CITY of NAPA

bae urban economics

Analysis of Impediments to Fair Housing Choice

City of Napa

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INTRODUCTION

Purpose of Report

The purpose of an *Analysis of Impediments to Fair Housing Choice (AI)* is to identify barriers to fair housing choice, present recommendations that may be adopted to overcome these barriers, and monitor progress in achieving the adopted recommendations. This process will help the City of Napa develop a roadmap to overcome these barriers and affirmatively further fair housing.

Conducting an *AI* is a requirement for jurisdictions that receive U.S. Department of Housing and Urban Development (HUD) Community Planning and Development funds. The City of Napa, California fits this category.

According to HUD's *Fair Housing Planning Guide*, "Communities have authority and responsibility to decide the nature and extent of impediments to fair housing and to decide what they believe can and should be done to address those impediments." Thus, the *AI* reviews impediments to fair housing choice within the public and private sector, including policies, practices, and procedures affecting housing choice. The *AI* serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts.

HUD fair housing planning defines a four-step process. The first step is to complete an Analysis of Impediments to Fair Housing Choice. Step two is to develop strategies to overcome the identified impediments and methods to measure progress. The third step is to implement the strategies, and the fourth step is to measure results.

This Analysis of Impediments to Fair Housing Choice for the City of Napa includes:

- An assessment of conditions, both public and private, affecting fair housing choice for all protected classes;
- A review of the jurisdiction's laws, regulations, and administrative policies, procedures and
- practices;
- An assessment of how those laws, etc. affect the location, availability and accessibility of housing; and
- An assessment of the availability of affordable, accessible housing.

The Role of HUD

HUD is committed to eliminating racial and ethnic segregation, illegal barriers to persons with disabilities, and other discriminatory practices in housing. The fundamental goal of HUD's fair housing policy is to make housing choice a reality through fair housing planning. HUD has historically encouraged the adoption and enforcement of State and local fair housing laws and the

reduction of separation by race, ethnicity, or disability status in community planning and development programs in order to affirmatively further fair housing choice. These programs include:

- Community Development Block Grant (CDBG)
- Home Investment Partnership (HOME)
- Emergency Shelter Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA).

The CDBG program contains a regulatory requirement to affirmatively further fair housing based upon HUD's obligation under Section 808 of the Fair Housing Act. The CDBG regulation also reflects the CDBG statutory requirement that the grantees certify they will affirmatively further fair housing. HUD also requires CDBG grantees to document their actions towards furthering fair housing in the Consolidated Plan and Consolidated Annual Performance and Evaluation Report (CAPER) and reports submitted to HUD.

Definition of Affirmatively Furthering Fair Housing

HUD defines affirmatively furthering fair housing as requiring a grantee to:

- Conduct an analysis to identify impediments to fair housing choice within its jurisdiction;
- Take appropriate actions to overcome the effects of any impediments identified through the analysis; and
- Maintain records reflecting the analysis and actions taken in this regard.

HUD defines impediments to fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices; and
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

Protected Classes and Discriminatory Practices

Both federal and California fair housing laws govern the treatment of protected classes by a variety of housing professionals in nearly every aspect of the purchase and rental of housing. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as Amended, (1988) makes it unlawful to "refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person" (42 U.S.C. §§ 3601 – 3619; 3631) because of their:

- Race
- Color
- Religion

- National Origin
- Sex
- Familial Status (families with children under 18 and/or who are expecting and/or adopting a child)
- Handicap (Disability)

In addition to federal statutes, the California State Human Rights Laws include the following protected classes:

- Age
- Ancestry
- Sexual Orientation
- Medical Condition
- Marital Status
- Arbitrary Characteristics
- Source of Income

Federal statutes, State statutes, and case law define discriminatory practices or acts in housing. The practices predominantly discussed are in the following broadly defined categories:

- Different Terms & Conditions
- Refusal to Rent, Sell or Lend
- False Denial of Availability
- Intimidation and Coercion
- Interference With Rights
- Brokers Services
- Financing
- Advertising or Discriminatory Statements
- New Construction Accessibility for Persons with a Disability
- Reasonable Modification for a Disability
- Reasonable Accommodation for a Disability

Methodology to Prepare this AI

The following activities were performed in preparing this AI:

- Identification and review of current studies, surveys, articles, and statistical materials.
- Collection and review of public documents to identify existing impediments.
- Research of available data sources to explore housing, demographic, and lending and economic patterns.
- Literature review of current studies, surveys, articles, and statistical materials that provide insight in defining local impediments to fair housing choice.

- Analysis of information collected and compiled during literature and public document reviews, and research of available data sources including a history of race and national origin discrimination within the City of Napa.

In order to place City of Napa issues that significantly affect local fair housing choice within the regional housing marketplace, this report analyzes not only at the City of Napa, but also Napa County, and the nine-county Bay Area.

DEMOGRAPHICS, AFFORDABILITY, AND HOUSING CHOICE IN THE CITY OF NAPA

This section provides demographic information for the City of Napa, including population and household trends, age, race and ethnicity, household characteristics, and income levels. In most cases, data for the City of Napa is presented along with data for Napa County and the Bay Area to show how conditions and trends in Napa compare to the region as a whole.

This section incorporates quantitative data from a variety of sources and qualitative information from various organizations and community stakeholders. Quantitative data sources include the United States Census; the Association of Bay Area Governments; the State of California, Department of Finance; Nielsen, a private demographic data vendor; and discussions with local fair housing and related service providers and real estate professionals.

