited the Draft HEU where necessary. Topics covered in these edits include:
 - Nonvacant uses on sites and vacant sites within larger nonvacant parcels that may impede development
 - Suitability of large sites
 - Availability of infrastructure
 - Environmental constraints

4. Finally, HCD included requested additional information related to public participation. Topics covered under these comments include:
 - Efforts made to conduct an inclusive outreach process
 - How the Draft HEU considered and addressed comments

Housing Element Advisory Committee Recommendations and Staff Observations

Napa County's Housing Element Advisory Committee (HEAC) was created by the Board of Supervisors on September 28, 2021. As defined by resolution, the HEAC's role in the housing element update process was to conduct public participation meetings and provide comments on the Sixth Cycle Housing Element Update. Between September 2021 and December 2022, the HEAC held a total of nine (9) meetings to provide comments to Staff throughout the various stages of the HEU.

The HEAC held its last scheduled meeting on December 12, 2022. The goal of the meeting was to review and provide comments on Staff's planned revisions to the Draft HEU in response to HCD's November 7, 2022, review letter and to provide formal recommendations from the HEAC to the Napa County Planning Commission and Board of Supervisors on the Housing Element Update. The following three (3) motions were passed by the Committee by the conclusion of the meeting.

1. The HEAC recommends that the Final Draft Housing Element Update be revised to exclude the Imola Site (Site 4) from the sites inventory.
2. The HEAC recommends that the Final Draft Housing Element Update be revised to include a program requiring adoption of a Master Plan, which will plan for future services such as medical clinics, grocery stores, infrastructure, roads and a school site, prior to any permit issuance of the Spanish Flat (Site 1) in the final adopted version.
3. The HEAC recommends adopting the Final Draft Housing Element Update as prepared with changes outlined by Staff at the December 12, 2022, HEAC meeting, and the prior recommendations passed by the HEAC for the Imola site and Spanish Flat site.

Staff is supportive of HEAC recommendation No. 3, "The HEAC recommends adopting the Draft Housing Element Update as prepared with changes outlined by Staff at the December 12, 2022, HEAC meeting", but Staff is not supportive of HEAC recommendations No. 1 and 2. Staff provides the following concerns regarding incorporating these recommendations into the final adopted Housing Element:

On excluding the Imola site:

- The Imola site has been reviewed by HCD with no comment or concern about site adequacy. In its November 7, 2022, letter reviewing the County's Draft Housing Element, HCD did not indicate the site was insufficient for meeting the County's RHNA obligations for low-income housing, nor did it indicate that the site needed to be removed from the inventory.
- The Imola site is located on State owned excess property identified as available for affordable housing pursuant to Executive Order N-06-10, as identified on the Department of General Services, Real Estate Services Division map of surplus property. As mentioned in the Draft HEU and the EIR, the State is not

subject to the County's General Plan and Zoning Code and the potential exists for the State to move forward with affordable housing development whether or not the site is included in the final sites inventory.

Requiring a Master Plan prior to development approval for the Spanish Flat site:

- The Spanish Flat site has been reviewed by HCD. In its November 7, 2022, letter reviewing the County's Draft Housing Element, HCD did not indicate the site was insufficient for meeting the County's RHNA obligations for low-income housing, nor that the area required additional master planning.
- Inclusion of a requirement to prepare a Master Plan for the Spanish Flat area prior to permit issuance might potentially be viewed by HCD as an added constraint on housing development at the Spanish Flat site, thus jeopardizing HCD's certification of the adopted element. HCD is likely to scrutinize this additional program and may require additional analysis and/or program modifications to ensure the requirement does not prevent development of the site over the sixth cycle planning period.

