

Section 6

Housing Background — Planning for Our Future

6.1 Napa's Regional Housing Responsibilities

The Association of Bay Area Governments — ABAG — develops a Regional Housing Needs Allocation (RHNA) assigning the region's share of the statewide housing need to the cities and counties within the region. The RNHA is for the January 2015 - January 2023 Housing Element time period. It designates overall need and, within the overall need, housing needs for various income levels in the city.

In developing the methodology for distributing the latest regional housing needs, the Association of Bay Area Governments needed to balance state laws that require regional sustainable development with "fair share" components. Considering local input and using a "Priority Development Area (PDA)" framework, ABAG directed much of the regional growth to infill locations near transit and jobs. Directing growth to these infill areas was a key component in protecting the region's agricultural and natural resources. It also encouraged housing, particularly affordable housing, in neighborhoods near transit, jobs and services. However, to make sure that PDAs in communities throughout the Bay Area did not shoulder too much of the responsibility for meeting the region's housing need, the method also needed to ensure that all jurisdictions share responsibility for meeting the region's housing needs. Each jurisdiction was assigned a minimum number of units to meet 40% of its household formation growth, then "fair share" factors were applied that considered a community's past affordable housing construction, 2010 jobs, and transit service. This approach resulted in lower housing need numbers than in prior Housing Element planning periods to all jurisdictions in Napa County. The approach is supportive of local goals to protect the County's agricultural resources and to promote efficient use of land in core mixed use areas where transit, jobs and services are nearby. In the City of Napa, the Downtown and Soscol Gateway Mixed Use areas are located within the City's designated PDA.

For the Housing Element planning period extending from January 2015 to January 2023, the City must identify adequate sites for the following RHNA numbers. The new need number totals are generally consistent with City growth rates since 2007, but lower than longer term historic or

planned growth rates. However, there are no restrictions on approving housing at locally planned levels. In the City of Napa, the available land supply remains adequate to meet future housing needs at all income levels. The income limits for the various income categories are established annually by HUD, published on the State of California Department of Housing and Community Development (HCD) website and listed in Section 1 of this Element. As described in more detail later in this section, low density zoned sites provide site capacity for housing types (detached and attached single family homes) that typically meet Above Moderate Income household needs, while multi-family residential sites provide capacity for housing types (apartments and some condominiums) that meet Lower and Moderate Income household needs. Higher density mixed use sites provide additional capacity for meeting needs at all income levels.

Figure 6.1 — Napa’s 2015- 2023 Regional Housing Needs Allocation (RHNA)

	Very low Income	Low Income	Moderate	Above Moderate	Total Units
City Need	185	106	141	403	835

The Housing Element must also address housing needs for extremely low income households. For this purpose, it is estimated that 50% of the City’s Very Low Income housing need for the 2015- 2023 planning period will be for households earning less than 30% of median income (considered “Extremely Low Income” per the definitions in Section 1.2). Thus, the City’s number of extremely low income households needing housing for the 2015- 2023 planning period is estimated at 92 units. Housing types available and suitable for Extremely Low Income households include Single Room Occupancy units (SRO’s), apartments, emergency shelters, supportive housing and transitional housing. The Housing Element includes several programs to address Extremely Low Income housing needs -- from new and rehabilitated apartments and SRO’s, to rental assistance programs, and Permanent Supportive/Transitional Housing.

In addition to the units identified in Figure 6.1 above, the City of Napa and the County of Napa have entered into two separate transfer agreements for the transfer of 57 housing units from the County to the City, including 16 very low income units, 10 low income units, 10 moderate income units, and 21 above moderate income units. As part of these agreements, the County agreed to contribute funding for construction of two projects within the City that include affordable housing units. As of June 2014, no transfer agreements had been finalized or accepted by ABAG. Consequently, Figure 6.1 reflects solely the City’s RHNA allocation. If any transfer agreements do

occur the City's sites inventory is adequate to cover the City's RHNA allocation as well as the units proposed in the transfer agreements.

6.2 Where Can We Put New Housing?

State Housing Element law requires that the City inventory and identify vacant and underdeveloped sites, as well as sites with known potential for housing and/or mixed use redevelopment which are available for housing development. The City has an obligation to identify adequate sites that are and/or will be available for housing development during the Housing Element timeframe with appropriate zoning and development standards and with public services and facilities needed to encourage the development of housing consistent with City "fair share" regional need numbers.

To determine whether the site is truly "available for development", the element must indicate the zoning, whether the site is sufficiently served by public facilities such as sewer and water, the slope and topography and whether there are environmental barriers to development, such as wetlands. The inventory should include density ranges for all residential land use. The analysis of zoning should consider historical land use patterns, densities and indicated trends, and whether sites are developable "by right", particularly meaning the use doesn't require a conditional use permit. The analysis should specify the availability of water, sewer, transportation and other infrastructure for sites in each category. Finally, this section should describe the potential for mixed use zoning as a contributor to housing site capacity.

Land suitable for residential development includes vacant residentially zoned sites; vacant non-residentially zoned sites that allow residential uses; underutilized residentially zoned sites capable of being developed at higher density or with greater intensity; and non-residentially zoned sites that can be redeveloped for, and/or rezoned for residential use. The sites inventory must be parcel specific and include the site size, zoning, density ranges and any minimum density requirements.

Environmental constraints and infrastructure descriptions do not have to be provided on a site specific basis, but the analysis must include enough detail to determine whether the sites can accommodate projected residential need and whether infrastructure is or will be available to identified sites in the 2015-2023 planning period. To establish the capacity for lower income sites, if a local government has adopted density standards consistent with state population based criteria (20 units per acre in Napa's case) no further analysis is required to establish the adequacy of the density standard.

Land Available for Housing

The City of Napa was perhaps the first city in the region to adopt a Rural Urban Limit (RUL) line in 1975 to protect its agricultural, small town heritage. That RUL has remained in place, virtually unchanged, for the past 38 years. The City debated the wisdom of expanding the RUL during the 1998 General Plan update but ultimately reaffirmed the existing RUL. In 1999, following General Plan adoption, the City Council took further action to place on the ballot "Measure A", a City Charter Amendment which requires a vote of the people to modify the boundaries of the RUL. This measure passed and is in place. Thus, the City has a history of and support for maintaining stable urban boundaries for the primary intent of preserving agricultural lands outside these boundaries. Given this, a major policy thrust of recent Housing Elements is to assure wise and efficient use of remaining vacant and built on land to meet future housing needs.

The City's 1998 General Plan identified potential for approximately 7,840 additional dwelling units of varied types and densities within the Rural Urban Limit from 1994 through 2020 or an average of 300 units per year. The City's growth has remained well below this average. Through December, 2012, the City issued 209 building permits/year on average. There were only three years during this time frame when there were more than 300 building permits issued; these were years when larger apartments received building permits because apartments typically receive building permits for all units at once. In the five year period from January 2007 to December 2011, fewer than 80 units per year were issued due to a national economic recession. The City's current Regional Housing Need numbers for the eight year planning period, from January 2015 through January 2023, are 95 units per year, lower than the city's long term average growth rates. However, there are no restrictions in constructing housing at locally planned growth rates that may be higher than regional need numbers.

The City of Napa and County of Napa have entered into a Memorandum of Understanding (MOU) for future annexation and development of the "Napa Pipe" property. The Napa Pipe property is approximately 154 acres in size and is located in an unincorporated area south of Kaiser Road and east of the Napa River, outside the City limits and outside the RUL. The property is surrounded on three sides by the City limits (and the RUL line), and on the fourth side by the Napa River.

The City will place a measure on the November 2014 City ballot to modify the City's RUL to include the Napa Pipe property. This proposed expansion of the RUL is intended to facilitate the ultimate annexation of the Napa Pipe property into the City limits, consistent with goals to focus urban development in the incorporated cities in Napa County, and to protect designated agricultural and open space lands from future development. If the voters approve an expanded RUL, and the City

and LAFCO approve the annexation of the Napa Pipe Property into the City limits, it is anticipated that the annexation of the property will occur in phases. Per the Memorandum of Understanding (MOU) that the City of Napa and County of Napa have entered into, housing developed on the Napa Pipe property will be credited toward the County's RHNA obligations. Therefore, the Napa Pipe property is not being relied upon for accommodating the City's RHNA allocation and has not been included in the inventory of housing sites (Appendix B).

Sites for Above Moderate Income Housing

The following figure shows estimated acres and low density residential potential available in the Housing Element timeframe.

Figure 6.2 also lists — but does not include—lands on the southwestern urban fringe that are currently outside the City, but within the City's RUL and Sphere of Influence. These lands will require further master planning before any development can occur. Annexation and master planning are expected may place these units beyond the planning period, so conservatively they have not been counted in the Housing Element timeframe; however, this does not preclude such development from occurring. The following Map identifies these City General Plan Planning Areas.

Figure 6.2 — Estimated Low Density Land Available and Residential Potential (2015-2023)

Neighborhood Planning Area	Acres	Estimated Added Potential
Linda Vista	50	190
Vintage	27	125 (other than Big Ranch)
Big Ranch	99	310
Browns Valley	92	110
Pueblo	28	60
Beard	4	15
Central Napa	2	10
Alta Heights	65	105
Terrace Shurtleff	65	240

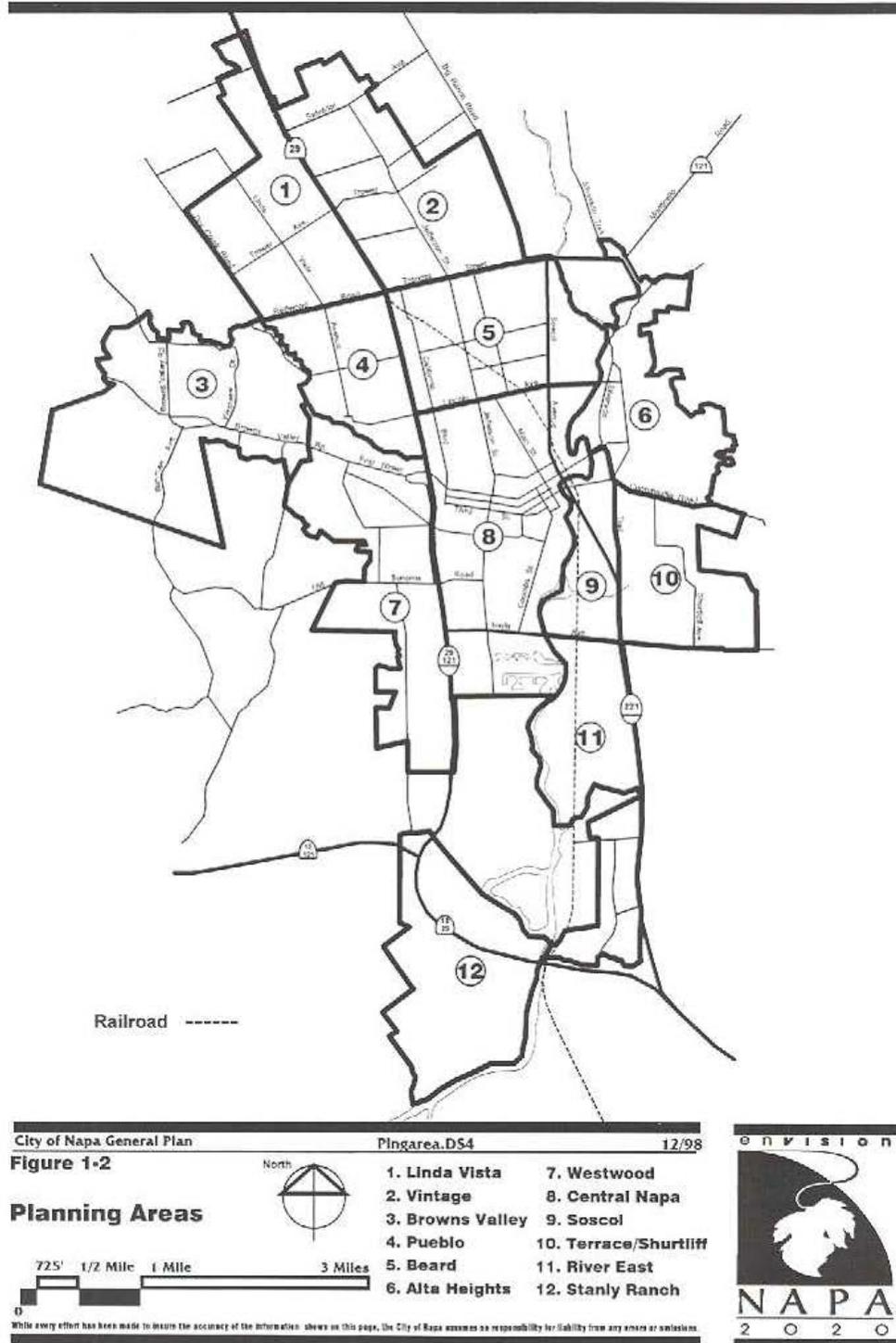
Neighborhood Planning Area	Acres	Estimated Added Potential
Westwood	68	130
Stanly Ranch	240+	12
Total:		1,307 units (RHNA=403*)
Ghisletta/Horsemens	95	300-700 (assumed to be longer term)
<i>Approved Above Moderate Townhomes</i>		237

Source: City of Napa

* In early 2013, a potential transfer of units between the City of Napa and the County of Napa was proposed, including 21 above moderate-income units. As of June 2014, no transfer agreements had been finalized or accepted by ABAG. If any transfer agreements do occur, the City's sites inventory is appropriate to cover the City's above moderate-income RHNA allocation as well as the units proposed in the transfer agreements.

New low density, single family homes help meet needs of "Above Moderate" income households. The City's single family neighborhoods will continue to see infill subdivisions on vacant and large, underused lots. These subdivisions will occur consistent with existing zoning and development patterns over the time frame of the General Plan and beyond.

Figure 6.3 — Map of City Planning Areas



Low densities in the Napa General Plan range from 0 to 10 units per acre. There are 114 low density “pods” or subareas that have more discrete density ranges, ranging from 0 to 2 to 5 to 10 units per acre, depending primarily on generalized neighborhood character and environmental site constraints (hillside slopes, creeks, etc.). Hillside slopes are found in the Browns Valley, Alta Heights and Westwood Planning Areas; other neighborhoods are generally flat. Even using conservative estimates of development potential within these pod ranges (considering nearby development patterns, site constraints and existing uses, if any), the Housing Element timeframe low density development potential of 1,300 housing units on approximately 600 acres of land substantially exceeds the 428 unit “above moderate” short term need. As of mid- 2013, the city had nearly 265 low density single family homes approved but not yet constructed within this total development potential. Having development potential doesn’t mean that every lot will be subdivided; that is in part controlled by a private property owner’s decision or ability to obtain financing, but it does mean that the City continues to have adequate sites to meet above moderate income needs. Increasingly, remaining parcels are less than 5 acres in size.

Condominiums and higher density single family attached developments provide further potential to meet above moderate income needs. In addition to the foregoing 1,300 units site potential total, there are several townhome/condominium projects currently approved, that provide 237 additional “above moderate” income units, if all of these units are ultimately constructed. Median housing sale prices of all homes have risen 32% from June 2012 through June 2013 to \$456,800. Prices are still far below the \$564,000 median sales price of homes in June 2007. Current median sales prices of \$327,700 for condominiums indicate that some condominiums may be affordable to moderate income households. According to HUD methodology, a four-person moderate income household can afford to pay up to \$350,980 for a three bedroom home. However, it is uncertain how long this situation will continue, and newly constructed units will very likely be higher priced. Three bedroom single family homes have median sales prices of \$470,800 in June 2013, well above the amounts a moderate income household can afford. (Sales Price information from Zillow.com)

Sites for Moderate and Lower Income Housing

The following Housing Element sites analysis focuses on Multi-Family Residential sites to meet housing needs of extremely low, very low, low and moderate income households. Mixed Use sites provided additional capacity. Market rate apartments, particularly those that are older than five years, provide housing for moderate income households and some lower income households, based on income limits tables and a review of market rents in

Napa. Over the long term as remaining Multi-Family Residential sites continued to be developed, General Plan “Mixed Use” sites will play an increasing role in meeting these housing needs, especially in the Downtown and Soscol Gateway areas. Other mixed-use areas with higher density housing potential include Tannery Bend and along south California Blvd.