Demographic Profile

Population and Household Growth

The City of Napa is located in Napa County, approximately one hour north of San Francisco and Oakland at the northeastern tip of the San Francisco Bay. The City has an estimated 2014 population of 78,358 residents, representing approximately 56 percent of the County's total population. As shown in Table 2.1~~Table 2.1~~, the City experienced moderate population growth between 2000 and 2014, with a population increase of 8.0 percent, compared to a 12.1 percent increase countywide. The Bay Area region, comprised of nine counties including Napa County, grew at a faster rate than the City of Napa but slower than the County, with a population increase of 9.4 percent between 2000 and 2014.

Household growth in the City and County of Napa was slower than population growth between 2000 and 2014, leading to slight increases in household size. The average household size in the City stands at 2.72 persons per household in 2014, up from 2.64 persons in 2000. Average household size also saw modest increases in the County and Bay Area over the same period.

The proportion of households comprised of families (e.g., related individuals) in the City of Napa is similar to the distribution in the County and Bay Area. In 2014, approximately 66 percent of households in the City were family households, compared to 68 percent in the County and 65 percent in the Bay Area as a whole.[1]

The City of Napa is characterized by a lower homeownership rate than Napa County. Approximately 57 percent of City households are estimated to be homeowners in 2014, compared to 63 percent of

[1] A family household is defined as a group of two people or more related by birth, marriage, or adoption and residing together.

households in the County. However, the City's homeownership rate is still higher than the Bay Area as a whole, where 56 percent of households own their home. All three geographies have shown a decline in home ownership since 2014, perhaps an indicator that for-sale housing is becoming more unaffordable over the period.

Table 2.1: Population and Household Trends, 2000-2014

City of Napa	2000	2010	2014 (a)	% Change 2000-2014
Population	**72,585**	**76,915**	**78,358**	**8.0%**
Households	**26,978**	**28,166**	**28,330**	**5.0%**
Average Household Size	**2.64**	**2.69**	**2.72**	
Household Type (b)				
Families	66.5%	66.2%	66.3%	
Non-Families	33.5%	33.8%	33.7%	
Tenure				
Owner	60.6%	57.3%	57.4%	
Renter	39.4%	42.7%	42.6%	
Napa County				
Population	**124,279**	**136,484**	**139,255**	**12.1%**
Households	**45,402**	**48,876**	**49,231**	**8.4%**
Average Household Size	**2.62**	**2.69**	**2.73**	
Household Type (b)				
Families	67.6%	67.6%	67.7%	
Non-Families	32.4%	32.4%	32.3%	
Tenure				
Owner	65.1%	62.6%	62.6%	
Renter	34.9%	37.4%	37.4%	
Bay Area (c)				
Population	**6,784,348**	**7,150,739**	**7,420,453**	**9.4%**
Households	**2,466,020**	**2,606,288**	**2,642,449**	**7.2%**
Average Household Size	**2.69**	**2.69**	**2.75**	
Household Type (b)				
Families	64.7%	64.6%	64.6%	
Non-Families	35.3%	35.4%	35.4%	
Tenure				
Owner	57.7%	56.2%	56.0%	
Renter	42.3%	43.8%	44.0%	

Notes:
(a) 2014 data regarding population, number of households, and average household size provided by CA Dept. of Finance. All remaining 2014 data provided by Nielsen.
(b) A family is a group of two people or more related by birth, marriage, or adoption and residing together.
(c) The nine-county Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties.

Sources: Nielsen Marketplace; U.S. Census; CA Dept. of Finance; BAE, 2014.

Age Distribution

Table 2.2~~Table 2.2~~ presents the age distribution for the City, the County, and the Bay Area. As shown, the City of Napa has a slightly younger median age than the County; in 2014, the City's median age is 38.0 years old, compared to 40.0 years old in the County and 38.7 for the Bay Area. The City has a higher proportion of residents under the age of 18 and a lower proportion of elderly residents age 65 years and older than the County overall.

Table 2.2: Age Distribution, 2014

Age Cohort	City of Napa	Napa County	Bay Area
Under 18	21.8%	22.4%	23.8%
18 - 24	8.6%	9.3%	9.0%
25 - 44	28.6%	24.6%	26.4%
45 - 64	27.4%	27.4%	25.9%
65 & Older	13.6%	16.4%	14.9%
Median Age	**38.0**	**40.0**	**38.7**

Sources: Nielsen Markteplace; BAE, 2014.

Race/Ethnicity

The City and County of Napa are characterized by large Hispanic/Latino populations. Approximately 41 percent of City residents are identified as Hispanic/Latino in 2014, a slightly higher percentage than the County (35 percent). Non-Hispanic White persons comprised 54 percent of the population in the City and 53 percent in the County. Asians have a small presence in the City of Napa, with just two percent of total population with seven percent countywide.