Planning Commission Recommendations and Staff Observations

The Planning Commission held a noticed public hearing on the Final Draft HEU and FEIR on January 11, 2023. The Staff Report and public comments for the Planning Commission's review of the Final Draft HEU can be viewed at the following link:

<https://napa.legistar.com/MeetingDetail.aspx?ID=1069435&GUID=7DA7181E-8880-494A-8791-5CD870BFB2B2&Options=&Search=>>

Subsequent to staff's presentation, discussion, and public comments, the Commission adopted two (2) resolutions:

1. A resolution (Attachment J) recommending that the Board of Supervisors certify the Final Environmental Impact Report and adopting Findings under the California Environmental Quality Act for the Housing and Safety Element Amendments to the Napa County General Plan.
2. A resolution (Attachment K) recommending that the Board of Supervisors replace the existing 2014 Housing Element with the updated Housing Element amendment to the General Plan for the period of 2023-2031, with the final sites inventory revised to exclude the Bishop site.

Board of Supervisor actions

Attachment F is a redlined version of the Draft HEU and includes as tracked changes the edits, revisions, and modifications to the document in response to HCD's November 7, 2022, review letter. This document represents the Final Draft HEU. The planned edits to the Draft HEU were discussed with the HEAC at their final meeting on December 12, 2022, and were developed with the help of the County's Housing Element consultant team. Additional support related to specific comments was also received during a November 30, 2022, technical assistance meeting with HCD. A summary of the input received, and the changes made to the

Draft HEU in response to the HCD letter is contained on page 28 of Attachment E.

Staff has also included an errata to the Final Draft HEU which includes non-substantial, minor changes requested by Staff to the Final Draft HEU that were not part of the document package presented to the Planning Commission on January 11, 2023. The errata includes the inclusion of Program H-5g, which was intended for the Final Draft HEU taken to the Planning Commission, and was referenced in the HEU narrative, but inadvertently deleted when setting up the updated programs table in Section 3 of the draft. The errata also includes a request to make changes to the affordability assumptions for ADUs/JADUs in Section 9 of the draft. As currently written, the Final Draft HEU utilizes Napa County's ADU construction data in analyzing future build out and affordability over the Sixth Cycle planning period and is considered a conservative assumption. Recent actions and review by HCD of other ABAG jurisdiction's Housing Elements and their ADU affordability assumptions has led Staff to believe that a more aggressive approach which utilizes ADU permits issued instead of Certificates of Occupancy issued in determining the ADU affordability analysis will be acceptable to HCD and could provide the County additional ADU units in the very low- and low-income RHNA categories.

As mentioned above in the Site Inventory Analysis discussion, subsequent to the Planning Commission hearing on January 11, 2023, the County received written communication dated January 18, 2023, from the property owner of the Altamura site stating their desire to keep the current PD zoning and asking that the property not be rezoned to residential multiple, meaning the owner has no interest in developing the property for multi-family housing over the Sixth Cycle planning period (Attachment L). Staff accordingly requests that the BOS direct Staff, as part of adopting the Housing Element, to exclude the Altamura property from the Final Draft HEU.

Today's requested action, with the support of both the Napa County Planning Commission and Staff is for the Board of Supervisors to:

- (1) certify the FEIR and adopt Findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program pursuant to CEQA, and
- (2) adopt a resolution replacing the 2014 Housing Element with the updated Housing Element amendment to the General Plan for the 2023 - 2031 planning period.

The Board of Supervisors may continue this item to a later date. As a reminder the State deadline for Sixth Cycle Housing Element adoption is January 31, 2023. Continuing adoption of the HEU to a date after the deadline may open the County up to penalties associated with late adoption and therefore is not recommended.

SUPPORTING DOCUMENTS

- A. CEQA Resolution
- B. Adoption Resolution
- C. Final Environmental Impact Report
- D. Final Environmental Impact Report Appendices
- E. Final Draft Housing Element Update (Clean)

- F. Final Draft Housing Element Update (Redline)
- G. Errata to the Final Draft Housing Element Update
- H. November 7, 2022, Department of Housing and Community Development Review Letter
- I. HCD Revision Page Numbers
- J. Public Comments