Refined site lists and maps of larger vacant and underutilized Multi-Family Residential and Mixed-Use sites in Napa available for multi-family housing developments (short term to January 2023) is included as Appendix B. The lists contain General Plan ranges of development potential by “site”, which means: commonly owned adjacent parcels likely to develop as one site; and other individual parcels.

Housing Element guidelines want to see a “realistic capacity” potential for these sites rather than a density range for purposes of documenting Housing Element adequate site capacity. To be conservative regarding the Multi-Family Residential sites, realistic capacity potential has been estimated at the low end of the General Plan range for smaller sites less than 0.8 acres in size as these sites can be more difficult to develop at the higher ends of density ranges in a residential neighborhood context; and at the mid-point of the General Plan range for larger sites. City General Plan policy and implementing zoning has for many years contained requirements to meet *minimum* density standards, and these standards are being met. In addition, General Plan Housing policy encourages well designed developments that achieve the mid-point of density ranges or higher to provide for efficient use of remaining lands within the RUL, and the City has a track record implementing this policy on multi-family sites.

Nearly two thirds of multi-family developments approved from 1999 when the General Plan requirements were put in place and records began being kept to 2013 have typically been at the mid-point of their density ranges or higher. Staff reviewed the 29 multi-family apartment and townhome approvals greater than five units during that time frame and found that 18 or 62% were approved at the mid-point of the density range or higher. Ten or 34% --including Hawthorne Apartments and Hawthorne Apartments II on Solano, Lincoln Gardens Apartments on California Blvd., Magnolia Park Apartments on Shurtleff, Jefferson Street Apartments, the Reserve Apartments, the Vintage Apartments, and the Grove Townhomes, Miller Mobile Home Park expansion and Oak Creek Terrace Apartments were approved at 100% of the density range or were granted density bonuses.

Figure 6.4 — Sites Initially Available to Meet Moderate Income Need (Zoned up to 20+ units/acre)

<i>RHNA MODERATE INCOME NEED NUMBER= 141 UNITS*</i>		
Multi-Family Residential subarea sites zoned up to 20 units per acre	Density Range	Number of Units realistic capacity**
AH 104-1, -2 – 2 sites	15-20	45
B 81-1, -2, -3, -6, -7 – 5 sites	15-20	56
B81-4 – 1 site, approved for sale project with 7 moderate income units	15-20	7
B 84-1 – 1 site	15-20	8
B 86-1 – 1 site, proposed project	15-20	20
CN 151 – 1 site	15-20	8
CN 161-1 – 1 site, approved for sale project with 5 moderate income units	12.5-15	5
CN 161-2 – 1 site	12.5-15	73
CN 163 – 1 site, 2 approved duplex units	10-20	2
LV 13-1, -2 – 2 sites	15-20	14
MU 475 – 1 site, approved apartment project, 20 market rate apts.	10-40	20
MU 532; MP G4 – 1 site	25-40	441
P 61-1 – 1 site	15-20	18
P61-2 – 1 site, approved for sale project with 3 moderate income units	15-20	3
TS 177—1, -2, -3, -4, -5, -6 – 6 sites	12.5-15	92
V 21-1, -2 – 2 sites	15-20	18
V 24-1, -2, -3, -4 – 4 sites	12.5-15	46
W 113-2, – 1 site, Approved project – Napa Villas	15-20	39
W 113-2, -3, -5 – 2 sites	15-20	34
W 114 – 1 site	15-20	59
W 132-3 – 1 site, proposed project	20-25	50
	<i>Subtotal:</i>	1,058
	<i>Estimate of Moderate Income second units:</i>	9
	TOTAL:	1,067

* In early 2013, a potential transfer of units between the City of Napa and the County of Napa was proposed, including 10 moderate income units. As of June 2014, no transfer agreements had been finalized or accepted by ABAG. If any transfer

agreements do occur the City's sites inventory is appropriate to cover the City's moderate-income RHNA allocation as well as the units proposed in the transfer agreements.

** Realistic capacity for purposes of documenting adequate sites is assumed to be the low end of density range for sites less than 0.8 acres and mid-point for sites larger than 0.8 acres.

Figure 6.4 excludes longer term sites e.g., sites expected to be affected by Napa River Flood Project or Annexation/Master Plan needs until after January 2023.

In addition to Multi-Family Residential sites, there are many Mixed Use sites that also provide multi-family or residential mixed use housing potential to meet moderate income needs. (See further discussion under Lower Income Multi-Family sites).

Moderate Income Sites

The multi-family residential sites list and summary demonstrates that various multi-family residential sites continue to provide *adequate* capacity available to meet moderate income needs during the 2015 to 2023 planning period. A small number of second units also help meet RHNA moderate income needs as further described in the second unit discussion. Figure 6.4 above summarizes the sites available to meet moderate income needs.

A review of the Multi-Family sites in Appendix B shows that many of the sites are not vacant, but are large lots that are substantially underutilized with a single family home (or more units) on them. The City has a track record of these sites being redeveloped with multi-family uses. A quick review identified 12 multi-family sites with one or more pre-existing units on the site that have been developed or approved between the years 1999 and 2013, leading to the conclusion that based on development trends and City policies, standards and incentives, such existing uses are not impediments to multi-family development of these sites.

Lower Income Sites

Housing sites to meet lower income needs have been met by a combination of multi-family residential-sites zoned at 20+ units per acre, approved lower income units in projects that are not yet under construction, two larger multi-family residential zoned sites with 15 to 20 unit per acre densities, and a small number of low income second units. Altogether these sites provide capacity substantially above the City's need. Figure 6.5 below summarizes need numbers and site capacity.

Figure 6.5 —Sites Initially Available to Meet Lower Income Need (Zoned 20+ units/acre)

<i>RHNA LOWER INCOME NEED NUMBER= 291 UNITS*</i>			
GP POD	Density Range	Acres	Number of Units, Realistic Capacity**
B77-1, -2, -3 – 3 sites	20-25	4.13	92
B81-5 – 1 site	15-20	1.35	24
CN 142 – 1 site, approved for sale project including 16 lower income units	12.5-16	3.8	16
MU 475 – 1 site, approved rental project including 2 lower income units	10-40	1.04	2
MU 532; MP G4 – 1 site	25-40	18.7	48
TS 175-1 – 1 site	20-30	0.65	13
V 33H – 1 site, approved 100% lower income units	18.5-25	2.44	57
V 37-1, -2 – 2 sites	20-22	4.38	91
W113-1 – 1 site, approved 100% lower income units	15-20	1.77	41
W113-4	15-20	2.49	44
W 126-1 – 1 site, approved for sale project including 3 lower income units	20-30	0.85	3
W 126-2 – 1 site	20-30	0.5	10
W 132-1, -2 – 2 sites	20-30	2.01	51
<i>Subtotal</i>			492 units
<i>Estimate of Lower Income Second Units</i>			27
<i>Total</i>			519

* In early 2013, a potential transfer of units between the City of Napa and the County of Napa was proposed, including 26 lower income units. As of June 2014, no transfer agreements had been finalized or accepted by ABAG. If any transfer agreements do occur the City's sites inventory is appropriate to cover the City's low and very low-income RHNA allocation as well as the lower income units proposed in the transfer agreements.

**Assumes low end density range for sites <0.8 acres; mid-point for larger sites or as approved.

In addition to the City's multi-family sites, an increasing source of sites for higher density housing now and in the future are the city's mixed-use areas – particularly the Downtown and the Soscol Gateway, which have been identified as "Priority Development Areas" in the region's One Bay Area Plan. Mixed-use areas also include the Tannery Bend area south of Downtown between Coombs Street and the Napa River; California Blvd. south of Clay Street, and the city's commercial corridors. The City was starting to see mixed-use developments before the national recession began in 2008. More residential over stores, and apartments or condominiums in mixed use areas is anticipated in the future.

City plans have long encouraged housing downtown to support downtown vitality, and provide for more varied walkable and transit friendly housing opportunities near services. The Downtown Specific Plan, adopted in 2012, reinforces and refines this approach. Minimum densities throughout most of Downtown, the Soscol Gateway, Tannery Bend, California Blvd Mixed Use and the City's commercial corridors of 20 units per acre help assure housing capacity over time, support transit use and support site reuse feasibility in these core City areas.

To date, three mixed use developments with more than one unit have been approved or constructed in Napa. They include eight units plus commercial space in Jasna Commons, a small 0.42 acre site on California Blvd developed at 19 units per acre; Sciambra Bakery and Apartments on Freeway Drive, a horizontal mixed use development where the apartments are approved at 21 units per acre on 1.04 acres behind the bakery; and the Downtown Riverfront project on Main Street, 50 units plus retail and offices on 1.34 acres, 37 units per acre.

Mixed Use Sites

A *selected* group of mixed use sites out of a much larger number have been identified as having potential to redevelop with residential mixed use in the 2015-2023 Housing Element timeframe. In general these sites were selected because they were identified as potential sites in the Downtown Specific Plan or, outside of Downtown, because the 2007-2014 Housing Element feasibility analysis found they do not have significant development constraints associated with them or are expected to be free from constraints in the near term; are typically underutilized; have been identified as suitable sites for residential use in prior studies; and/or there are or have been active marketing efforts or redevelopment proposals associated with the sites.

"Realistic capacity" for Downtown sites has been estimated based on Downtown Plan estimates, and at 20 units per acre outside of Downtown which is not unusual and has been approved for several Napa residential developments over the past decade. Lower parking standards, parking

exempt areas in the core downtown, higher heights and height bonuses also facilitate more intensive mixed uses in the Downtown. These are considered to be *example* sites; residential development is permitted on other sites in the area as well.

Figure 6.6 — Mixed Use and Commercial Mixed Use Sites Providing Added Lower, Moderate, and Above Moderate Site Capacity

Map Subarea Identifier & # sites	Site Acres	Name	Density	Realistic Capacity
B 440 – 1 site	1.2	Permanente Way	20-40	24
CN MU-487 -1	0.97	Laurel St.	20-40	19
CN MU-487 -2	2.73	Oak & California	20-40	55
CC 490 – 1 site	13+-	Imola Ave	20-40	87
MU-532-1, -2, -3	3.12	Silverado Trail	20-40	62
Downtown Specific Plan – 14 sites in 11 subareas	10+-	Various	20-40*	249
Total				496

*Except for a portion of one site which is 10-25 units per acre and a site within one subarea which is 20-60 units per acre
Notes: The above list contains Selected Sites only. Selection criteria included vacant or underutilized site conditions; general feasibility; timely completion of flood improvements (if applicable); lack of major constraints; expressed owner interest, or site identification from the Downtown Napa Specific Plan. There are other properties in these areas that also have potential for redevelopment and where redevelopment or reuse could occur during the planning period.

Second Units

To estimate likely very low, low and moderate income accessory second dwelling units that may be anticipated over the eight year January 2015 through January 2023 planning period, Staff reviewed second unit building permits from 1999 to the middle of 2013. 86 units were issued building permits or nearly 6 units per year. A similar construction rate from 2013 to 2023 results in 48 potential second units. However, not all units can be expected to be used as second units. To determine how many are actually used as second unit permanent housing and at what affordability levels, Staff sent out surveys to owners of properties with second units. 75% of survey respondents reported that the second units were being used as permanent housing. Staff discounted the 48 units by 25% to come up with the 36 second units estimate for the upcoming time frame. Of those used as second units (rather than home offices or other), all were rented at affordable rents: 75% at extremely low, very low and low income rents and 25% at moderate income rents. From the survey, Staff then derived affordability estimates of future second units.

Figure 6.7 — Second Dwelling Unit Potential

ACCESSORY SECOND DWELLING UNITS		Second unit survey identified 75% of second units actually being used as permanent housing. Of this: 75% are rented at very low/low income rents and 25% moderate.	
		Number of Units	Est. EL/VL/L, Mod
Built 1999-2013	86		
Projected 2015-2023	48	x 75% = 36 used for housing	27 ex. low, very low, low; 9 moderate income units

Summary of Housing Site Potential (Figures 6.2 -6.7) Compared with RHNA

	Extremely Low Very Low and Low Income (20+ u/ac)	Moderate Income (up to 20 u/ac)	Above Moderate	Totals
RHNA ALLOCATION 2015-2023*	291	141	403	835
Low Density Zoned Sites for Above Moderate Income Units, including Approvals			1,307	1,307
Other Approved Above Moderate Units in Multi-Family Zoned Areas			237	237
Moderate Income Units		1,058		1,058
Lower Income Units	492			492
Projected Second Units (no assigned density)	27	9		36
RESIDENTIAL SITE TOTALS:	519	1,067	1,544	3,103
ADDITIONAL POTENTIAL				
1. Selected Residential Mixed Use Sites Potential 20+ units per acre zoning (for information purposes only)				496
2. Potential Longer Term Residential site capacity after flood improvements, annexation/master planning (for information purposes only)				1,198-1,598

* In early 2013, a potential transfer of units between the City of Napa and the County of Napa was proposed, including 16 very low income units, 10 low income units, 10 moderate income units, and 21 above moderate income units, for a total of 57 units. As of June 2014, no transfer agreements had been finalized or accepted by ABAG. If any transfer agreements do occur the City's sites inventory is appropriate to cover the City's RHNA allocation as well as the units proposed in the transfer agreements.

While the foregoing sites and second units provide adequate capacity for this planning period and beyond, prior Housing Element studies have identified other sites not currently designated for multi-family residential or residential mixed use that appear to either be excellent sites for residential use or that could have potential for residential or residential mixed use over the longer term. All of these sites will be subject to additional study before such use could be considered or occur. The Housing Element contains a program recommending follow-up analysis to provide added sites for future needs.

Figure 6.8 — Other Sites with Possible Potential for Multi-Family Residential or Mixed-Use after Follow-Up Actions

POD #	Acres & name or street	Current GP	Potential Change
TC 401	4.95 acres Solano Avenue; other TC sites as well	Tourist Commercial	Allow residential as secondary use in TC areas
PS 872	9.0 to 11 acres City Corporation Yard. Excellent central location should Corp. Yard be relocated.	Public	Mixed Use
LI 640	1.87 underused site adjacent to multi-family residential in central location	Light Industrial	Multi-Family
SFR-80	5.0 acres currently affected by Flooding	Single Family	Park or Multi-Family

Potential Zoning and Site Constraints

The sites analysis must include potential zoning, environmental, infrastructure and other site constraints. The following section summarizes this information. The Multi-Family and Mixed Use Sites tables in Appendix B include information on zoning, as well as individual site notes.

Environmental Constraints

The site analysis should indicate whether there are environmental barriers to development, such as wetlands, steep slopes, and flooding. Nearly all of the identified Multi-Family Residential and Mixed Use sites are flat sites. Only two sites have hillside slopes: one on Browns Valley Road (APN 050-270-013) and one that is currently outside City limits (APN 043-062-006) and has longer term potential beyond 2023. More common constraints are the presence of creeks or the Napa River, either relating to setbacks, resource impacts, or floodplain. One site on California Blvd (APN 002-071-001) has a creek that affects a portion of the site, but has a remaining area where development can be clustered. Several other sites are adjacent to creeks and the Napa River, which means development setbacks must be observed along the river or creek frontage and that riparian protection may apply. However, environmental constraints for listed sites do not preclude assumed densities or realistic capacity.

Many properties along the Napa River and its creeks are subject to floodplain regulations. The City of Napa has a history of flooding through the center of the City and is continuing work on a multi-year Flood Protection Project. The Napa River Flood Protection Project is a nationwide model for flood protection—a “living river concept”. The project was adopted in 1999 by the Napa County Flood Protection District and Army Corps of Engineers and work has been ongoing since 2000. The Project when complete will have restored hundreds of acres of high-value tidal wetlands of the San Francisco Bay Estuary while protecting 2,700 existing homes, 350 businesses, and over 50 public properties from 100-year flood levels.