Table 2.3: Race and Ethnicity, 2014

	City of Napa	Napa County
Non-Hispanic Population by Race		
White	54.2%	53.2%
Black/ African American	0.5%	2.0%
Native American	0.4%	0.4%
Asian	2.1%	6.9%
Native Hawaiian/ Pacific Islander	0.2%	0.3%
Other	0.1%	0.2%
Two or More Races	2.0%	2.5%
Total Non-Hispanic/ Latino	**59.5%**	**65.5%**
Hispanic Population by Race		
White	19.4%	16.1%
Black/ African American	0.2%	0.2%
Native American	0.4%	0.4%
Asian	0.1%	0.2%
Native Hawaiian/ Pacific Islander	0.0%	0.0%
Other	18.4%	15.5%
Two or More Races	2.0%	2.0%
Total Hispanic/ Latino	**40.5%**	**34.5%**

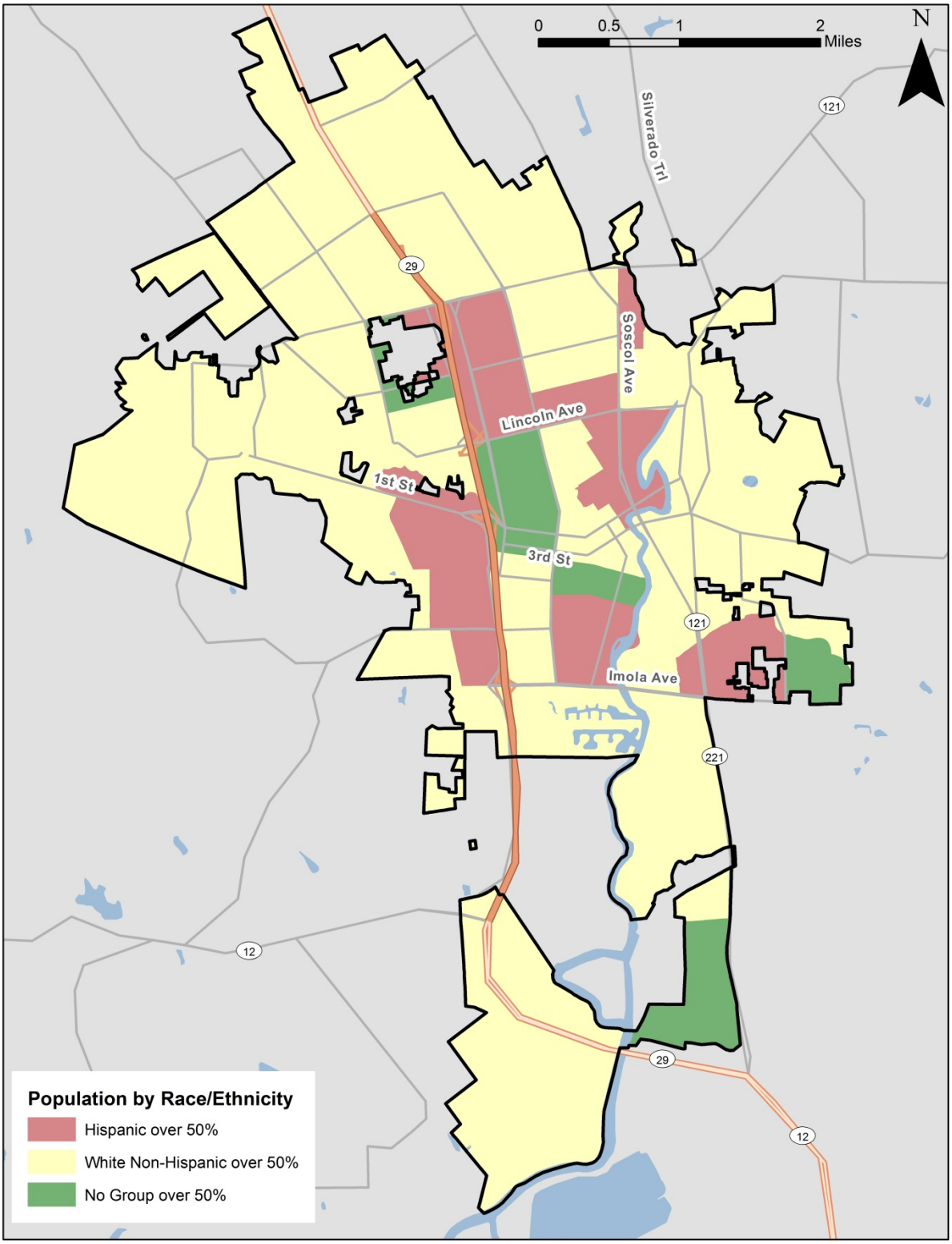
Notes:
Table presents data as percent of total population.
Sources: Nielsen Markteplace; BAE, 2014.

Racial and ethnic groups are not equally distributed throughout the City. Areas of racial/ethnic minority concentration are neighborhoods with a disproportionately high number of minority (i.e., non-White) households. According to HUD, "areas of minority concentration" are defined as Census block groups where 50 percent of the population is comprised of a single ethnic or racial group other than Whites.

The next two pages show how race/ethnicity is distributed across the City of Napa on a Census-Block Group basis (e.g., smaller geographic unit than Census Tracts). As shown in Figure 2.1, Hispanic residents were the only racial/ethnic minority group that represented the majority of the population in City block groups. Areas with a concentration of Hispanic households are primarily located in the central portion of the City, along Highway 29. Figure 2.2 provides a more detailed illustration of the distribution of the Hispanic population in the City of Napa.[2]

