



Napa County

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Title: Director of Planning, Building and Environmental Services requests discussion and direction regarding the following as it relates to the 2023-2031 Sixth Cycle Housing Element Update regarding Regional Housing Needs Allocation (RHNA):

1. What percentage of the existing RHNA sharing agreements with the cities/town should the County plan for in the unincorporated area; and
2. What criteria should be looked at in the selection of sites to be evaluated in the next Housing Element update.

Sponsors: Board of Supervisors

Indexes:

Code sections:

Attachments: 1. PowerPoint

Date	Ver.	Action By	Action	Result
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TO: Board of Supervisors

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

REPORT BY: David Morrison

SUBJECT: Housing Element Update Study Session

RECOMMENDATION

Director of Planning, Building and Environmental Services requests discussion and direction regarding the following as it relates to the 2023-2031 Sixth Cycle Housing Element Update regarding Regional Housing Needs Allocation (RHNA):

1. What percentage of the existing RHNA sharing agreements with the cities/town should the County plan for in the unincorporated area; and
2. What criteria should be looked at in the selection of sites to be evaluated in the next Housing Element update.

EXECUTIVE SUMMARY

Earlier in 2021 work began on the required Housing Element Update (Update) for the State’s Sixth Cycle Planning Period to address housing needs for the years 2023 through 2031. The Update must be completed by the County and certified by the State Department of Housing and Community Development (HCD) by January 2023. The Update is subject to the California Environmental Quality Act (CEQA), and it is necessary to develop the Update’s project description over the course of the next several weeks in order to ensure that required CEQA documentation and process can be completed prior to HCD’s review of the Update. To prepare the CEQA project description, Staff requests that the Board review, discuss and provide general direction on two questions: (1) what percentage of the existing RHNA sharing agreements with the cities/town should the County plan for in the unincorporated area; and (2) what criteria should be looked at in the selection of sites to be evaluated in the next Housing Element update, as well as potential housing sites or areas preliminarily identified by staff.

PROCEDURAL REQUIREMENTS:

1. Staff reports.
2. Public comments.
3. Board discussion and direction.

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
Discretionary Justification:	Board has already budgeted this program. Program is within budget.
Is the general fund affected?	No
Future fiscal impact:	Update will continue into fiscal year 2022/23.
Consequences if not approved:	County will be out of compliance with State Law if Update is not completed.
County Strategic Plan pillar addressed:	Collaborative and Engaged Community
Additional Information	Update addresses multiple Strategic Plan pillars

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: This study session will provide direction to Staff to enable preparation of the CEQA documentation for the Update project.

BACKGROUND AND DISCUSSION

A Power Point presentation providing an overview of these topics as presented to the Housing Element

Advisory Committee (HEAC) is attached.

RHNA TRANSFER AGREEMENTS

The County assigned Draft RHNA for the 6th Cycle is as follows:

- 369 units - Very Low Income
- 213 units - Low Income
- 120 units - Moderate Income
- 312 units - Above Moderate Income

The Association of Bay Area Governments (ABAG) received a total of 28 appeals of RHNA numbers by local jurisdictions. On November 12, 2021, ABAG ratified the final determination on the 28 appeals, denying 27 and granting an appeal filed by Contra Costa County, which resulted in 35 units being allocated instead to the City of Pittsburg due to a mapping error. On December 16, 2021, ABAG will consider adoption of the final RHNA plan.

Section 65584.07 of the California Government Code allows unincorporated counties to reduce their RHNA if cities within the County agree to an equivalent increase. Over the last several years, Napa County has contractually entered into the following RHNA sharing agreements applicable to the upcoming Sixth Cycle:

1. City of Napa (2019) - 811 total units or approximately 80% of County Sixth Cycle RHNA
2. City of American Canyon (2010 & 2017) - 198 total units or approximately 20% of County Sixth Cycle RHNA
3. City of St. Helena (2017) - 2 units or approximately 0.2% of County Sixth Cycle RHNA

Napa County has pursued this option since 2010, entering into multiple agreements with cities in recognition of the need to protect farmland and open space consistent with both the General Plan and Measures J and P. The agreements allow more housing to be located within existing urban areas, where there are available infrastructure, schools, stores, and medical facilities.

In concept, the County could transfer 100% of its RHNA to the cities. However, staff cautions against transferring 100% of the unincorporated RHNA to the cities. Other jurisdictions that have taken this approach have been viewed skeptically by the Housing and Community Development (HCD) Department, regional Councils of Government, and the courts. ABAG must approve any transfer agreements prior to adoption of the updated Housing Element, but no later than January 2023. HCD must certify the County's approved Housing Element.

The resulting final and adjusted RHNA will provide a basis for determining the extent of the sites inventory needed to prepare the Housing Element Update. Staff recommends an approach where 90% of the County's total RHNA is transferred to the cities per the existing agreements, while the County identifies sufficient sites

within the unincorporated area to accommodate the remaining 10%. HCD and the County's consultants recommend an additional buffer of at least 30% for very low- and low-income categories, in case sites do not develop with affordable housing or at required densities during the 8-year plan period. This would result in placing approximately 275 homes in the unincorporated area, which would be 50% more than the County's RHNA share of 180 units in 2014.