The Napa River Flood Protection Project in the City of Napa involves about six miles of the Napa River, from Highway 29 on the south, to Trancas Street on the north, and a mile of Napa Creek improvements upstream to Jefferson Street. The “living river” design reduces flood water levels through the removal of old levees to create a 600 acre wetland in the south (completed); riverbank widening/terracing from Kennedy Park to Third Street to reconnect the River to its historic flood plain (completed); removing or replacing bridges that impede flood flows (completed); and creating bypass channels at River and Creek oxbows (Napa Creek work was completed in 2013). Federal funding for the Oxbow Bypass was secured in mid-2013. The Oxbow Bypass is a key Flood Project component that will provide significant flood protection particularly to the Oxbow area, Napa Valley Exposition and Soscol Avenue properties. Riverside trails are incorporated into the design of floodwalls and levees throughout the Project area. Remaining work includes flood walls north and south of Downtown.

The Flood Project was initially expected to be complete within 8 years. While substantial work is completed as of 2013, funding delays at the Federal level have extended completion of the entire Project.

There has been a reduction in flood levels for many properties as a result of work completed by 2008 (wetlands restoration; floodplain terracing from Kennedy Park to 3rd Street; railroad realignment; five new bridges; and some floodwalls/levees.) In 2010, FEMA issued revised flood maps that show these reductions. The Napa Creek portion of the Project has since been completed in early 2013, resulting in further reductions.

Another FEMA map revision is anticipated after completion of the Oxbow Bypass to determine the extent of flood reductions at that time. Timing for the last phases of the Flood Project are uncertain as there continues to be extreme competition for federal funding.

If a listed housing site is either removed from major flood constraints by Flood Project work completed to date, or as an anticipated result of the Oxbow Bypass or by other improvements within the Housing Element timeframe of 2023, the site is included in the housing sites list and map for this planning period. There are a few housing sites that remain constrained and so are listed as future longer term sites. These sites are not mapped or identified in available housing site totals.

A detailed study has also been completed for Salvador Creek to identify the 100 year floodplain for this drainage basin. FEMA adopted revised Flood Insurance Rate Maps for properties along this creek in 2010 and after further review, amended the Flood Insurance Rate Maps to reclassify many properties along Salvador Creek out of the Floodplain in 2012.

FP - Floodplain

The City has a FEMA approved Floodplain Management Ordinance, NMC Section 17.38 and participates in the National Flood Insurance Program. The Public Works Director is the official Floodplain Administrator. Many of the Multi-Family sites listed in Appendix B have a :FP Floodplain Management Overlay District Zoning because they are within the 100 year Floodplain. In the Floodplain, development is not precluded, but some basic requirements apply: all new residential construction and substantial improvements to residential units must have the lowest floor, including a basement, elevated to one foot or more above the base flood elevation; and all attendant utilities and sanitary facilities must be constructed to resist flood damage. The City now also requires onsite stormwater detention so that it does not add to peak flood flows.

Many properties are further affected by constraints associated with Floodway, Flood Evacuation Area and/or Napa River Flood Protection Project Ordinances.

Floodway

The Floodway is the area within the Floodplain which must be reserved to carry the base flood. There are very strict regulations that apply to all development within the Floodway to prevent any blockage of the flood waters. If most to all of a site is affected by the floodway and the property may not be removed from the floodway by 2023, it has not been included on the mapped, available sites list.

FEA – Flood Evacuation Area

The City's local Flood Evacuation Area policies and zoning restrictions were established to protect residents and minimize impacts to emergency services caused by residential developments in the Area. During the 1986 flood many residents refused to evacuate their homes until the situation became so hazardous that emergency services were required to assist them. As a result, new development of more than four units per site is only permitted:

- (1) When a flood evacuation plan is provided that addresses flood evacuation needs of future residents to the satisfaction of the Public Works Director. In practice, this has generally precluded new multi-family development of more than four units; and/or,
- (2) When a hydraulic analysis is provided. In general, the hydraulic analysis evaluates whether flood levels have been reduced as a result of flood protection work to date to the extent that Flood Evacuation requirements are unnecessary. In other cases evacuation plans may continue to be needed.

While a number of available sites in Appendix B are subject to FEA provisions, either the FEA restrictions only affect a portion of the site and the remainder is not affected; the 2010 FEMA Letter of Map Revision has removed this constraint; or Flood Project improvements are expected to be in place to remove the constraint by 2023.

FPP - Flood Protection Project

Sites with this notation are affected by the Flood Protection Project urgency ordinance. This ordinance imposes interim limitations on the development of properties located in areas being studied for use in connection with the Napa River/Napa Creek Flood Reduction Project. In general,

proposed projects in this area must prove they will not materially frustrate, delay or be detrimental to the orderly implementation of the Flood Project in order to be considered for approval.

:TI - Traffic Impact Overlay District

In addition to flood constraints, several sites listed in Appendix B list are located along “Crucial Corridors” and are therefore located within a “:TI Traffic Impact Overlay District.” The :TI Traffic Impact Overlay District is intended to help maintain acceptable traffic flow on the City’s “Crucial Corridors”. Crucial Corridors in the General Plan include:

- West Imola Avenue from Lernhart Street to Soscol Avenue;
- Trancas Street from Hwy 29 to Soscol Avenue;
- Lincoln Avenue from Jefferson Street to Silverado Trail;
- Jefferson Street from Trancas Street to West Imola Avenue;
- Soscol Avenue from Trancas Street to Imola Avenue; and
- Silverado Trail from Trancas Street to Soscol Avenue.

The :TI Overlay seeks to preclude very high traffic generating uses, such as drive through uses or uses generating more than 520 trips per day/acre unless transportation benefits of the project outweigh any adverse effect on the Corridor. Transportation benefits may be provided through roadway and safety improvements, traffic system or travel demand management strategies, and transit service enhancements. The project can also adjust its operation or reduce trips to an acceptable level.

Typical multi-family uses generate total trips somewhere between five to nine trips/day per unit, thus the :TI Overlay would not affect any multi-family projects at even the highest densities allowed by the City’s General Plan outside of Downtown. (That is, a 40 unit/acre multi-family project could generate up to 360 trips.) In the Downtown Core, the Downtown Specific Plan increased densities up to 60 units per acre in 2012; however, there are no :TI Crucial Corridors in this area.

Shopping centers can reach these trip ranges; thus, it is possible that a residential mixed- use shopping center along a Crucial Corridor would need to incorporate operational or street/transit improvements to address :TI provisions. The :TI Traffic Impact Overlay also requires that driveway access to the Crucial Corridor is minimized by precluding new driveways, encouraging access from side streets if possible; and consolidating existing driveways.

The :TI Overlay was revised as a result of an earlier Housing Element to eliminate a general requirement for higher parking standards in new projects along these Corridors. However, the Public Works Director retained authority to increase in parking in unusual projects if the traffic analysis were to conclude that onsite parking is not adequate to prevent overflow onto the Crucial Corridor. In Staff monitoring to date, :TI Overlay District requirements have not required higher parking standards or created any other known obstacles to new development projects along these Corridors. The ordinance provides flexibility in administration and primarily focuses on site design and access.

Infrastructure Analysis

The site analysis must indicate whether proposed sites are sufficiently served by public facilities such as sewer and water. The following summary includes more site specific detail as of 2013.

All of the identified multi-family and Mixed Use sites identified for development during the Housing Element time frame are considered “infill” sites—that is, within the existing City limits which can be served by nearby water, sewer, streets, and storm drainage. (A couple of properties are in unincorporated “island” areas; annexation of islands has typically been handled routinely when applications are received.) One Multi-Family site outside of the current City limits is identified for longer term development. During Housing Element development, Staff discussed individual multi-family sites with City and Napa Sanitation District engineers to identify whether there are major infrastructure needs likely to affect these sites under current policies and standards. In most cases there are not. Where infrastructure needs beyond typical onsite improvements are known to affect a site, they are noted in Appendix B.

Water Supplies

In 2011, the City updated its Urban Water Management Plan (UMWP) based on a comprehensive study of the City’s water supply and demands and the Urban Water Use Targets required by the Water Conservation Act of 2009 (SB X7-7). This UWMP Update estimated water demands in 2020 to be 14,300 acre-feet, rising only slightly to 14,500 acre feet by 2035 as a result of population growth. For comparison, 2007 and 2008 demands were about 16,000 acre-feet, reflecting the higher per capita water use seen in the past. The UWMP Update determined that existing supplies from Lake Hennessey, Milliken Reservoir, and the State Water Project were sufficient to meet projected demands for all normal years and multiple-dry year periods through 2035. Potential water supply shortfalls were identified for the most critical single-dry years through 2025 based on extreme 1977-type hydrologic conditions, but inclusion of expected State Water Project Carryover and Article 21 water would be expected to alleviate these deficits.

Per the City's 1997 Water System Optimization and Master Plan, the Edward I. Barwick Jamieson Canyon Water Treatment Plant was upgraded 2009-2011 to meet daily water demands for longer periods and comply with increasingly stringent water quality regulations. This project allows the City to maximize the use of State water when it is available and save water in local reservoirs for use in dry years. Recent concerns regarding the reliability of the State Water Project due to pumping restrictions for Delta Smelt and the effects of climate change are being monitored. The City's intake for State Water is not directly affected by the pumping restrictions, but the pumping issue does have a negative impact on the annual allocation percentage for all State Water Project contractors. Statewide solutions for solving Delta issues, including an alternate intake for Napa and Solano counties and improved conveyance around sensitive Delta habitat, are being planned to maintain the reliability of the system. Climate change impacts have been addressed in recent State Water Project Delivery Reliability Reports and will be examined in the City's next UWMP Update in 2015.

The City actively considers opportunities to enhance its water supply and address future dry year concerns. Aside from maximizing use of Carryover and Article 21 water from the State Water Project, the City sometimes has the option of making dry year purchases of Article 56 water from a "Turn-Back Pool" whenever it is established by the Department of Water Resources. In 2008, the City participated in the Yuba Accord Dry Year Water Purchase Program, another example of supplemental supply. The City also participated in a feasibility study for a reservoir under consideration by the South Sutter Water District. If that project is approved, the City could be in a position to purchase a share of that non-State water supply for use in dry years.

Water conservation is an essential component of the City's water supply planning for the future. As part of the recent UWMP Update, the City established its Year 2020 Urban Water Use Target of 132 gallons per capita per day (gpcd). After averaging 170 gpcd for the 1997-2002 period, the City expanded implementation of California Best Management Practices (BMPs) such as high-efficiency clothes washer rebates, landscape water savings programs, and home and business water audits. Combined with the long-established toilet replacement program, these additional BMPs helped bring system water use down to as low as 136 gpcd in 2011. This downward trend has been greatly assisted by the evolution of water-efficient appliances and the expansion of recycled water use for irrigation. City ordinances, programs, and water rate structures are designed to maintain this trend toward water use efficiency, to meet the 2020 law and ensure supply reliability for the future.

The City's water supply planning efforts have developed adequate water supplies through 2023 so that water supplies are not an anticipated constraint to planned development.

Infrastructure

Based on the recommendations in the 1997 Water System Optimization and Master Plan, the City invested \$25-million to 2008 in new storage tanks, treatment upgrades, and water main replacements. In 2012 the City replaced a major transmission line along Highway 221 resulting in a major improvement in how water moves through the distribution system. In addition, the major upgrade of the Barwick Jamieson Treatment Plant was completed in 2011. New development pays its "fair share" of these and other capital improvement projects through connection fees and any added environmental mitigation measures that may be identified on a project-by project basis. Adequate water system infrastructure is in place to provide sufficient capacity to meet projected water demands for planned development through 2023.

On the sites list, Water Division Staff has also noted improvements anticipated to be needed beyond standard frontage improvements when development is proposed.

Napa Pipe

In addition to City General Plan sites, the 154 acre Napa Pipe site located outside the City's RUL, but adjacent to and surrounded on three sides by the City has been the subject of multi-year review by Napa County. In 2013, Napa County certified an EIR and adopted General Plan and Zoning Ordinance amendments approving up to 945 dwelling units and other related non-residential on the site. The Project's Final Water Supply Assessment dated May, 2013 concluded that the City's projected water supplies available during normal, and multiple dry, and single dry water years will meet the projected water demands associated with the project, in addition to the City's existing and planned future uses, including agricultural and manufacturing uses, for the first 20 years of the project. As provided in an MOU adopted between the City of Napa and Napa County in September 2013, the City agreed with the conclusions in the WSA and also agreed to consider (subject to a 4/5 vote of the City Council) filing an application with LAFCO to expand the City's SOI and to extend water service to the project if the City's concerns regarding the proposed project are addressed in the Development Plan, Design Guidelines and Development Agreement being prepared by Napa County in advance of its consideration of the final entitlements for the project. Negotiations on the terms of the Development Plan, Design Guidelines and Development Agreement are ongoing.

Wastewater Infrastructure

Napa Sanitation District (NSD) currently provides wastewater collection, treatment and disposal for a majority of the City of Napa and portions of unincorporated areas in and nearby the City. All areas within the City are within NSD's Sphere of Influence and are typically annexed and served after projects are approved. NSD provides service to new customers on a "first come, first served" basis and is accepting new connections. Projects pay sewer connection fees that represent the Project's fair share funding of previous and future collection system and treatment plant capacity expansions.

In 2007, the District completed a Collection System Master Plan. The Plan identified areas where there is insufficient capacity in the existing collection system. The intent of the Plan is to identify areas where improvements are needed, then identify capital improvement priorities and rate adjustments to incrementally improve the system throughout the service area. If a project is along a line with insufficient capacity, the project may need to await appropriate upgrades to the collection system or potentially front the cost of the improvement with reimbursement for overages. There are some areas of the City, such as First Street, where this could occur if the timing of substantial new development precedes necessary collection system upgrades.

The Soscol Water Recycling Facility, the District's Wastewater Treatment Plant, was designed and constructed to permit the District to add additional treatment capacity when necessary. In 2011, the District completed a Wastewater Treatment Master Plan to study capacity needs through the year 2030. The plant currently has adequate treatment capacity to meet current and near term requirements. However, the District has embarked on the construction of capital projects necessary to provide the treatment capacity identified in the growth projections within the City (2003 amended) and County (2007 draft) General Plans. Additional treatment capacity may be required to meet planned development within the District's sphere of influence. However, District Staff expects to complete all necessary capacity upgrades in anticipation of future capacity increases.

NSD Staff also reviewed the multi-family and mixed use sites list to identify sites that may require line upgrades or extensions beyond standard frontage improvements.

Storm Drainage

While the Napa River Flood Protection Project will protect against River (and Napa Creek) flooding, it does not address drainage issues resulting from interior drainage flows. Studies of interior drainage have been done by the City of Napa and the Napa County Flood Control and Water

Conservation District to analyze interior drainage problems and to identify ponding/interior flooding areas during a 100-year event.

The Soscol Gateway area south of Third Street has been identified as needing additional interior drainage improvements to carry interior drainage overland flows remaining after completion of the Flood Protection Project. Soscol Gateway studies have identified drainage improvements to handle these residual flows, and in 2007 a Soscol Redevelopment Project area was adopted to help fund needed area-wide infrastructure improvements, with drainage improvements as the highest priority. However, with elimination of Redevelopment Agencies by the State, funding is not currently identified. Overland drainage improvements will also need to be addressed with development in the South Coombs area.

The City has adopted a Storm Drainage Master Plan, dated April 2006, that identifies and prioritizes a communitywide list of storm drainage improvement needs (primarily pipes) and funding mechanisms. The cost of recommended improvements in this plan (March 2005 costs) is 22.6 million dollars. The City is continuing to collect a citywide stormwater system service fee to help pay for an identified list of needed capital improvements. These fees would need to be increased substantially to fund all drainage improvements on the list.

Since the late 1990's, onsite detention for new development has been required in the Big Ranch Specific Plan area so as not to cause flooding along Salvador Creek. With Napa River Flood Protection Project Work and Regional Water Quality Control Board Permits, such measures were extended citywide for sites an acre or more in size or near waterways. In 2013, as a result of the City's Phase II Small Municipal Separate Storm Sewer Systems (MS4) Control Permit 2013-0001-DWQ, the City now requires that there be no net increase in 2, 10, 25 or 100 year peak volume runoff from any size project throughout the City. The City's Phase II Permit also requires site design measures, source control measures and stormwater treatment Best Management Practices to treat or remove pollutants in stormwater.