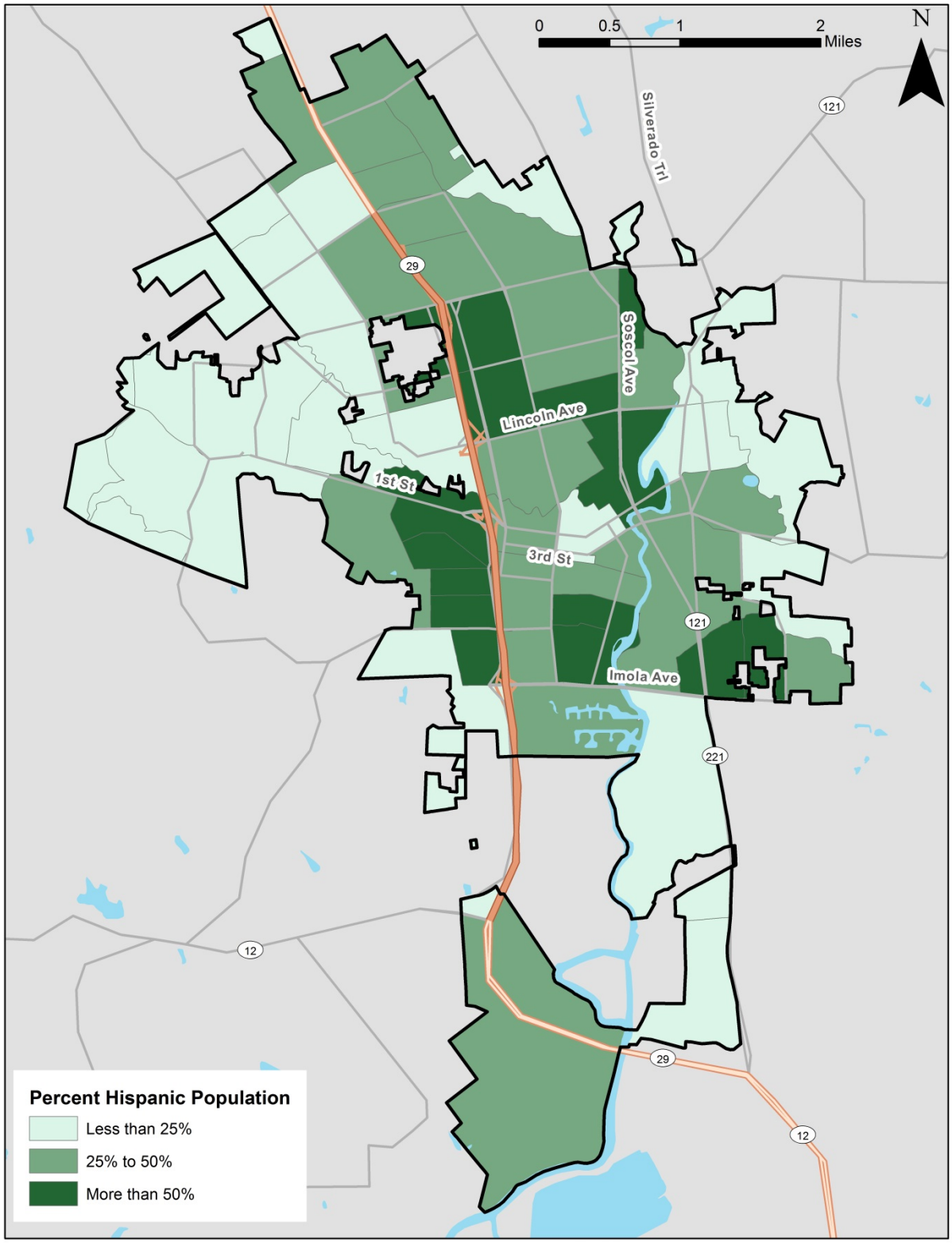
[2] The geographic areas that comprise individual Census Block groups are defined by the US Census Bureau, and do not necessarily align with jurisdictional boundaries. As a result, some of the data for Census Block groups shown in include data from areas outside of City limits. A map of Census Block Groups in the City of Napa is shown in Appendix E.

Figure 2.1: Concentrations of Population by Race/Ethnicity, City of Napa, 2010



Note: Some block groups include areas outside the city (not shown). Calculation is based on entire block groups, not just portion in the City.
Sources: ESRI; 2010 Decennial U.S. Census; BAE, 2014.

Figure 2.2: Distribution of Hispanic/Latino Population, City of Napa, 2010



Note: Some block groups include areas outside the city (not shown). Calculation is based on entire block groups, not just portion in the City.
Sources: ESRI; 2010 Decennial U.S. Census; BAE, 2014.

HUD also defines a minority concentration as an area where the percentage of minorities is at least 20 percent greater than the citywide share of minorities. Based on 2010 Census data, the non-White population comprised approximately 43 percent of the City's population. Therefore, under this definition, Census block groups where non-Whites represent 63 percent or more of the population are considered areas of minority concentration. There are 11 block groups falling under this definition of minority concentration across the City (see Figure 2.3).