Staff requests Board direction on the portion of existing RHNA transfer agreements to be requested of the cities.

SITES SELECTION CRITERIA

Staff recommends focusing on the following housing opportunities for meeting the County's share of RHNA housing within the unincorporated area:

1. Farmworker Housing:

County zoning permits up to 12 individual farmworker housing units (or 36 beds in group quarters) as an allowed use by right on every legal parcel in agricultural zones. Additional farmworker housing may be allowed with approval of a Use Permit. Track record of minimal production in the last housing cycle limits ability to project unit production in upcoming cycle. County is participating in the ABAG Farmworker Collaborative.

2. Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs):

One ADU and one JADU are permitted within residential zoning and Agricultural Watershed (AW) zoning. Agricultural Preserve zoning permits one JADU. The Housing Element Update can assume the development of ADUs and JADUs at the existing rate developed in past years. Based on recent data, staff is projecting a total of 72 ADUs and JADUs to be counted in the next Housing Element update.

3. Existing Housing:

The County can include programs in the Housing Element Update to encourage the use of existing homes. Adequate Sites Alternative (Government Code 65583.1(c)) provides that under some conditions the County could address up to 25% of its adequate sites requirement by substantially rehabilitating existing units, converting existing units to affordable units, or where the affordability of existing units (including mobile home spaces) is preserved. Examples may include the conversion of hotels/motels to residential use and making them available for people experiencing homelessness, or preserving a mobile home park by acquiring spaces.

4. New Housing Sites:

A focus of the Housing Element Update will be the identification of a sufficient number of housing sites that meet the portion of the RHNA that has not been transferred. The sites inventory must provide sites that are suitable for lower income housing; the law specifies a "default density" of 20 DU per acre. HCD recommends that the housing element provide a buffer in addition to simply providing sites to meet the RHNA. Due to recent changes in State law, a buffer will also reduce the risk of having to

identify additional sites before the next housing element update.

Per Assembly Bill (AB) 686, site selection must be consistent with the goal of Affirmatively Furthering Fair Housing, meaning that the County must ensure that the sites inventory does not concentrate sites for lower-income housing development in areas of low opportunity, or contribute to the segregation/isolation of racial and ethnic groups, or create or exacerbate racially or ethnically concentrated areas of poverty (R/ECAPs). Ideally, lower-income housing sites should be located in areas of higher opportunity.

HCD prescribes that the following sites be included within the inventory of potentially suitable lands:

- Vacant sites that are zoned for multifamily development;
- Vacant sites that are not zoned for multifamily development, but that allow such development;
- Underutilized sites that are zoned for residential development and capable of being developed at a higher density or with greater intensity;
- Sites that are not zoned for residential development, but can be redeveloped for and/or rezoned for multifamily residential development;
- Sites owned or leased by the County that can be redeveloped for multifamily residential development within the housing cycle; and
- Sites controlled by the State, a city, or another public agency where there is agreement/documentation that the site can be developed within the housing cycle.

A sites suitability analysis must demonstrate how the projected residential development capacity of the sites can be realistically achieved and consider such things as:

- Land use controls and site improvements;
- Site size and realistic development capacity;
- Typical densities of existing or approved residential development at similar affordability levels;
- Current or planned availability and accessibility of sufficient water, sewer, and dry utilities;
- Incentives for residential use; and
- Local or regional development trends.

For any sites smaller than 0.5 acres or larger than 10.0 acres, the Housing Element must provide an analysis demonstrating their ability to develop housing during the planning period. Evidence can include developer interest or pending development proposal, or a track record of consolidating and/or developing sites of similar size. The Housing Element must also include policies or incentives to facilitate development of these sites.

Proposed Screening Criteria

1. 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);

2. Sites must generally be between 0.5 and 10 acres in size (Source: State requirement); and
3. Sites must be located outside of areas designated in the General Plan as 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), except for those sites which may provide qualifying farmworker housing development and/or those existing commercial sites which may be considered housing redevelopment.

Additional Site Screening Goals

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

New Housing Sites

By applying the above screening criteria and goals, has preliminarily identified the following potential areas that appear to meet all or most of the screening criteria and goals:

1. Possible farm worker housing sites or incentives (Countywide near cities with access to utilities).
2. One or more existing sites identified within the 2014 Housing Element with additional incentives.
3. One or more small sites in the vicinity of Carneros Resort if utilities can be provided;
4. One or more sites between Foster Road & SR 29 on incorporated land within the City of Napa Rural Urban Limit (RUL) line;
5. One or more sites needing State agreement (Napa State Hospital);
6. The 9.8-acre former Stonebridge School site in Carneros;
7. One or more sites in the Silverado area; and
8. One or more sites proximate to planned resorts at Lake Berryessa.

Staff requests Board direction on the proposed screening criteria, as well as the preliminary identified sites listed above.

SUPPORTING DOCUMENTS

Overview of Presentation to HEAC