Streets

Street extensions and improvements are managed by the Public Works Department. Street frontage and interior street improvements are required to be provided as part of any project, as well as payment of Street Improvement Fees to cover a portion of planned citywide street improvements. In several parts of the City, special area fees are also levied to pay for improvements. These areas include North Jefferson, Big Ranch, Orchard Avenue, Redwood Road, Linda Vista, Salvador/Solano and the Pear Tree Lane areas. Except for the Big Ranch fees, which

were updated in 2008, the street fees haven't been updated since 2005. In some cases, offsite street improvements may also be required based on a specific project's impacts.

Napa is a largely built city; on many infill sites, the existing street network is utilized. However, the Montrachet Apartments (2002) provided land dedication for extension of Soscol Avenue through to Big Ranch Road, which was completed in 2007. A review of remaining multi-family sites in Appendix B finds that the planned extension of Solano Avenue through to First Street affects two First Street Multi-Family properties near the freeway but does not preclude their use at defined densities. Extension of Saratoga Drive through to Silverado Trail is a key planned connector for the Terrace Shurtleff neighborhood. The street is under construction in 2013 along with construction of Anton Napa Apartments. The street extension did not affect the site's multi-family realistic capacity. The City is also working on plans for improvement of Silverado Trail to incorporate turn lanes and bike lanes, and the Third and Silverado intersection to improve areawide eastside traffic flows. These right-of-way improvements are expected to fall within already planned setbacks and to not affect realistic capacities on adjacent sites. Other street improvements are less easy to predict and will be based on project specific traffic analysis conducted when applications are submitted or area Specific Plans.

Specific Types of Housing

The sites analysis must also address certain types of housing. A brief discussion of specified types follows:

Mobilehomes and Manufactured Housing

The City has several mobile home parks:

- (1) Grandview Mobile Home Park, 4130 Byway East
- (2) La Siesta Village, 4433 Solano Avenue
- (3) Miller's Senior Park, 3130 Jefferson Street
- (4) Napa Valley Manor, 770 Lincoln Avenue
- (5) Napa Valley Mobile Home Park Ltd., 1040 Orchard Avenue
- (6) Newell's Mobile City-Napa Salvador Mobile Estates, 4421 Solano Avenue
- (7) Oaktree Vineyard, 2001 Salvador Avenue
- (8) Pueblo Trailer Park, 1700 Pueblo Avenue
- (9) Rexford Mobile Estates, 1350 Pueblo Avenue
- (10) Riverpoint Napa Valley, 500 Lincoln Avenue
- (11) Silverado Pines Mobile Home Park, 150 Silverado Trail

(12) Valley Estates, 533 Soscol Avenue

Mobile home parks provided 4% of Napa's housing stock in 2010. New mobile home parks are specifically allowed in large areas of the City: Single Family Residential, Single Family Infill and Multi-Family Residential areas. Thus many of the sites listed in the "low density residential" category would be potentially available for mobile home parks. However, no new mobile home parks have been proposed in the last decade, and high costs of land and lack of larger sites make new parks unlikely.

However, manufactured housing, defined as a single family detached structure that is manufactured offsite under the National Manufactured Home Construction and Safety Standards Act of 1974, transported to the site and installed on a permanent foundation system, is treated the same as single family housing constructed on the site. It is permitted anywhere single family homes are permitted per State law (Govt. Code 65852.3)

Single Room Occupancies (SRO's)

The City permits Single Room Occupancy units through a Use Permit in several residential, commercial and office zoning districts and has established standards for these uses.

Transitional and Supportive Housing

More specific discussion on this topic is included in Section 5.6, Special Housing Needs, and Section 6.5, Potential Governmental Constraints.

Non-Residential Land Inventory

The Economic Element of the General Plan, adopted in 2000, found that there is very limited remaining vacant land designated for non-residential development within the City's Rural Urban Limit line. A 2006 Industrial Land Use Study prepared for the Napa County General Plan update from more detailed City information, found about 130 acres of remaining city industrial land, a very small amount of the total 1,450 vacant acres countywide and less than a 10 year supply. However, that report also concluded that countywide, only about half of the County's total industrial land inventory has been built upon and that there is adequate vacant industrial land supply to 2030, primarily near the City of Napa in the south County Airport Industrial Area using conservative assumptions. Vacant land for retail and office uses in the City is far less than 130 acres. Thus, key findings of Economic Element continue to hold true: that it is important to carefully consider the types of development that will occur on precious remaining vacant sites; and that reuse and

intensification of existing developed properties will play an increasingly important role in providing for future business needs.

6.3 Discussion of Key Issues

Variety of Housing Types and Choices

This Housing Element emphasizes the importance of providing a variety of housing types and choices to enable our children to continue to be able to live in Napa, to provide for continued diversity in households. As recent Census figures indicate, the state, country and region is continuing to change. There are more single parent households and increased ethnic diversity. There was a small increase in numbers of non-family and older households, although their percentage of the total households did not increase. Additionally, a major part of Napa's economy has been and will continue to be tourism and service related industries. All of these trends mean that we need a variety of housing types to provide for our workforce and to provide choices for our children and ourselves. Increasing variety—through mixed use projects with housing over stores or offices or as part of larger projects, and additional apartments near transit and services, enhance our ability to get around by allowing people opportunities to walk or bicycle more and drive less, support use of public transit, and enhance the vitality of nearby commercial areas.

The Housing Element recommends revising rules to encourage more accessory second units. Potential strategies are to continue to encourage a percentage of second units in new single family subdivisions and to increase such units through consideration of certain standards changes (such as owner occupancy provisions or revised parking standards). Second units (a small accessory unit on the same lot as a single family home) are a valuable form of housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods. Homeowners with second units also benefit from added income and increased security.

When second units are designed in with the subdivision, concerns about traffic, privacy, etc. are taken care of as part of the subdivision design. Residential design guidelines have been adopted to address design issues of new second story units in existing neighborhoods.

An amnesty program for *existing* second dwelling units is another proposed action. "Amnesty Programs" permit owners of illegal second dwelling units to come forward during a certain time period and legalize their units. A handful of cities in California have implemented such programs.

One successful program, in terms of legalizing and upgrading such units, was in Daly City. In this program, there was a conscientious effort to reduce and clearly define the standards that would need to be met and to find ways for the units to meet those standards (such as allowing required onsite parking to be located in widened driveway areas.) The primary objective was to improve the health/safety conditions within these units where people were living, and nearly all units were upgraded. There was strong political support for the program and a major marketing effort—to inform people about the program and to convince them to participate. All owners were provided a brochure that described the exact standards that would need to be met and the substantially reduced fees for participate in the program. There was also wide press coverage and door-to-door efforts by volunteers.

Other amnesty programs have had different objectives and have resulted in fewer units being legalized. In some cases, an amnesty program sets standards which either can't be met or adds more restrictions — that may discourage owners from voluntarily participating.

It is clear from Daly City's example that a high percentage of these units are likely to have health and safety violations that put tenants at risk. Amnesty Programs provide an opportunity to substantially reduce these problems and provide additional lower cost legal units in a tight housing market. Even without "Amnesty Programs" illegal units are discovered routinely, and cities must deal with either legalizing these units or eliminating them. Providing standards and processes that make it easier for new small second units to be permitted also make it easier for illegal units to be legalized and upgraded.

Another important concept retained in this Housing Element is the concept of "fair share" of varied housing in all neighborhoods. This is not intended to mean there would be large apartments on every block. Larger apartments are more effectively located near transit and services throughout the City. However, even in largely single family neighborhoods, there are many types of less costly housing that can continue to "fit in" well as they have in the past, such as second dwelling units, occasional duplexes and triplexes, shared housing, and smaller residential care facilities. In addition, local commercial sites and shopping centers can provide opportunities for housing over stores. Strategies to address the "fair share" approach include:

- (1) Provide new opportunities for creative or innovative housing types (such as co-housing, or housing with shared common facilities).
- (2) Create more lower cost home ownership opportunities (such as regulations changes for small homes on small lots; expanded first time homebuyer programs, etc.).

- (3) Identify and promote house design strategies to allow senior “aging in place.”
- (4) Increase housing and support services for “special needs” groups (such as for seniors, homeless, disabled, etc.).
- (5) Identify homeless, transitional and supportive housing needs and programs to address these needs.
- (6) Utilize a variety of funding sources to support affordable housing.

Efficient Use of Land

The Housing Element proposes several policies and actions to provide for a more efficient use of land within the City’s Rural Urban Limit, recognizing that there is a limited land supply and that efficient use needs to be made of it to reduce pressures over time to expand the RUL. The City’s major role in planning for housing is to identify adequate sites that are zoned properly and are available to meet the City’s “fair share” of regional housing needs.

The private market plays the major role in actually *constructing* homes, and the City has averaged a little more than 200 building permits per year since 1994, thus the City did not expect that all housing needs could be met. Above moderate income housing needs are met by constructing single family homes and condominiums. Moderate income housing is typically provided by market rate apartments. Some market rate apartments have rents affordable to low income households, but in new construction, low and very low income needs are met either through new subsidized units or other City requirements. Sites that are not built on by the end of 2014 will be carried forward in the new Housing Element.

Where Have New Apartments Been Built?

New apartments are located throughout the City in its Multi-Family Zoning Districts. 100% lower income apartments include Pecan Court (Clay Street); Whistlestop (Yajome); Silverado Creek (Villa Lane); The Vintage (senior units, Redwood); The Reserve (senior units, Trancas); Jefferson Street (senior units, Jefferson) and Magnolia (Shurtleff). In addition, several market rate apartments affordable to moderate income households were completed by 2007. These apartments provided 10% of their units at rents affordable to low and very low income households and include, among others: Hawthorne Village and Hawthorn Village II (Solano Avenue); Montrachet Apartments (Soscol Avenue); Saratoga Downs Apartments (Atrium Parkway); Lincoln Gardens (California Blvd); and Quail Run (La Homa Drive). Since 2007, one mixed income apartment, Anton Napa, is under construction and will be completed by 2014, providing 27 very low income and 107 market rate units.

New Housing Element “Fair Share” Needs and Best Locations for Higher Density Sites to meet City’s Housing Needs

In developing the method for distributing the latest regional housing needs, as described in the sites section, the Association of Bay Area Governments needed to balance state laws that require regional sustainable development with “fair share” components. Considering local input and using a “Priority Development Area” (PDA) framework, ABAG directed much of the regional growth to infill locations near transit, and jobs. Directing growth to these infill areas was a key component in protecting the region’s agricultural and natural resources. It also encouraged housing, particularly affordable housing, in neighborhoods near transit, jobs and services. This method allocated fewer units to outlying communities and resulted in a lower “fair share” housing need for Napa. Other regional benefits of this approach include reduced vehicle miles traveled, and reduced greenhouse gas emissions.

During the 2015 through January 2023 Housing Element time frame, the City must continue to provide sites to address its Regional Housing Needs Allocation (RHNA), as discussed extensively earlier in the sites section 6.2. The general approach is to continue to focus on existing (higher density) Multi-Family, Community and Downtown Commercial and Mixed Use sites to continue to meet needs for lower and moderate income housing. *No* single family areas are proposed for change to higher density multi-family or mixed use. This is because existing Multi-Family, Community and Downtown Commercial, and Mixed Use areas are already typically located along transit routes and near services and there is an expectation (and existing zoning) for more intensive development in these areas.

Housing Design

The City’s Housing Element has a strong policy emphasis on high quality design that respects the surrounding neighborhood. The Housing Element recognizes that Napa is a largely built city and that most remaining sites are infill sites. In addition, developing remaining land efficiently is key to maintaining the City’s urban limit line and agricultural surroundings over time. Further, multi-family and mixed use developments provide needed and varied housing opportunities for City residents and the City’s workforce.

The City began efforts to ensure quality design with adoption of *Design Guidelines for the Napa Abajo/Fuller Park Historic District* in 1998. These guidelines address historic resources and compatible new construction in that neighborhood. In 2000, the *Rehabilitation Guidelines for Historic Properties* contained within the Napa Abajo/Fuller Park Design Guidelines were adopted

as citywide criteria for evaluating applications for changes to listed historic buildings throughout the City. These *Rehabilitation Guidelines* provide practical and explicit advice for rehabilitating historic buildings.

As a result of prior Housing Element recommendations, the City developed *Residential Design Guidelines* for adoption in 2003 and updated them in 2004 and 2009. These *Guidelines*, developed through a community-based process, reflect the City's desire to have infill projects complement existing neighborhoods and provide high quality, livable and pedestrian friendly communities. The *Guidelines* also help communicate the City's expectations for design.

The *Guidelines* take cues for site and building design from their Napa surroundings and climate conditions. They encourage the incorporation or framing views of natural and man-made features. They recommend orienting new housing towards the street, using similar front setbacks as exist in the neighborhood, and minimizing the visual impact of parking. They promote shaded, pedestrian-friendly streets as well as pedestrian, bicycle, auto and common open space connections to the surrounding neighborhood.



Figure 6.9 — Integrating natural and man-made features such as historic buildings as above into new neighborhoods provides a cultural link to Napa's wine country economy and lifestyle.

As highlighted in the Forward to the 2009 Residential Design Guidelines, the Guidelines present parameters for a desired course of action and include a certain amount of flexibility.

The *Guidelines* address single family infill housing, accessory second unit design, upper story additions, multi-family and mixed use developments. The entire *Guidelines* can be found online on City's website. The Housing Element also contains the following as policy emphases:

- (1) Pay continuing attention to developing and implementing "Green/Sustainable" practices.
- (2) Develop new ways and incentives to encourage integrated "whole neighborhoods" — with nearby local commercial services, gathering places, etc. and assuring well-maintained housing and neighborhoods.
- (3) Strengthen ways to assure pleasant walking and bicycling opportunities and connections, and smooth streets (safety, noise, etc.) and ease of various modes of travel.
- (4) Link design and neighborhood livability strategies with community involvement and outreach strategies.
- (5) Continue to Refine Design Guidelines as needed to respond to community interests.

In 2010 the City adopted "high performance building regulations" (O2010 14) to improve energy efficiency in buildings, as well new water efficient standards and guidelines (O2010 19) to improve water efficiency in landscaping. Further, the City established a Construction and Demolition debris recycling program.

The "whole neighborhoods" approach added policy and other measures to encourage (and possibly protect) neighborhood services and to encourage other uses, such as day care facilities, and community gardens to make neighborhoods more social and livable. There appear to be opportunities to enhance Local Commercial Districts, and to plan for such uses in some Mixed Use areas of the City (such as Downtown and along California Boulevard).

Opportunities for Energy Conservation and the Importance of Community Sustainability and the Relationship between Housing and Climate Change

Opportunities for Energy Conservation

Sustainability is a local, regional and national concern. According to the Environmental Protection Agency (EPA), "Smart growth development practices support national environmental goals by preserving open spaces and parkland and protecting critical habitat; improving transportation choices, including walking, bicycling, and transit, which reduces emissions from automobiles; promoting brown field redevelopment; and reducing impervious cover, which improves water quality."

A major focus of federal, state, and local governments on New Urbanism, Smart Growth, and Transit Oriented Development is the revitalization and densification of cities and towns across America into walkable, mixed-use communities, with pedestrians and bicycles given top priority over automobiles, and a serious focus on increasing use of bicycles, buses and trains as major forms of transportation.

The Bay Area Alliance for Sustainable Development is a coalition of business groups, government agencies, environmentalists, developers, and neighborhood interests working together to develop and promote a shared vision for how the region can grow in a more sustainable manner. The Alliance has developed a 'Compact for a Sustainable Bay Area' to define a region-wide consensus for sustainability. The 'ten commitments to action' are listed below. The commitments are not intended to be the responsibility of any one jurisdiction, agency or organization. Rather they are actions that could be pursued individually or collectively. The intent is for everyone to consider the perspectives of all "Three Es" — Economy, Environment, Equity — and to promote a more sustainable future in all their decisions and actions.