Dissimilarity Index

Another measure commonly employed by demographers and sociologists to analyze patterns of racial/ethnic concentration is the "dissimilarity index." This index is a measure of the evenness with which two groups (generally a minority group and Non-Hispanic Whites) are distributed across the geographic areas that make up a larger area, such as Census tracts within a city. The index ranges from 0 to 100, with 0 meaning no segregation or spatial disparity, and 100 being complete segregation between the two groups. The index score can also be interpreted as the percentage of one of the two groups in the calculation that would have to move to a different geographic area in order to produce a completely even distribution. In general, an index score above 60 is considered high, 30 to 60 is considered moderate, and below 30 is considered low.[3]

The formula for calculating the dissimilarity index for the City of Napa, by Census block group, is as follows: $D= 0.5 \Sigma \mid P_{ig}/P_g - P_{ih}/P_h \mid$

- P_{ig} is the population of group g in Census block group i
- P_{ih} is the population of group h in Census block group i
- P_g is the total population of group g in the City and
- P_h is the total population of group h in the City

Analyzing 2010 data for Napa by Census block group results in the following dissimilarity index scores for each minority group:

- Non-Hispanic Black/African Americans - 54
- Non Hispanic Asians – 29
- Hispanic/Latino – 35
- Other Race[4] - 15

This analysis indicates that 54 percent of Black/African Americans, 29 percent of Asians, 35 percent of Hispanic/Latinos, and 15 percent of Other Race would need to move to a different Census block group in order to achieve spatial integration with the Non-Hispanic White population.[5] As such, this analysis indicates that the City's Black/African American and Hispanic/Latino populations

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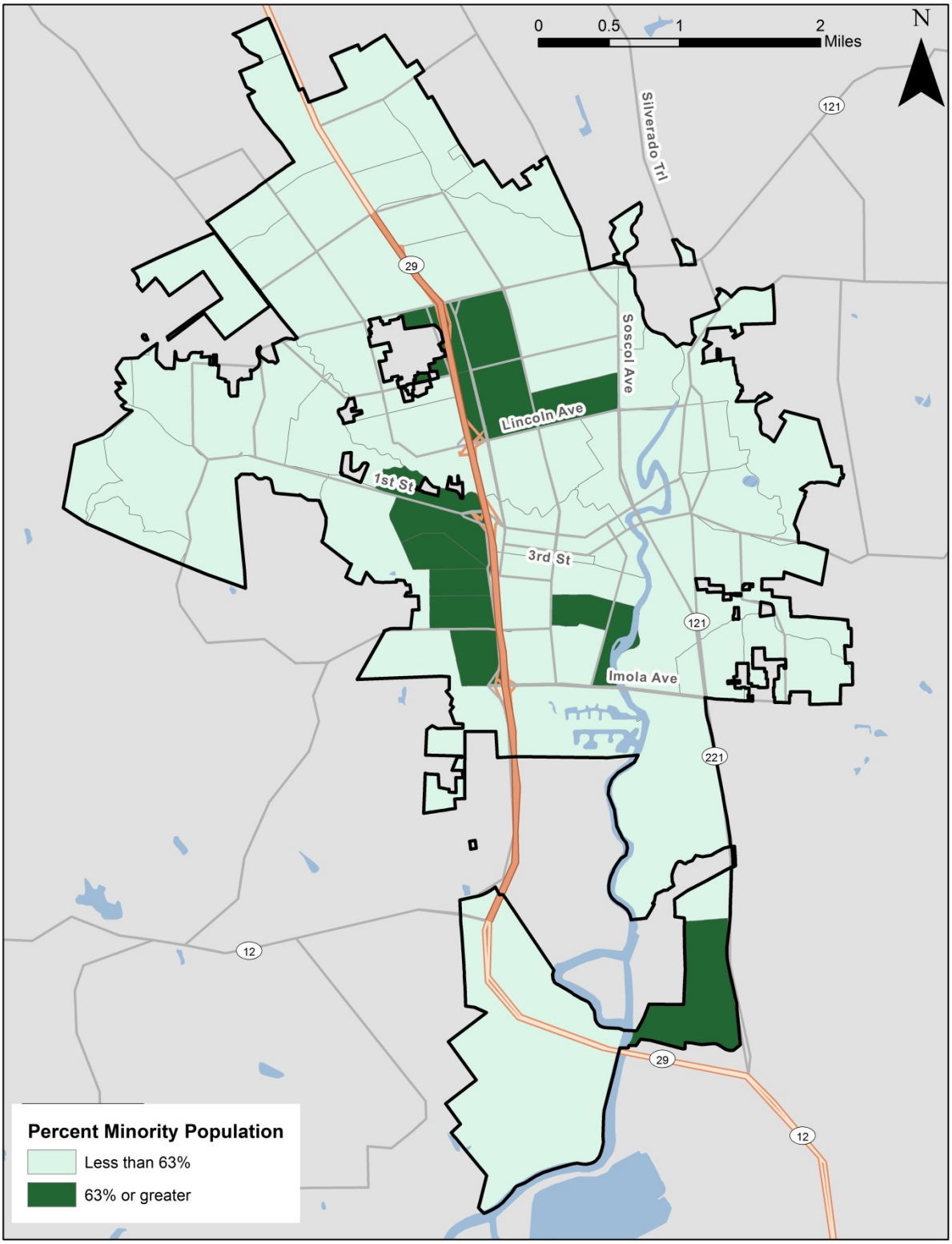
[3] Massey, D.S. and N.A. Denton. American Apartheid: Segregation and the Making of the Underclass. Cambridge: Harvard University Press. 1993.

[4] Includes Non-Hispanic Native Americans, Non-Hispanic Pacific Islanders, Non-Hispanic Other, and Non-Hispanic of two or more races.

[5] Assumes no movement in the Non-Hispanic White population.

experience moderate segregation relative to Whites. The City's Asian and Other populations are less segregated than the other two groups. It should be noted that when a group's population is small, its dissimilarity index may be high even if its group's members are evenly distributed throughout the area. For this reason, the dissimilarity index for Black/African Americans, with a population of less than 1,000 residents in the City, may overstate the level of segregation present for this group.