Ten Commitments to Action for a Sustainable Bay Area

Bay Area Alliance for Sustainable Development

- (1) Enable a diversified, sustainable and competitive economy to continue to prosper and provide jobs in order to achieve a high quality of life for all Bay Area residents.
- (2) Provide housing affordable to all income levels within the Bay Area to match population increases and job generation.
- (3) Target transportation investment to achieve a world-class comprehensive, integrated and balanced multi-modal system that supports efficient land use and decreases dependency on single-occupancy vehicle trips.
- (4) Preserve and restore the region's natural assets -- San Francisco Bay, farmland, open space, other habitats.
- (5) Improve resource and energy efficiency, and reduce pollution and waste.
- (6) Focus investment to preserve and revitalize neighborhoods.
- (7) Provide all residents with the opportunity for quality education and lifelong learning to help them meet their highest aspirations.
- (8) Promote healthy and safe communities.

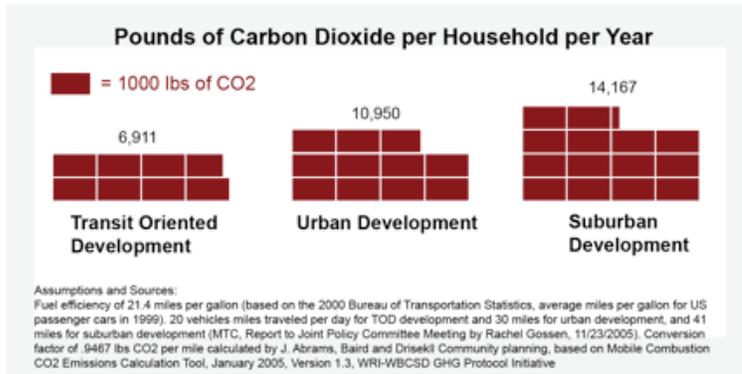
- (9) Support state and local government fiscal reforms.
- (10) Stimulate civic engagement.

Climate change, caused in part by the release of Carbon Dioxide and other gases, is an increasingly important issue in the Bay Area, California and globally. Two major concerns are sea level rise and decreased water supplies due to smaller snow packs. Housing affects climate change in two ways. The houses themselves take energy to construct, heat, cool and light, and the energy production contributes to climate change.

Additionally, housing development patterns affect how often and how far people have to drive. Since vehicles contributed over 38 percent of climate change gases in California in 2010, finding ways to allow people to drive fewer miles is important (California Air Resource Board Frequently Asked Questions <http://www.climatechange.ca.gov/> California Greenhouse Gas Inventory for 2000-2010).

The Metropolitan Transportation Commission (MTC) has evaluated commuting patterns of people who live within half a mile of a transit center versus those who live in urban and suburban areas (Report to Joint Policy Commission by R. Gossen, 11/23/2005). They found that living in a transit-oriented development dramatically reduces the number of car trips that people take and the total vehicle miles traveled. A typical suburban household drives just over 40 miles a day, which causes over 14,000 pounds of CO₂ a year (see figure below). A typical resident in a transit-oriented development drives half that distance, and consequently, produces half as much carbon dioxide.

Figure 6.10 — Effectiveness of Types of Development in Reducing Carbon Emissions



One of the best ways of reducing the number and length of car trips is by providing walkable communities that offer a mix of housing, retail and commercial buildings, all near varied transportation options (called transit oriented developments). This alone reduces vehicle miles by thirty percent and adds to the quality of life of residents (Growing Cooler, Urban Land Institute, 2008).

A large part of the reduction in CO₂ is because residents who live near transit use it. According to the MTC, over thirty percent of households in transit-oriented developments commute by public transit. The State's AB 32 Global Warming legislation and SB 375 have placed increasing emphasis on sustainable community patterns regionally that incorporate feasible balances between jobs and housing, and emphasize transit oriented development near major transit stops or high quality transit corridors (train and bus) identified in the regional transportation plan.

Housing Elements are required to identify opportunities for energy conservation. Energy costs have increased significantly over the past several decades, and climate change concerns have increased the need and desire for further energy conservation and related "green building" programs. Buildings use significant energy in their design, construction and operation. The use of "green building" techniques and materials can significantly reduce the resources that go into new construction and can make buildings operate much more efficiently. One common definition of "green building" is "design and construction practices that significantly reduce or eliminate the negative impacts of buildings on the environment through energy efficiency and renewable energy, conservation of materials and resources, water efficiency, site planning and indoor environmental quality."

Responding to these concerns, the State of California adopted AB 32, which establishes broad reductions in energy use in the next decades and is working to increase conservation requirements.

The State of California's Title 24 standards that establish energy performance criteria are the most restrictive in the Country. The City adopted conforming "high performance building regulations" in 2010.

The City also has a program to improve energy conservation in existing housing. The City operates a low income owner/renter rehabilitation program that covers weatherization as part of the rehabilitation work. The Housing Element program contains an effort to more actively market this rehabilitation program. Additionally as part of the public participation process, the Housing Element Advisory Committee suggested that energy efficiency should be addressed in subsidized housing

developments. Specifically, Program H5.K was modified to require affordable housing projects receiving City funds to include energy/ water efficient and sustainable building methods and to locate projects near transit hubs and along major transportation corridors.

Further, available to multi-family property owners with over five units and other commercial property owners in Napa County in May of 2014, CaliforniaFIRST — a Property Assessed Clean Energy (PACE) finance program — will make it easier to implement energy efficiency and renewable energy projects by financing them over time on the property tax bill. These improvements can save money, make properties more valuable and appealing, and create local jobs. The voluntary PACE program allows property owners to finance the installation of energy and water improvements and pay the amount back at a reasonable interest rate over a period of time. Napa County government officials are exploring options to extend the program to homeowners.

Community Outreach and Involvement

The Housing Element has identified community involvement and outreach as a key component in achieving success with the City's housing Strategies. Aspects of this involvement include continuing inter-jurisdictional coordination efforts, neighborhood participation, and information sharing.

Inter-Jurisdictional Coordination

Over the past decade, the City has worked with the County of Napa on several housing transfer agreements that are in the best interest of protecting County agricultural lands and in promoting city-centered growth. These efforts evolved from a 2002-03 countywide housing and land use planning effort of the Napa County League of Governments (NCLOG). NCLOG, which included Staff and legislative representatives from all Napa County jurisdictions, met regularly during 2002-03 to forge a Countywide Development Strategy. *Principles* for the future were agreed to by the County's jurisdictions in 2002. In October 2003, agreements were adopted by the City of Napa and American Canyon Councils and the Board of Supervisors to shift regional housing needs assigned to the County to the two cities in exchange for various incentives. The Napa County Transportation Planning Agency (NCTPA) was later modified to become a transportation *and* planning agency to take on this inter-jurisdictional planning role and has since taken on several topics of countywide interest, including art, bicycle planning, city and county green building ordinances, greenhouse gas emissions inventories, and countywide housing needs. For the 2015-2023 planning period, a potential transfer of units between the City of Napa and the County of Napa was proposed, including 16 very low income units, 10 low income units, 10 moderate income units, and 21 above moderate income units, for a total of 57 units. As of June 2014, no transfer agreements had been finalized or accepted by ABAG, however if any transfer agreements are finalized, the City's sites

inventory is appropriate to cover the City's RHNA allocation as well as the units proposed in the transfer agreements.

Public Participation and Information Sharing

Serving a complex and diverse city, Napa's government —

- Strives for wide public policy participation – through proper notice and technological advances, in particular an expanding website, and responsive, professional Staff;
- Uses local commissions, boards and other groups to provide informed recommendations for balanced decision-making; and
- Explains the reasons for decisions as they are reached.

Successful community planning begins with community involvement — from the development of long range plans and focused issue topics such as design guidelines, to review and decision-making on individual projects. Elected and appointed officials rely on citizen participation to help establish reasonable and effective policies and programs and in identifying topics of particular interest to neighbors. However, it may be difficult for residents to know who to contact, or to identify when they can or should become involved.

One good way for residents to be proactive is to join an active group that routinely works with the City, and whose leaders have built contacts with government leaders and Staff, have become educated about the City's written policies guiding development, and know when to call or speak up. Starting a new organization is another possibility. Ongoing organizations have the benefit of being routinely notified about a variety of topics that the group may have an interest in.

On government's side, there is a responsibility to have clear processes, standards and guidelines for development review. The Community Development Department has been working with the development community for several years to streamline the review process and provide greater clarity around standards being used. Street standards were updated in 2010 as a result of this effort.

Substantial information is now provided on the City's website, www.cityofnapa.org, including permit information, copies of policy documents, agendas and Staff reports. "Streaming live video" is available of Council meetings. The City has also established a speaker's bureau to send Staff upon request to talk about various topics.

This Housing Element has identified broader ways to notify people early on and to help the development review within the context of the City's goals and policies. Recommendations Include:

- (1) Expand Efforts in Assisting Neighborhood Associations by providing self help information useful in building neighborhoods and leadership.
- (2) Use Specific Plan Processes to create a broad community-based visions that include opportunities for housing to support economic development.
- (3) Create clear Neighborhood Meeting Procedures for larger housing development proposals that describes how and when notice is provided to neighborhood organizations (and/or individual neighbors) and when interactive meetings should be conducted.
- (4) Continue to Expand Materials and Information on Planning Review by providing user-friendly handouts about the development review process design guidelines and other standards relevant to project review.
- (5) Expand the City's outreach and available materials/handouts to non-English speaking sectors of the population.

Access to Funding with a Certified Housing Element

Housing elements have been mandatory chapters of local general plans in California since 1969. This reflects the statutory recognition that the availability of housing is a matter of statewide importance and cooperation between government and the private sector is critical to attainment of the State's housing goals. Several housing, community development and infrastructure funding programs include housing element compliance as a rating and ranking or threshold requirement. Housing element compliance is generally included as a rating and ranking criteria in programs where the primary applicants are local governments. The effect or significance of the housing element factor within the context of other competitive factors varies by program. Following are various State and Federal Grant programs available to local governments as of August 2013. See HCD.ca.gov website for added information. Local funding is also listed.

Local Housing Trust Fund (LHTF) Program

Provides matching grants (dollar-for-dollar) to local housing trust funds to help finance creation or preservation of affordable housing. In mid-2013 there is legislation (AB 532) that would release approximately \$8 million for HCD to advertise in a Notice of Funding Availability by June 2014.

Building Equity and Growth in Neighborhoods (BEGIN) Program

Provides grants to cities to make deferred- payment second mortgage loans to qualified low and moderate income first time buyers of new homes, including manufactured homes on permanent foundations, in projects with affordability enhanced by local regulatory incentives or barrier reductions.

CalHOME Program

Provides grants to local public agencies or nonprofit corporations to assist individual households with deferred-payment loans. Also provides direct, forgivable loans to assist development projects.

HOME Program

Provides grants to cities and counties, and low-interest loans to State-certified CHDOs operating in jurisdictions eligible for State HOME assistance (a 25 percent match is required, unless waived). Funds may be used for rehabilitation, new construction, and acquisition and rehabilitation of single family and multi-family housing projects; first-time homebuyer mortgage assistance; owner-occupied rehabilitation; and tenant- based rental assistance programs. All activities must benefit lower- income renters or owners. Eligible applicants are cities that do not receive HOME funds directly from HUD and current state certified CHDOs.

Emergency Housing and Assistance Program Capital Development

Provides deferred payment loans to local governments and non-profits to fund capital development activities for emergency shelters, transitional housing and safe havens that provide shelter and supportive services for homeless individuals and families.

Governor's Homeless Initiative

Deferred payment permanent and bridge loans and grants for rental assistance to local public entities, and others to assist new construction, rehabilitation, acquisition and rehabilitation of permanent rental housing, and conversion of nonresidential structures to rental housing. Projects must have DMH fund commitments for supportive services, and typically require rent subsidies. Projects may use 9% federal low income housing tax credits.

Emergency Housing Assistance Program Capital Development

State HCD provides forgivable loans (grants) for rehabilitation or construction of emergency housing. As long as the property is operated as transitional housing for the seven year term of the loan is forgiven. Income and use restrictions run for the term of the loan.

California Mental Health Services Act Housing Funds/MHSA Housing Program

In June 2013, the California Department of Mental Health (DMH), the California Housing Finance Agency (CalHFA) and the County Mental Health Directors Association announced a housing program under which \$400 million in Mental Health Services Act (MHSA) funds have been made available to finance the capital costs associated with development, acquisition, construction and/or rehabilitation of permanent supportive housing for individuals with mental illness and their families, especially including homeless individuals with mental illness and their families. The new program is called the MHSA Housing Program and funds for capitalized operating subsidies are included in it.

HUD Shelter Plus Care Funds

The HUD Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.

HUD Section 8 Housing Voucher Program Funds

The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects. Housing choice vouchers are administered locally by public housing agencies that receive federal funds HUD. In Napa, there are more than 1,200 Section 8 Housing Choice Vouchers. In early 2013, the local wait list was closed to new applicants, as the wait list is so long.

Community Development Block Grant Program

The CDBG Program provides federal grant funds for community development, public services and planning/administration in accordance with locally-adopted five year Consolidated Plans. Community Development uses most funds for infrastructure improvements, housing or non-profit facility rehabilitation, property acquisition, and economic development activities that will either further the City's effort to prevent slums and blight or serve low to moderate-income residents. Public services may be allocated up to 15% of annual funds and includes programs that enhance public services such as housing, food, health, safety and education. Planning and Administration may be allocated up to 20% annually; they are used for City administration of the program and the HUD mandated Fair Housing Program. The City currently receives about \$650,000/year, less than in 2007-8.

Infill Incentive Grant (IIG) Program

Provides cities grant funds for infrastructure and park improvements necessary to facilitate new housing development in qualifying infill areas where at least one qualifying infill project has been approved or is pending approval. (Non-profit or for profit developers are eligible to apply for infrastructure improvements for qualifying infill projects.)

Transit-Oriented Development Housing Program (TOD)

Provides loans to for qualifying rental housing development (or substantial rehab) and land acquisition, and grants for infrastructure that supports such housing or facilitates access to transit within ¼ mile of qualifying transit stations to cities and others. Housing must be at least 50 units and contain at least 15% restricted units.

California Infrastructure and Economic Development Bank- Infrastructure State Revolving Fund (ISRF) Program

The ISRF Program provides low-cost financing to public agencies for a wide variety of infrastructure projects. Eligible project categories include city streets, county highways, state highways, drainage, water supply and flood control, educational facilities, environmental mitigation measures, parks and recreational facilities, port facilities, public transit, sewage collection and treatment, solid waste collection and disposal, water treatment and distribution, defense conversion, public safety facilities, and power and communications facilities.

Tax Exempt Bond Financing

While not available to cities, the California Communities® Housing Bond Program is a key program assisting both for profit and nonprofit developers in accessing tax-exempt bonds ("Bonds") for the financing of low-income multi-family and senior housing projects. The Bonds may be used to finance or refinance the acquisition and rehabilitation of an existing project or for the construction of a new project, provided the developer agrees to set aside all, or a portion, of the units in a project for individuals and families of very low, low or moderate income. A developer can finance a project at a lower interest rate than available through conventional financing because the interest paid to bondholders is exempt from federal (and in some case state) income taxes.

Napa Housing Trust Fund

In 1999, the City adopted a Housing Trust Fund, Housing Impact Fee and Inclusionary/In Lieu Fee Requirements Ordinance ("Inclusionary Ordinance"). Under the Inclusionary Ordinance 10% of multi-family units must be affordable to very low and low-income households, single family

developers must either provide 10% of the units as affordable or pay an in-lieu fee, and nonresidential developers were required to pay an in lieu fee.

By 2012, two published court decisions changed the applicable legal standards with respect to inclusionary housing ordinances. The court in Building Industry Ass'n of Cent. California v. City of Patterson, 171 Cal. App. 4th 886 (2009) found an inclusionary in-lieu fee to be a type of impact fee, while the court in Palmer/ Sixth Street Properties L.P. v City of Los Angeles, 175 Cal.App.4th 1396 (2009) found that inclusionary ordinances violate the State Costa-Hawkins Act when they require affordable housing in rental developments. In response, the City commissioned nexus studies in 2010 for residential and nonresidential development, and amended its inclusionary ordinance to remove the inclusionary requirement and replace this with a requirement to pay an affordable housing impact fee for both residential and non-residential developments. Since the inception of the City's Housing Trust Fund, the City has collected \$7.8 million in fees and has committed or expended \$6 million through the fiscal year ending June 30, 2013 on affordable housing activities.

Equal Housing Opportunities

The intent of equal housing opportunity programs is to avoid discrimination based on age, sex, race and ethnic background in all city housing programs and in Napa housing generally. Fair Housing Napa Valley is a non-profit organization which for many years has provided information on fair housing laws, referred tenant complaints on discrimination and acted as a tenant advocacy organization and conducts rent mediation. Continued City support of these equal housing programs operated by Fair Housing Napa Valley is included in the Housing Element.

6.4 Potential Non-Governmental Constraints to Housing

Land and Construction Costs

The price of housing has generally risen since the late seventies at a faster rate than household income. Contributing factors are increased costs of land, materials, labor, financing, fees and associated development requirements, sales commissions, and profits. Another factor has been the increasing perception of housing as a commodity for speculation. These trends were reversed in 2008, with a national housing downturn leading to substantial decreases in regional and local housing values. Since 2012, housing values and rents are once again on the increase, with

housing values increasing 22% year over year in June 2013, and rents up 5.5% in Napa from a year ago.⁸

Land represents one of the most significant components of the cost of new housing. Land values fluctuate with market conditions, and the recent downturn in the housing market affected land values. Still, vacant land for all types of housing is limited in Napa and the price of land remains high. Construction cost is affected by the price of materials, labor, development standards and market conditions. Development industry sources indicate that current construction costs are approximately \$100 to \$110 per square foot for single family construction, \$135 to \$140 per square foot for wood frame multi-family apartment construction and up to \$200 per square foot for steel frame construction.

Financing

The national recessions and crisis in the mortgage industry during the past few years affected the availability and cost of real estate loans, although the long-term effects are unpredictable. One of the factors contributing to real estate recession was the lending policies of “sub-prime” mortgage brokers who approved loans for borrowers without sufficient equity and ability to repay the loans. As a result of these practices and as people lost jobs during the recession, there was a rise in foreclosure rates, which had a multi-year negative impact on the market, and a tightening of lending practices. Mortgage loans for most households and construction financing were extremely difficult to obtain. More recently, decreased foreclosures, a lack of inventory and low mortgage interest rates (by historical levels) have resulted in higher sales prices and an increased demand for new units in Napa and the Bay Area.

Community Concerns

Potential opposition to affordable housing exists in many communities throughout the Bay Area. Specific project concerns can also relate to potential environmental impacts, quality of design, and the quality of long-term management of the project. The Housing Element includes programs to address these issues, including focus on good design and early neighborhood outreach and participation to assist in achieving project acceptability.

Facilities and Environmental Constraints

Napa is a largely developed community where most vacant and underdeveloped sites are considered “infill” sites — that is, within the existing City limits that can be served by nearby water,

⁸ *Home values – Zillow.com; rent prices – July 30 Napa Valley Register, p. 1*

sewer, streets, and storm drainage. There are a few sites outside the current City limits but within the RUL that have been included and planned for in the City's General Plan.

An overview of infrastructure planning is provided in the sites section. Growth and infrastructure management is a very dynamic process. Development rates vary over time depending on economic conditions. There are changing regulations and environmental conditions. The City uses the General Plan and specific plans, fee programs, capital improvement plans, utility master plans, project mitigation measures and conditions of approval, to manage infrastructure with planned development.

6.5 Potential Governmental Constraints to Housing

State law requires analysis of actual and potential governmental constraints on varied housing for the following:

- Land Use Controls
- Building Codes and their enforcement
- Site Improvement Requirements
- Fees and other exactions
- Local processing and permit procedures
- Housing for persons with disabilities

The following contains a brief update of information from the 2009 certified element.

The City's Zoning Ordinance contains most of the City's land use control standards. It was comprehensively updated and adopted in 2003 to provide zoning districts consistent with the General Plan, to simplify and streamline the ordinance, and to address State requirements. Since then, several zoning ordinance changes have been made to address local policy updates, newer State requirements and court decisions, key changes are listed below. A review of general zoning development standards also follows.

1. Adequate Sites. General Plan land use controls were adopted prior to Housing Element adoption to meet the City's lower income needs on sites zoned 20+ units per acre.
2. Emergency Housing. Transitional Housing and Permanent Supportive Housing, Employee housing. Local zoning changes were put in place consistent with state law in 2009 to define the

above uses; to provide that emergency housing is a permitted use in the P-QP Zoning District and identify how it is treated in other districts; to provide that transitional housing and permanent supportive housing are treated the same as the type of housing they most closely resemble in any zoning district where the comparable housing type is allowed; and to provide how employee housing is addressed.

3. Second Units. In accordance with State law changes, the City's second unit ordinance was revised in 2003 to establish standards for second units and if standards are met, to ministerially approve the unit through an administrative permit. The State sets certain standards and leaves discretion to local jurisdictions to devise regulations based on local conditions. In some cases the City's standards are less restrictive than state standards as follows:

- a. Location: *State: City may allow in some or all single family or multi-family zones.* Napa allows second units in *all* zoning districts where single family uses are allowed as an accessory use to the main dwelling on the lot.
- b. Rental: *State: must not be intended for sale and may be rented.* Napa's rules are the same.
- c. Parking: *State: No more than one space per unit or bedroom although can potentially increase if more is needed as directly related to use. Must be permitted in setbacks in locations determined by the local agency and through tandem parking unless tandem isn't feasible based on site/life safety or isn't permitted anywhere else in City.* Napa: one space per unit or bedroom; is allowed in setbacks leading to a required space and tandem is permitted, if for same household, consistent with City standards for other residential. However, Napa also allows waiver of second unit parking with a Use Permit.
- d. Size: *State: Can establish minimums and maximums, however, a minimum requirement can't be smaller than an efficiency unit (240 sq. ft.) and no larger than 1,200 sq. ft.* Napa: No minimum; 640 sq. ft. maximum by right. However, can get larger units (to 900 sq. ft.) on larger lots with a Use Permit.
- e. Density: *State: May exclude from General Plan density ranges.* Napa excludes second units from General Plan density ranges.
- f. Other development standards: *State: May establish requirements including but not limited to height, setback, lot coverage, architectural review, site plan review, fees.* Napa second units must meet same height, setback, etc. standards as main house on lot. Napa requires owner occupancy of the main unit or the second unit.

- g. Growth Controls: State: can't impose growth limits on second units. Napa does not impose growth limits on second units.

Because second units are small and because there are no land costs, second units typically provide affordable rental units. A 2008 survey found that not all units are rented out (they may be used for home offices, for example), but if rented, all are rented at rents affordable to very low, low or moderate income households. They can either provide housing for family members or provide income to homeowners, thus assisting seniors on fixed incomes to stay in their homes, or assisting moderate income families in affording houses.

To further encourage second units, the Housing Element recommends that the City consider further revisions to its ordinance.

- 4. Density Bonuses. The City modified its density bonus ordinance in 2010 consistent with State law.
- 5. Reasonable Accommodation Procedures. A reasonable accommodation ordinance to eliminate obstacles to housing opportunities for persons with disabilities was adopted in 2010 consistent with state requirements.
- 6. Impact Fee Ordinance. In 2012, the City amended its inclusionary ordinance to an Affordable Housing Impact Fee Ordinance in response to a Housing Element program and a recent court decision. Impact fees were not increased.
- 7. Downtown Specific Plan Standards. In 2012, the City adopted a Downtown Specific Plan and related zoning that included reductions in residential parking standards.
- 8. Increased Standards Flexibility. The City expanded use of small lot development standards and permitted increased zoning coverages in certain districts to implement Housing Element programs and provide increased flexibility in standards.

Review of standards:

Parking Standards

Reviewing Parking Standards: The 2009 Housing Element recommended conducting a parking demand study for residential uses outside downtown in particular to determine whether parking standards may be reduced. This is because parking standards have a major affect on housing affordability, as well as on the ability to achieve attractive projects and provide for other site and building amenities. Staff’s review of parking standards outside of downtown concluded they continue to be appropriate. City standards are well within the typical range used by cities throughout California. However, the City has taken several steps over the past decade to selectively reduce parking amounts and to provide more parking flexibility.

In 2003, the City updated its standards to eliminate a standard for extra parking for typical multi-family uses on the City’s “crucial corridors”; to allow use of parking reserves and encourage shared parking solutions; and to permit use of compact spaces in residential developments. In 2005, the City reduced residential parking amounts for Downtown and the Soscol Mixed Use area north of Eighth Street and more recently expanded the Parking Exempt District downtown. The 2012 Downtown Specific Plan also reviewed and reduced parking standards further. As a result of a Public Works Street Standards review, parking space sizes were also reduced in 2010.

Figure 6.11 — City of Napa Residential Parking Standards

USE CLASSIFICATION	ON-SITE PARKING REQUIRED
<i>1.a. Residential Uses Outside of Downtown</i>	
Single family residential, detached	2 parking spaces per unit, at least 1 in a garage <i>plus</i> 1 space for each bedroom in excess of 2 <i>plus</i> guest parking as described below
Residential condominium projects and Small lot single family development	1.5 spaces for studio or 1 bedroom units; <i>plus</i> 0.5 space for each bedroom in excess of 1. At least 1 space shall be in a garage <i>plus</i> guest parking as described below

Apartments of 2 or more attached units, Dwelling group units and attached residential rental units in vertical mixed-use projects

Per Unit Parking Requirements

	1-3 Units	4-49 Units	50+ Units
Studio/1 BR	1.50	1.40	1.25
2 bedrooms	1.75	1.60	1.50
3 bedrooms	2.00	1.80	1.75

plus 0.5 space for each bedroom in excess of 3.

At least 1 space shall be in a garage or carport

plus guest parking as described below

Guest Parking for the above uses

- a. Single family except flag lots: If single family development does not provide 1 on-street space per unit: provide 1 onsite guest space per unit in commonly available locations (see 17.54.130)
- b. Flag lot: 1 onsite space per unit.
- c. Apartments, condominiums: 1 space per 4 units; or 1 space per 2 units if units take access from arterials or collectors where onstreet parking is prohibited.
- d. All guest parking shall be marked and distributed throughout the development.

Senior/Disabled Housing Developments Developments (exclusive)

1 space per unit

plus 0.5 space for each bedroom in excess of 2 *plus* 1 guest space per 4 units, marked and distributed throughout the development, *plus* 1 space for any full-time and 0.5 space for any part time employee providing services at the facility.

Exception: Planning Commission may reduce to 0.5 spaces per unit *plus* 1 guest space per 12 units (minimum 1) *plus* 1 space for any full-time and 0.5 space for any part time employee providing services at the facility, when:

- a. Development is convenient to shopping, services and public transportation (or private shuttle is provided);
- b. Some or all units are available long term to low income senior/disabled households.
- c. Tenant vehicles are limited to the number of non-guest parking spaces provided; and
- d. Development agreement is provided regarding items b. and c. above.

Live/work developments

As determined by Planning Commission, based on parking study provided by applicant and acceptable to the City

Residential care facilities, intermediate care facilities, and similar facilities	1 space per 4 beds
Single Room Occupancy, dormitories and similar group residential	1 space per sleeping room. <i>Exception:</i> Planning Commission may reduce to 0.5 spaces per unit when: <ul style="list-style-type: none"> a. Development is within 1/4 mile of food market and regularly scheduled public transit stop; and b. Some or all units are available long term to low income households; or c. Tenant vehicles are limited to the number of non-guest parking spaces provided; and d. Development agreement is provided regarding items b. and c. above.
Accessory second units, guest quarters or living quarters.	1 space per unit or quarter unless waiver granted; See 17.52.020 (Accessory structures and uses)
Day Care homes	As required for the residential use.
Day Care Center	1 per employee <i>plus</i> 1 space per 12 students. Drop off zones may be considered in lieu of student spaces through a waiver by the Planning Commission. Alternative: provide parking study.

1.b. Residential Uses within Downtown

Properties within the boundaries of the Downtown Specific Plan shall comply with the parking requirements set forth in Chapter 6 (circulation and parking) of the Downtown Specific Plan

Single family attached, residential condominiums and apartments of 2 or more attached units	Per Unit Parking Requirements Studio 1.0 1 bedroom 1.0 2 bedrooms 1.2 3 bedrooms 1.3
Guest Parking for the above uses	Not required unless within 200 feet of a residential district, in which case guest parking shall be provided at 1 space per 5 units; or 1 space per 3 units if units take access from arterials or collectors where on street parking is prohibited.

Other Development Standards

Sites proposed for multi-family residential and residential mixed uses in the Appendix B tables are included in the Multi-Family Residential (RM), Community Commercial (CC), Downtown Specific Plan, Mixed Use-Gateway (MU-G), Mixed Use Tannery Bend (MU-T), and Gasser Master Plan – Tulocay Village (MP-G4) Districts. Staff concluded that upper end densities can be achieved with the City’s development standards. Within the last decade, about a third of multi-family projects in the multi-family residential zones have been developed at the top end of their density ranges. As is seen in the following Figure 6.13, commercial and mixed use zoning districts provide added flexibility to achieve higher densities. A mixed use development in the Downtown constructed at 37 units per acre, is near the top end of the Downtown density range, and if desired by the owner, could have included additional residential units rather than upper floor offices. The City’s zoning development standards are minimums. The City’s Residential Design Guidelines, and the Tannery Bend and Soscol Guidelines provide added guidance about design objectives. The following table summarizes zoning development standards for these districts:

Figure 6.12 Development Standards Summary –RM, Multi-Family, CC Commercial, Downtown I and II and Mixed Use Districts

Zoning District	RM	CC	CD	CDP	MU-G	MU-T	MP-G4	Added Standards
Density – dwellings/acre	(1)	(1)	(1)*	(1)*	(1)	(1)	25-40**	*up to 45 with Use Permit **Affordable Housing Overlay sets 25 unit/acre min. + 380-500 units total
Height stories/height (feet) whichever more restrictive	3/35*	40-	40*~	40*~	40***	2-4/ 30-50**	45***	*Up to 40 feet in RM , 50 feet in CD, CDP with Design Review **lower heights w/in 40' of Coombs St. ***5-8' bonus certain cases per Soscol GL's ~Height bonus may apply to well designed residential mixed use building
Minimum Lot Area (sq. ft)	5,000 (2)	10,000	5,000	n/a	10,000	n/a	*	*To be set with initial subdivision
Minimum Lot Width front setback (feet)	50 (2)	70	50	n/a	70	n/a	50 *	*Applies to apartment; no req. for condos
Minimum Lot Frontage front property line (feet)	50* (2)	50*	50*	50*	50*	n/a	50*	*Lot frontage may be reduced to 40 feet on lots with divergent lot lines e.g., cul de sacs
Front Setback (feet) Local street Arterial	20* (3) "	15 30**	n/a	n/a	X	15	20-	*Infill area- setback may be the average of improved lots or standard setback, whichever is less **can be reduced to 15 feet with design rev. X See Soscol GL's; 0-30 feet dep. on locatn ~ may be reduced to 10 feet per MP
Side Setback (feet) Local Street Arterial	15 (2, 3) "	15 30*	n/a	n/a	X	**	n/a	* can be reduced to 15 feet with design rev. **see Tannery Bend Guidelines X See Soscol Guidelines – typically 15 feet
Side Yard (feet) 1 story building 2 stories 3+ stories	5 (2, 5) 10 15	n/a	n/a	n/a	n/a (4)	*	5* 10 15	*see Soscol or Tannery Bend GL's
Rear Yard (feet)	15/20*	n/a (4)	n/a (4)	n/a (4)	n/a (4)	**	15/20*	*15 up to 2 stories; 20 for 3+ stories. 3d+ flr standard may be met by stepping back floor **see Tannery Bend Guidelines; 5' minimum
Usable Outdoor Area/unit (sq. ft.) private or common	200	n/a	n/a	n/a	n/a	n/a	200	
Lot Coverage	50%	n/a	n/a	n/a	n/a	n/a	n/a	

n/a=not applicable/none

- (1) See General Plan density ranges applicable to property. All above mixed use and commercial areas are 10-40 units per acre, proposed to be 20-40 units per acre.
- (2) Standards may be modified with a Use Permit if project meets 17.52 Small Lot Development Standards
- (3) Also see standards for setbacks along new private and certain public streets (17.52 Ped. Friendly Street Standards), which allow flexibility in front setbacks in exchange for improved streetscape.
- (4) Development on land abutting a low density residential district is subject to transitional standards in 17.10.040 which require the same front and side setbacks as in the adjacent residential district and design techniques (such as walls, landscape buffers) to address noise/privacy/visual impacts.
- (5) RM development shall set building back 5 feet for 1 story; upper stories can be stepped back, except however, land abutting a low density district shall incorporate transitional standards: set 2- story buildings and decks in 10 feet from side property line; 3d story and any decks can be stepped back 15 feet; setback area shall incorporate a landscaped buffer and fencing unless an alternate design provides a better transition or standards found to be unnecessary.