Figure 2.3: Areas of Minority Concentration, City of Napa, 2010



Note: Some block groups include areas outside the city (not shown). Calculation is based on entire block groups, not just portions in the City.
Sources: ESRI; 2010 Decennial U.S. Census; BAE, 2014.

Household Income

The City of Napa is slightly less affluent than Napa County as a whole. In 2014, the median household income in the City is estimated at approximately $58,200, compared to $64,300 in the County, as shown in Table 2.4~~Table 2.4~~. The household income distributions in the City and County are relatively similar. The largest proportion of households in both geographies had an annual income of $35,000 to $74,999; 33 percent of City households and 32 percent of County households fell in this income category. However, there are a substantial number of households with incomes below $35,000; these households are more likely to be burdened with high housing costs as a proportion of their overall income.

Table 2.4: Household Income Distribution, 2014

Household Income	City of Napa	Napa County
Less than $35,000	28.7%	25.7%
$35,000 to $74,999	32.7%	31.6%
$75,000 to $149,999	26.7%	27.8%
$150,000 or More	11.9%	14.8%
Median HH Income	**$58,153**	**$64,310**

Sources: Nielsen Markteplace; BAE, 2014.

Concentrations of Low-Income Population

The 2013 federal poverty threshold was $ 23,707 for a family of four.[6] As shown in Table 2.5~~Table 2.5~~, the City of Napa's estimated 10.6 percent poverty rate is slightly higher than the County's 8.5 percent poverty rate.

Table 2.5: Poverty Status, 2014

	City of Napa	Napa County
Families Below the Poverty Line	2,033	2,897
Percent of Total Families (a)	**10.6%**	**8.5%**

Note:
(a) Percentage calculated from the universe of families for which poverty status is known.

Sources: Nielsen Markteplace; BAE, 2014.

For planning purposes, households are categorized by HUD as extremely low-income, very low-income, or low-income, based on percentages of the County's Median Family Income (MFI). The MFI

[6] Based on a family of four with one adult and three related children under 18. http://www.census.gov/hhes/www/poverty/data/threshld/index.html

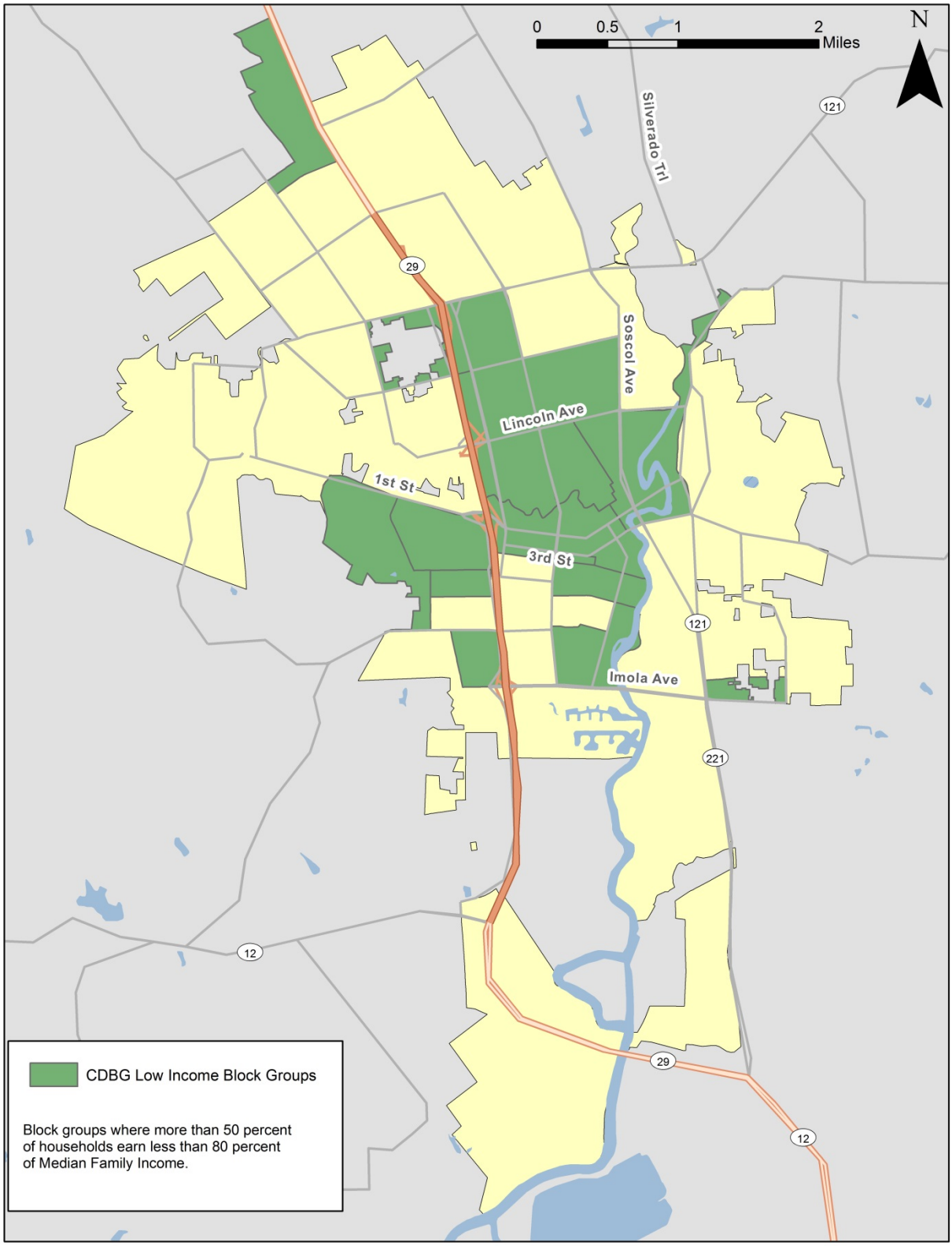
is calculated annually by HUD for different household sizes.[7] The HUD income categories are defined below:

- Extremely Low-Income: Up to 30 percent of County MFI
- Very Low-Income: 31 percent to 50 percent of County MFI
- Low-Income: 51 percent to 80 percent of County MFI

The CDBG program defines low-income concentration as any block group where 51 percent or more of residents earn 80 percent of MFI or less. There are 20 block groups that are either partially or completely in the City of Napa that fall under this definition as of 2013 (most recent CDBG data available). Figure 2.4 illustrates these areas of low-income concentration. The City's areas of low-income concentration do not fully correlate with areas of minority concentration mapped in Figure 2.3, although there is some overlap between the two geographies.

[7] MFI (Median Family Income) is calculated based on families' incomes, with a family defined as a householder and one or more other people related to the householder by birth, marriage, or adoption and living in the same housing unit. MFI calculations are based on American Community Survey (ACS) income data from the U.S. Census Bureau and adjusted by a number of factors, including household size and high housing costs. Median household income is calculated based on households' incomes, with a household defined as all of the persons that occupy a housing unit as their usual place of residence. The definition of households includes single-person households, households that include unrelated individuals, and households comprised of more than one family. As such, the MFI calculated by HUD is higher than the median household income estimated by Nielsen for 2014, presented in Table 4.5. Higher MFI levels result in higher estimates of housing affordability than may actually be the case for County households.

Figure 2.4: Areas of Low-Income Concentration, City of Napa, 2013



Sources: HUD, 2013; BAE, 2014.

Housing Profile

Housing Units

According to the California Department of Finance, approximately 62 percent of housing units in the City of Napa were single-family detached homes in 2014. As shown in Table 2.6~~Table 2.6~~, the County as a whole had a higher proportion of single-family detached homes, at 68.5 percent. The City also had a larger concentration of multifamily housing than the County. Approximately 27 percent of units in the City of Napa were multifamily units, compared to 19 percent in the County.

Growth in housing units in the City of Napa over the past 14 years has been slightly slower than growth in the County as a whole, consistent with population and household growth trends discussed earlier. As shown in Table 2.6~~Table 2.6~~, the number of housing units in the City increased by nine percent between 2000 and 2014 while the County saw a 14 percent increase. The County's growth can be partially attributed to rapid growth in the City of American Canyon, located just south of the City of Napa.

The majority of new housing units in the City of Napa have been single family detached homes, with units in this category increasing by 1,434 units between 2000 and 2014. However it is interesting to note that single family detached units, when measured as a proportion of the overall city housing stock, declined between 2000 and 2014, due to a proportionately larger increase in multifamily units during this period. Countywide, the reverse pattern occurred, due to a large proportion of new units added being single family detached houses.

Table 2.6: Housing Units by Type, 2000-2014

	2000		2010		2014			
	Number of Units	Percent of Total	Number of Units	Percent of Total	Numbe of Units	Percent of Total	New Units 2000-2014	Percent Change 2000-2014
City of Napa								
Single Family Detached	17,342	62.4%	18,694	62.0%	18,776	61.9%	1,434	8.3%
Single Family Attached	2,059	7.4%	2,018	6.7%	2,109	7.0%	50	2.4%
Multifamily 2-4 Units	2,766	10.0%	2,949	9.8%	2,951	9.7%	185	6.7%
Multifamily 5+ Units	4,220	15.2%	5,123	17.0%	5,123	16.9%	903	21.4%
Mobile Home	1,389	5.0%	1,365	4.5%	1,365	4.5%	-24	-1.7%
Total	**27,776**	**100.0%**	**30,149**	**100.0%**	**30,324**	**100.0%**	**2,548**	**9.2%**
Napa County								
Single Family Detached	32,562	67.1%	37,509	68.5%	37,758	68.5%	5,196	16.0%
Single Family Attached	3,216	6.6%	2,827	5.2%	2,922	5.3%	-294	-9.1%
Multifamily 2-4 Units	3,638	7.5%	4,084	7.5%	4,104	7.4%	466	12.8%
Multifamily 5+ Units	5,207	10.7%	6,558	12.0%	6,582	11.9%	1,375	26.4%
Mobile Home	3,931	8.1%	3,781	6.9%	3,789	6.9%	-142	-3.6%
Total	**48,554**	**100.0%**	**54,759**	**100.0%**	**55,155**	**100.0%**	**6,601**	**13.6%**

Sources: CA Dept. of Finance, E-5; BAE, 2014.

Housing Condition and Age

Less than 40 percent of the City's housing structures have been built since the beginning of 1980, and over half of all units were built between 1940 and 1979 (American Community Survey, 2012). Approximately one-fourth of housing units in the City were built prior to 1960, with about seven percent built before 1940. The proportions are similar for the County; the median year built is 1975 for both the City and Napa County.