Managing SRO's

In 2003, the City's SRO Single Room Occupancy SRO ordinance was revised to allow a wider variety of SRO's by eliminating a restriction that all SRO units be rented at very low incomes. The Housing Element recommends that the City assure well managed SRO's through some minor changes to the current ordinance.

In addition to eliminating disincentives, several zoning-or other ordinance-related incentives have been recommended to make it easier for more varied housing to occur, such as promoting smaller homes and extending universal design to a broader amount of housing.

Incentives for Small Homes

The 2009 Housing Committee was interested in approaches to see more lower cost ownership housing built. Programs were included and later adopted by the City to do this: by permitting use of small lot standards, which provide much greater siting flexibility, in a greater number of zoning districts; and to allow two units be permitted to "count" as one unit (within general plan density ranges) *if* the two units are each 1,200 sq. ft. or less for up to 20% of units in subdivisions with ten lots or more.

Expanding Universal Design

The Housing Element recommends programs-- particularly Universal Design-- that help allow seniors to "age in place". Napa has a high percentage of seniors, and this part of the population is expected to grow. Many people wish to be able to live in their home as long as they can, but often home design (stairs, narrow doors, high shelving, etc.) make living difficult. Universal design is the design of products and environments to be usable by all people to the greatest extent possible, without adaptation or specialized design. It focuses on at grade entrances, wider doors and paths of travel, lower doorbells, switches and outlets, adjustable shelves and countertops, grab bars, accessible bathtubs or roll in showers, lever handles, etc. Some of these features can be retrofitted into homes, but many should be incorporated at the time a home is being designed. Single story units are also important.

Currently, "universal design" is only required in apartment developments. Generally, 10% of all units must be fully accessible and all ground floor units and units on accessible floors with elevators must have features in them to make the units adaptable for future occupants needing access.

The State Department of Housing and Community Development has prepared a Voluntary Model Universal Design Ordinance which a few cities have used to prepare their own ordinances; such an ordinance is recommended to extend Universal Design to a larger number of homes.

In a related action, in August, 2008, the City adopted an Americans with Disabilities (ADA) self-evaluation and transition plan that evaluates the City's services, policies and practices to ensure that they meet ADA requirements, and which establishes a transition plan to provide for the removal of identified barriers to City program accessibility.

Expanding Potential for Higher Density Single Family Detached Housing

Single family attached housing is allowed in many mixed use districts at prescribed higher density ranges. The difference between single family attached and single family detached at higher densities can be a technical difference that is not even apparent with "detachments" of 6 inches. The Housing Element recommended that this housing type not be precluded if it can be designed at the prescribed densities, and an ordinance change was approved in 2009.

Inclusionary Ordinance Provisions

The City's Inclusionary Ordinance was adopted in 1999 and fees had not been updated substantially since then. In August of 2008, the City hired a consultant to update and increase fees. In addition, the "equity sharing section" needed to be updated for consistency with state law. Further, the Housing Element had recommended considering other modifications.

In 2011, the City adopted changes to its Inclusionary Ordinance for consistency with State law (O2011 2). The "Jobs Housing Impact Study" and "Housing Impact Nexus Study" needed to support inclusionary fee changes were also completed in 2011. After public review and concurrence by affordable housing and development interest groups, major revisions to the inclusionary ordinance were adopted in July 2012 (O2012 8), taking into account a recent court decision that found that placing regulatory restrictions on new rental units violates state rent control laws.

The revised ordinance:

- Replaced inclusionary requirements with an affordable housing impact fee;
- Defines how the fee is calculated and collected;
- Defines eligible uses of affordable housing impact fee monies;
- Allows "alternative equivalent" proposals to paying the impact fee;
- Provides a process for possible reductions/waivers; and

- Provides administrative regulations to implement the Ordinance.

Increased housing impact fees were not adopted in 2012 as this would be overly burdensome on developers and because the impact fee is one of several sources available to fund affordable housing.

Strengthen and Expand Use of Affordable Housing Overlay Zoning

In 2003, with assistance of several former Housing Committee members, the City developed and adopted a new Affordable Housing Overlay District that increased minimum density and affordability requirements on several larger multi-family and mixed use sites; and that increased minimum densities and required 40 percent of the lots to provide small second units on low density sites. The City shall amend the ordinance governing the “Affordable Housing Overlay Zones” as set forth under Napa Municipal Code Chapter 17.36 in order to bring its provisions into compliance with the requirements of the holding in Palmer/ Sixth Street Properties L.P. v City of Los Angeles, 175 Cal.App.4th 1396 (2009) to clarify that any inclusionary requirements imposed under the Chapter shall not apply to rental developments, in order that the overlay may be used as a zoning tool to increase affordability of owner-occupied housing on an expanded number of sites. As a part of this review, the City shall review reduce the minimum site size criteria and review the zoning map to identify potential additional sites for rezoning under the AH Overlay designation. The Housing Element recommends expanding the number of sites that have this overlay and to review the low density site requirements to see whether there are other options that would provide a greater benefit than current second unit provisions, such as requiring small homes on some percentage of the lots. This program is being carried forward.

Growth Controls

The City of Napa has a variety of tools in place to manage growth. The City’s General Plan identifies potential estimated growth by area, and major infrastructure improvements needed to serve that growth. The City uses zoning, subdivision regulations and capital improvement programming to implement the General Plan and requires new development to pay impact fees or otherwise assist construction of planned, needed transportation, parks and water improvements. Since 1975, Napa has used the Rural Urban Limit (RUL) line to establish a maximum boundary for the City’s urban development. In addition, the General Plan has a policy to provide an “even rate of growth” over the planning period to help assure that developable land isn’t used up too rapidly, which would put pressure on the RUL, and threaten the City’s agricultural environment. The General Plan provides for an average of about 300 new units per year from 1990 to 2020. The *average* has never been exceeded; currently the average number of units constructed since the

projections were put in place is about 210 units per year and 300 units per year has rarely been exceeded in any one year.

In 1999, during one of the higher growth years, the City Council became concerned about the rate at which overall development was occurring and asked the former Housing Steering Committee to develop a growth pacing strategy as part of the Housing Element. The Committee met intensively and drafted a Growth Management Pacing Strategy. To provide a context and help guide their efforts, the Committee developed a Vision for the City's housing future, spent time learning about local housing needs and growth management, including legal issues associated with growth management programs, and received input from partner groups. Various "pacing strategies" were discussed before they reached a consensus recommendation.

The draft Growth Management Pacing Strategy would have limited or paced *Above Moderate* income housing units so as to not use up Napa's limited land supply too rapidly. It did not include pacing limits for *Very Low, Low and/or Moderate* income projects, recognizing that the market has not been providing adequate affordable housing and that this is a critical need in the community. Exempting *Very Low, Low and Moderate* income housing was also important to assuring that the City can meet regional housing need numbers and achieve a certified Housing Element. The Committee also had an objective of encouraging higher density housing, even at the *Above Moderate* income level, to utilize the City's land more efficiently, and provide more varied housing choices and "move up" opportunities.

Infrastructure timing and other project impact issues continue to be assessed during review of the project. The pacing strategy would have been applied to projects only *after* they received their land use approvals from the Planning Commission or City Council, before they applied for Building Permits.

The Council reviewed the draft pacing strategy in January, 2001 and directed Staff to create a Technical Subcommittee and to put together a pacing ordinance based on the Committee's work. A draft ordinance was prepared and discussed, but as the City's pace of development had slowed by that point, it was not adopted.

Open Space Requirements

The City's primary tool to maintain its agricultural and open space environment is the Rural Urban Limit. A critical element in the RUL's success is continuing cooperation with the County and neighboring cities in protecting surrounding agricultural open space lands. Maintenance of the "Greenbelt" designation on lands outside the RUL furthers the City's General Plan objectives for

protecting these lands. Measure A, which requires a vote of Napa City residents to change the RUL; Measure J, up for re-adoption as Measure P in 2008, which requires a countywide vote to allow for any redesignation of property currently zoned for agricultural use; and a City ordinance prohibiting provision of water service to areas outside the RUL (without a 4/5 Council vote) also strengthen these General Plan policies.

At the time of General Plan adoption, the City established a new "Resource Area" land use category for sensitive lands within the RUL that require "special standards due to viewshed, resource, habitat, geotechnical or other considerations that further the conservation and resource protection goals of the General Plan." Development in "Resource Areas" is limited to uses such as agriculture or up to one residential unit per 20 acres. The City has applied this land use category to several constrained hillside properties both on the east and west sides of the City, as well as the Stanly Ranch. Other than these standards, the City's typical parks requirements are the primary means for providing open space and recreation. Open space requirements do not constitute major impediments to development within Napa's Rural Urban Limit.

Building and Fire Codes and Enforcement

In 2010, the City adopted "High Performance Building Standards" in advance of the 2014 State timeline.

Building and Fire Codes

Building (and fire) codes can have a significant effect on housing affordability. They can also act as barriers to achieving designated densities or have unintentional impacts on community design and character. Inflexible standards may also inhibit innovative housing types and design. The City uses the 2013 California Building Code (CBC) with some amendments — for sprinklers, Class A Roofs and increased energy efficiency. Class A roofs do not add costs, while sprinklers add costs, but not enough to constrain new housing except potentially small second units. Building Staff report that certain voluntary amendments being considered for adoption in 2013-14 would add to housing costs: costs of increasing energy efficiency of buildings 15 percent above (2014) required standards could be substantial; and requirements for incorporating piping for solar and providing conduits for electric vehicle chargers would add \$500 to 600 to home construction costs. Increased energy efficiency to meet State greenhouse gas emission goals for 2020 will need to be balanced against increases in housing costs.

The Housing Element contains a program to consider revisions to its second unit standards and fees to encourage additional second units — including eliminating whole house sprinkler

requirements for attached second units. 2008 information from the National Institute of Standards and Technology (NIST) provides analysis of the economic cost of residential fire sprinkler systems that indicates the base cost of whole house sprinkler systems is not that significant. Costs will require further analysis when the second unit program study is conducted.

Code Enforcement

To date, code enforcement has been responsive to complaints and focus on health and safety issues, given the number of complaints filed each year and limited Staff. Code enforcement does not constitute a constraint to provision of permitted housing; Staff is most likely to be involved in abating illegal construction that has health and safety issues.

On/Off-Site Improvements

(e.g., curb requirements, street widths, and circulation improvements)

Street and infrastructure standards also have a direct impact on housing construction costs, as well as on subdivision design. City street width and sidewalk standards were reviewed and debated during the General Plan process and for the last several years, culminating in new street standards in 2008. Public Works Staff worked with other departments-- Fire and Planning Staff-- and a Development Advisory Committee-- on this topic. The standard for a new two lane residential street curb to curb is 36 feet with parking on both sides, 28 feet with parking on one side and 20 feet with no parking. The standard for new collector streets through residential and mixed use neighborhoods is generally 40 feet or 50 feet where bike lanes are included. General Plan/zoning "cleanup" changes for consistency with these new standards were adopted in early 2010.

In addition, work was completed in 2004 to 2006 to identify and establish a local street network in the Terrace Shurtleff neighborhood, and a planned street/pedestrian/bicycle network in the Soscol and Gasser Master Plan area, to help facilitate review of subsequent development projects.

Fees and Exactions

(e.g., permit fees and land dedication or other requirements imposed on developers)

Development impact fees are intended to offset proportionate shares of impacts of new development on the community. While impact fees and exactions, such as land dedication for local parks, can add substantially to the cost of housing, Napa's fees are relatively low compared to many other Bay Area cities and, with limited exceptions (Big Ranch Impact Fees) have not been

updated since 2005 or earlier while construction costs have risen. For example, the Consumer Price Index (CPI) increased nearly 20% from 2005 through 2013.⁹

City, School District and Napa Sanitation District fees –which include processing, impact and other construction related costs such as water connection charges, ranged from approximately \$25,460+ per unit for an apartment in a 10 unit building to \$44,000+ per unit for a detached single family home in 2008. In 2013, City portions of these development fees were largely unchanged, with the exception of a new Housing Impact Fee for Multi-Family developments, which replaced a housing “inclusionary” requirement to incorporate 10% low income units in such projects. However, the impact fee is actually a *savings* to apartment project developers, as the \$3.75/sq. ft. multi-family impact fee does not cover the costs of actually constructing a low income apartment unit onsite, as was previously required. The City has identified the need to update most of its development impact fees, as well as the costs charged for Staffing and review of development applications. During review of the 2007-08 Big Ranch Fee update, consultants concluded that overall City fees were relatively low and did not constitute an impediment to new residential development in general.

A spot check of various development fees in 2013 found that while City development fees have not changed substantially, there have been increases in fees charged by Napa Valley Unified School District and Napa Sanitation District which result in total development fee increases of 22+ percent for single family and 14+ percent for multi-family (without housing impact fee additions) – less than or close to CPI inflation rates.

Development fees in Napa include fees related to development permit processing and building permit review; impact fees related to park development, street improvements, utility undergrounding, water and sewer infrastructure and connections; paramedic and fire fees to construct fire facilities; housing impact fees unless affordable units are voluntarily constructed onsite; school impact fees to provide new school facilities; and sanitation district fees for sewer service. Impact fees are important to the City in providing needed infrastructure required by new development, and housing impact fees assist in providing new affordable housing.

The City has taken steps to defer fees for *affordable* housing projects, however, it is difficult to waive impact fees related to a development as some entity, usually the City, must make up the difference.

⁹ www.USinflationcalculator.com

One concern raised is that fees, such as water or sewer connection fees, do not discount rates for very small new second units. Sewer connection fees are the same for any residential unit, regardless of size. Water connection fees are lower for an accessory second unit, if the unit has a shared service with the main house. In this case, it is charged a rate consistent with other multi-family residential developments up to four units. If the accessory second unit has a separate connection it is charged the normal rate for a single family unit. The Housing Element contains a program to review future fee updates to determine if there are reasonable bases to reduce fees for very small sized units (for example, 500 sq. ft. or less), and to encourage other service providers to do the same. (See fee table below).

Figure 6.13 — City of Napa Fees

DEPARTMENT FEE	DETACHED S.F. HOUSE on post 1999 LOT	4-LOT SF PARCEL MAP	10 UNIT APT. COMPLEX MARKET RATE	20-LOT SF SUBDIVISION
PLANNING PERMITS	\$	\$	\$	\$
Staff level review*	100	NA	NA	NA
Planning Commission*	NA	5,000*		
City Council*			5,000*	5,000*
SUBTOTAL	<i>100</i>	<i>5,000+*</i>	<i>5,000+*</i>	<i>5,000+*</i>
BUILDING	\$	\$	\$	\$
Building Permit	1,817	7,268	5,385	36,340
Plan Check/Inspection	1,181	4,724	3,500	23,620
Fire Plan Check	454	1,816	1,346	9,080
Planning Plan Check	182	728	539	3,640
Engineering Plan Check**	Direct costs	Direct costs	Direct costs	Direct costs
SMIP Tax	25	100	95	500
Excise Tax	125	500	1,250	2,500
Park Development	1,003	4,012	6,390	10,060
Park Acquisition	6,581	26,324	41,960	131,620
Plumbing Permit	44 minimum	176 minimum	150 minimum	880 minimum
Mechanical Permit	44 minimum	176 minimum	150 minimum	880 minimum
Electrical Permit	44 minimum	176 minimum	150 minimum	880 minimum
Grading Permit	44 minimum	Varies	Varies	Varies
Insulation Tax	44 minimum	176 minimum	80 minimum	880 minimum
Street Improvement Fee	2,465	9,860	16,690	49,300
Undergrounding Fee	2,258	9,032	15,290	45,160
Imaging Fee	1	4	1	20
SUBTOTAL	<i>16,312+</i>	<i>65,072+</i>	<i>92,976+</i>	<i>325,760+</i>
PUBLIC WORKS	\$	\$	\$	\$
Plan Check/Project Management Deposit	3,500** +3%	7,000** +3%	7,000** +3%	7,000** +3%

DEPARTMENT FEE	DETACHED S.F. HOUSE on post 1999 LOT	4-LOT SF PARCEL MAP	10 UNIT APT. COMPLEX MARKET RATE	20-LOT SF SUBDIVISION
Inspection***	2%***	2%***	2%***	2%***
Irrigation Water Connection + meter set	NA	NA	8,480#	7,340#
Fire Water Connection #	NA	NA	5,210#	13,620#
Domestic Water Svc Conn + meter set #	5,680	22,720	17,460#	91,900#
Service lines from main to meter #	#	#	#	#
Toilet Retrofit Program****	2,400	9,600	19,200	48,000
SUBTOTAL	11,580+	39,320	57,350+	167,860+
FIRE DEPARTMENT	\$	\$	\$	\$
Sprinkler Permit	152	608	440	3,040
Fire Development and Paramedic Fee	615	2,460	7,585	12,300
Fire Alarm Monitoring	--	--	76	--
Underground Fire Service	--	--	253	--
Plan Check/Inspection ##	##	##	##	##
SUBTOTAL	767+	3,068+	8,354+	15,340+
HOUSING IMPACT FEE	4,620	18,480	28,125	92,400
CITY TOTAL FEES	33,379+	130,940+	191,805+	606,360+
SCHOOLS	12,075	48,300	43,175	241,500
NAPA SANITATION DISTRICT	\$	\$	\$	\$
Capacity	\$8,300-	33,200-	83,000-	166,000-
Plan Check	40	160	250	800
Inspection (per street lateral)	35	35	35	700
Inspection (per house lateral)	35	140	35	700
Inspection (1.25/ft main line installation)	Varies	Varies	Varies	Varies
NSD TOTAL	8,410+	33,535+	83,320+	168,200+
TOTAL	53,864+	212,775+	318,300+	1,016,060+
COST PER UNIT	53,864+	53,194+	31,830+	50,803+

Estimated fees are based on the following assumptions: Single family homes: 2,100 sq. ft + 550 sq. ft garage

Apartments: 750 square feet per unit.

* Initial Deposit only for direct Staff costs. Totals do not include hourly rates above deposit charged by Staff for project review. Projects may also require rezonings, annexations, other permits or generate appeals that also increase costs.

** Initial Project Deposit only for direct Staff costs. Totals do not include hourly rates above deposit charged by Staff for project review. Projects also require 3% of estimated cost of construction improvements.

*** Engineer's inspection fee is 2% of estimated cost of construction improvements.

**** Based on \$600/certificate. City ordinance requires new development to help offset increased water consumption by installation of low flow toilet(s) in a living unit that is connected to the City's system and doesn't already have low flow devices or pay in lieu certificates.

A S.F. home = 4 certificates.

#Service sizes selected are approximate and for illustrative purposes, and will vary depending on actual engineered requirements. Fees are connection fees only and assume that developer will install all services.

Totals do not include hourly rates for plan check review.

- Sewer connection fees are estimates only and can vary greatly depending on number of tenants, plumbing fixtures and type of use. Contact NSD for additional information.

SPECIAL FEE areas throughout the City include Linda Vista, North Jefferson, Big Ranch Road, Salvador/Solano, Pear Tree, Orchard Avenue and Redwood Road that have not been included in fee schedule.

2008 Adopted fee schedule states fire fees may be waived for non-profits; and water connection charges are reduced for eligible affordable units; some other city fees have been deferred or waived by the City Council for affordable units.

Processing and Permit Procedures

(e.g., processing times, approval procedures)

During review of the 2005 Housing Element, some members of the Housing Element Steering Committee and builder representatives had concerns that application processing takes too long, adds to the cost of housing in Napa, and should be reduced where possible. They wanted increased accountability and improved project review time. Improving many aspects of the development review process has been a major City focus over the past several years. In 2002, the City completed an assessment of the development review process. There were many recommendations, from reorganizing City development review Staff into a Community Development Department and empowering planner case managers; acquiring and implementing a permit tracking system; reducing the initial review time frame; improving application submittal checklists to help reduce the number of incomplete applications and resubmittals; increasing the number of administrative approvals and express building permits; making Staff recommendations in Staff reports; clarifying and unifying City street standards; increasing building permit fees to support/expand building permit review; providing priority processing for affordable housing in Planning and Building; expanding outreach to neighbors early on through early neighborhood notice, meetings and lay person brochures; posting Staff reports on the City's website; expanding development of neighborhood/specific plans; and improving customer service.

Many of these recommendations have been implemented; others are ongoing with continued efforts at improvement. A Community Development Department has been established; building permit fees were raised and building Staff added resulting in reduced plan check timelines. Application submittal handouts have been developed and placed online. Administrative approvals and express building permits have been expanded. The City has acquired and implemented a Permit Tracking system that tracks project applications, Staff time and fees. Residential Design Guidelines and Street standards have been updated, with related General Plan and zoning changes to be completed by early 2009. Priority processing of affordable housing projects through Building has informally occurred with increased Staff and has continued to be a priority in Planning; the Housing Element recommends adopting an administrative procedure to formalize such review throughout the entire process. Billings have received particular attention over the past two years

and have improved with a new financial accounting system. Soscol Gateway Planning studies, the Gasser Master Plan and Downtown Specific Plan have been completed. Further, the City has significantly improved public information dissemination by including City reports, plans, ordinances, agendas, and Staff reports online as well as weekly newsletters and a new online customer response system. Continuing to improve and expand resident outreach is a ongoing program.

A review of 39 residential development applications between 2006 and April 2008 found that about 60% of parcel maps and other small residential projects were approved in less than six months from the initial date of submittal while 54% large subdivisions took seven to twelve months.

In several cases where applications are still pending or where it took more than 6 months for smaller projects and 12 months for larger projects, the process was longer than it needed to be because the applicant needed to provide more information concerning project issues and this was not always submitted to the City of Napa on a timely basis. Additionally, in some cases due to the slowing housing market, projects were being put on hold but the developers did not wish to withdraw the applications and the City allowed this for a period of time.

In many ways, Napa's development review process is more efficient than other jurisdictions. The City does *not* have a separate design review board making recommendations to the Planning Commission which may add several months to the process. Nor does Napa have any unusual permits, such as growth pacing programs the development review stage, which can add many months prior to a decision on a project. Also, the majority of City development applications are relatively small infill projects and the City is able to process them as categorical exemptions under CEQA. Few projects require environmental impact reports, which may add a year or more to the processing time for a project. In addition, all discretionary permits for a project are handled concurrently. The City does have a Cultural Heritage Commission appointed to make recommendations on projects involving certain historic properties. While this review adds time, it also reinforces the City's priority for historic preservation.

Permit Processing

In addition, much of the permit processing time frame is dictated by state-mandated noticing and processing procedures that help assure community review of projects. Once the Subdivision and/or Use Permit Application is submitted, it is subject to the following steps before consideration of the application merits:

- (1) Completeness review: 30 days. The City has maximum 30 days to conduct an initial review of the project and determine whether it is "complete", or whether additional information is

needed to evaluate the project. While this may seem like a long time, it includes time to refer the application to different departments and outside agencies involved in development review; and to receive and consolidate these comments. Staff tries to anticipate analyses that will be needed for environmental review or during the public hearing process (such as tree or riparian studies). If the project does not meet various city standards, it may also need to be revised. In the past several years, the City has improved submittal checklists to identify what information is required for an applicant to be deemed “complete” and recently updated its street standards to resolve inconsistencies as to what the City would accept.

- (2) Applicant response. No time limit. Applicant provides needed information and/or revisions to project. As noted earlier, applicants may take several months to respond. If a revised project is submitted, the project will typically go again through Steps 2 and 3. Several years ago, applications often needed to be resubmitted three or four times to address City comments. Of the 2006 through early 2008 projects, only 10% were resubmitted three times.
- (3) Environmental Determination: 30 days. Within 30 days of receiving a complete application, the City must determine whether the project requires a Negative Declaration, Environmental Impact Report or can be categorically exempt. If not categorically exempt, Staff prepares an “Initial Study”.
- (4) Environmental Review Period. 20 to 30 days. If a Negative Declaration is prepared, the state-required public review period is 20 to 30 days, depending on whether a state agency is involved in the review.
- (5) Project is scheduled for Planning Commission review. Staff prepares Staff report and must provide a ten day notice of the public hearing on the project. Typically this time frame is combined with the longer environmental review notice.
- (6) Planning Commission Review and Action. The Commission may approve, deny or continue the item, unless the project involves a General Plan Amendment, rezoning or (in Napa) tentative subdivision map involving five or more lots or design review for apartments less than ten units. In these cases, the Commission makes a recommendation to the Council. The Council must act on General Plan Amendments or rezonings per State law. If the Commission has concerns about the project, they may request additional research or revisions prior to an action. When projects are continued, they are typically continued for a month or more to allow time for applicant revisions and Staff work. Citizens may also appeal Planning Commission actions to the City Council. There is a ten day appeal period.

- (7) City Council Review and Action. (Adds two to ten weeks) Projects involving General Plan Amendments, rezonings or (in Napa) tentative subdivision maps for five or more lots, and design review for apartments >10 units must have a public hearing at the City Council. This typically takes about four weeks to schedule and notice from the date of the Planning Commission hearing. In addition, rezonings are required by State law to go through a first and second reading for adoption which adds another 30 days before the ordinance is final. State reviewing Staff was concerned in 2001 that Council design review of larger apartments could be an impediment to multi-family housing and required a program to evaluate this. Staff reviewed ten apartment projects greater than ten units in size that were submitted and approved since 2000. Six of the ten projects involved rezonings that require review by the Council regardless of the design review permit. Thus there was no added time due to Council design review as the project permits were handled concurrently. The four remaining projects were approved by Council within two weeks to a month of Commission review. If this hadn't been the standard practice, one of these would likely have been appealed to Council. All projects were approved. From the evidence to date, Council design review of larger apartments does not appear to be a constraint to the development of multi-family housing that would require a change.

Findings for Approval.

Multi-Family developments are permitted uses in Multi-Family zones. Residential mixed use development is also a permitted use in most cases in commercial and mixed use zones.

Use Permit findings (if applicable) that must be made for approval of all types of uses in the City, including residential, are that the proposed use is in accord with the General Plan, applicable specific plans, the objectives of the zoning ordinance and any overlay district; that the proposed use, together with conditions applicable thereto, will not be detrimental to the public health safety or welfare, or materially injurious to properties or improvements in the vicinity or to the general welfare of the City; that the proposed use complies with each applicable provision of the zoning ordinance and any other findings required under particular chapters of the zoning code. For example, if the development proposes a Planned Development or a variance, other findings must be made.

Findings for Approval (Cont.)

Design review findings for all types of uses in the City, including residential, include that the project design is in accord with the General Plan and any applicable Specific Plan design policies or applicable Design Review guidelines; also that the design is in accord with zoning provisions and will not be detrimental or injurious to property or improvements in the vicinity of the development site, or to the public health, safety or general welfare.

Once discretionary approval(s) are secured, the following process takes place when the applicant is ready to proceed:

- (8) Applicant prepares and submits final building and/or subdivision improvement plans. This time frame is up to the applicant.
- (9) Staff reviews of site improvement plans, and Staff and City Council reviews of Final Subdivision Maps. Public Works Staff states that subdivision improvement plans and Final Maps may take three to four months to review and obtain required City Council approval (there is no required time limit). Upon receipt of plans, the Engineer routes them to involved departments for review against approved plans. The Public Works Engineer then compiles the comments and generally turns the comments around to the project's engineer within five weeks. The applicant then revises the plans and resubmits them. The second review will typically take less time. At that point, improvement plans may be approved, or for subdivisions, the Final Map is scheduled for City Council action. Reviews are completed on a first come, first served basis; no uniform priority has been given for affordable projects at the engineering review stage to date. The developer often also prepares and submits building permit plans during this time for concurrent processing. By the time the subdivision Final Map is approved, building permits are usually ready to be issued.
- (11) Building Permit plans also go through a similar process. They are routed to several departments for review against approved plans and signoff. Building Staff report that their turn-around time for first review of new building plans in 2013 is typically two to three weeks, a reduction since 2008, and that there is nearly always a need for revisions. Applicants then revise the plans and resubmit, which are then reviewed again and if acceptable, building permits are issued.

Thus, in Napa, the parcel map may take four to six months for approval then another three to four months for preparation of building and improvement plans and issuance of a building permits, or seven to ten months total. Larger subdivisions take longer. With the slowdown of the housing market from 2008-11, many subdivision approvals have not proceeded to building permits due to financing and/or market reasons.

Emergency Shelters and Transitional and Supportive Housing Permitting

State law requires that jurisdictions allow emergency shelters as a permitted use in at least one zoning district in the City. In 2009, the City of Napa amended its Zoning Ordinance to allow emergency shelters as a permitted use in the Public/Quasi Public (P/QP District). The P/QP Zoning District has capacity to meet emergency housing needs as further described in Section 5.6.

Emergency housing, when in facilities owned and operated by the County, such as the South Napa Shelter or two group homes, have been determined to be exempt from City regulations. Outside of the PQ-P District, where emergency shelters are specifically listed and allowed as a permitted use, emergency shelters are allowed as “community care facilities.” In the City’s Zoning Ordinance, community care facilities are conditionally permitted in all City residential zoning districts.

An example is the Samaritan House, an emergency family shelter for up to seven families and ten single women which provides 24 hour supervision on a former church property in a Multi-Family Residential zoning district adjacent to a single family district. While this facility required a use permit, the Community Action Napa Valley (CANV) operators have had many years of experience in operating shelters in the City with very few complaints. Therefore, the Use Permit acknowledged their excellent operating record, focused on General Plan policies supporting and encouraging the provision of such housing, and on standard Use Permit issues: e.g., adequacy of parking; provision of adequate emergency vehicle access and installation of fire sprinklers.

To facilitate the provision of transitional and supportive housing services within the City of Napa, the City amended its Zoning Ordinance in 2009 to allow transitional and supportive housing in any zoning district that allows residential uses subject to the same permitting processes for the type of housing and without undue special regulatory requirements such as number of occupants, relationship of occupants, and family status.

The City has a history of supporting of emergency housing and similar social-serving facilities. As seen in the earlier discussion on Homeless, there are three emergency shelters and a women’s shelter currently located in the City as well as several transitional and permanent supportive housing developments. A new 24 unit/30 bed transitional/permanent supportive facility was completed in 2012 on Hartle Court, and in 2013 the City and County have committed funds to assist the Gasser Foundation in creating a new 8 bedroom facility. There are also numerous small (for six or fewer) residential facilities for children and adults, and elderly located throughout the City. In 2000, there were nine large senior residential facilities, and seven large residential facilities either with Use Permits or on County property serving eight to twelve children or adults located throughout the City’s residential neighborhoods. Also in 2000 the City approved the HOPE Resources Center, a day services center for homeless adults in a near-downtown location, and an expansion of the Salvation Army food kitchen.

In general, fair access to housing for the disabled and supportive housing has been considered in the City's zoning ordinance. For example, parking standards provide reductions in parking for disabled housing developments and SRO's, define "households", not "families", and allow varied housing types in several districts distributed geographically, not just in limited areas, etc. The City adopted a "reasonable accommodation" ordinance in 2010.

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