Unless carefully maintained, older housing stock can create health and safety problems for occupants. Housing policy analysts generally believe that even with normal maintenance, dwellings over 40 years of age can deteriorate, requiring significant rehabilitation. The most recent housing condition "windshield survey" for the City of Napa was conducted in 1990. It concentrated upon the four oldest core neighborhoods in the city: the "downtown core, "Old Town" adjacent to downtown, the A-B-C Streets, and Westwood and found that only eight of the homes in these four neighborhoods needed exterior repair. Informal staff surveys of these areas since 1990 indicate that this level of need for substantial rehabilitation likely is similar or less frequent today. Very few housing units in Napa are in need of complete replacement. Moreover, it should be noted that the Housing Element of the General Plan includes several programs to address housing and neighborhood conditions in Napa as needs arise, including rental and owner rehabilitation programs, code enforcement, and capital improvement programs for neighborhood improvements.[8]

Table 2.7: Housing Structures by Year Built, 2012

	Napa City		Napa County	
Year Built	**Number**	**Percent**	**Number**	**Percent**
1939 or earlier	2,243	7%	5,176	9%
1940 to 1949	2,007	7%	3,115	6%
1950 to 1959	4,135	14%	7,600	14%
1960 to 1969	3,848	13%	6,542	12%
1970 to 1979	5,859	19%	9,338	17%
1980 to 1989	4,376	15%	7,515	14%
1990 to 1999	3,141	10%	6,557	12%
2000 to 2009	4,217	14%	8,542	16%
2010 or later	256	1%	351	1%
Total	**30,082**	**100%**	**54,736**	**100%**

Source: US Census, 2012 American Community Survey, Table B25034; BAE, 2014.

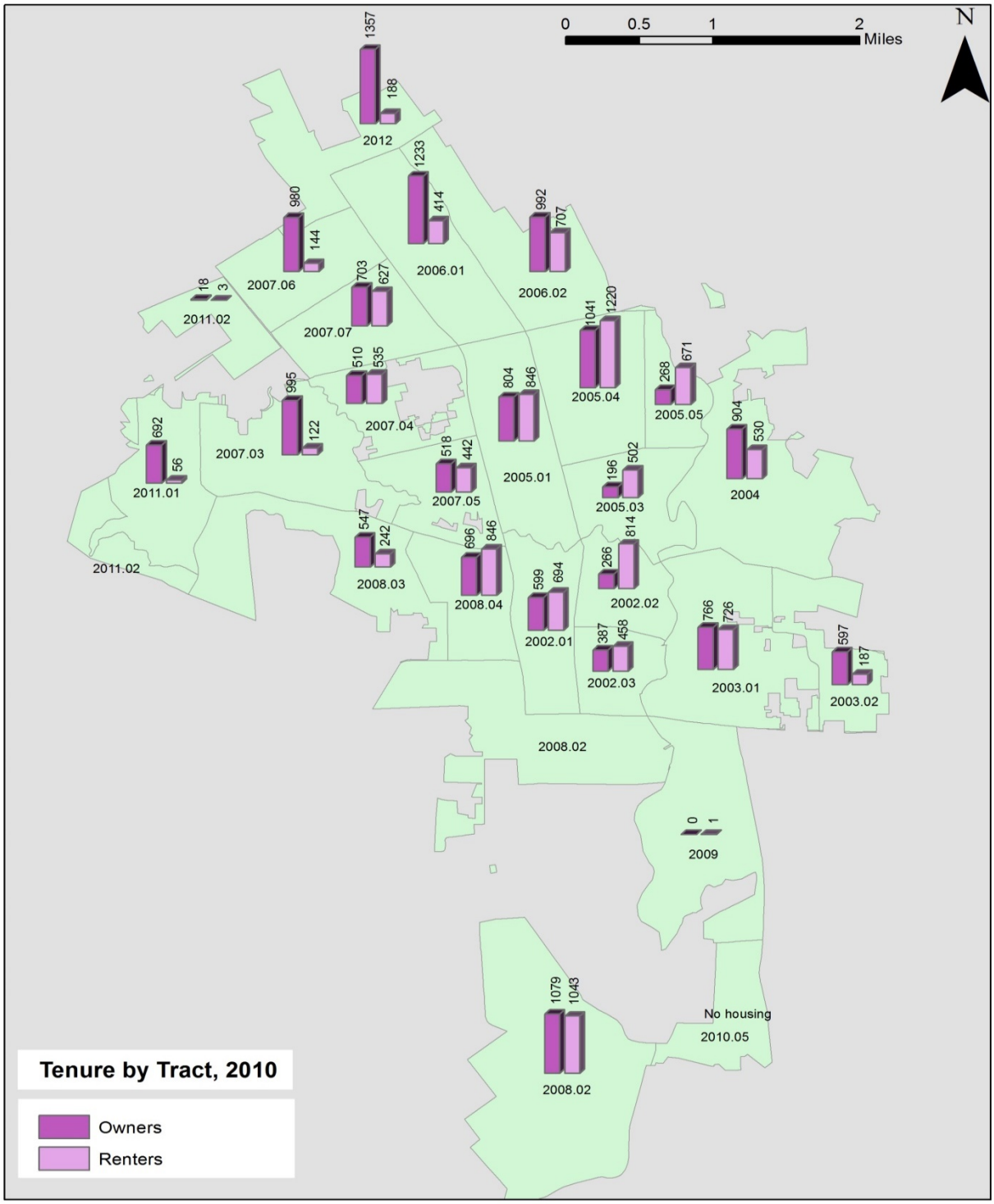
Housing Tenure and Size

The distribution of households by tenure in Napa results in some areas that consist primarily of rental housing and other areas in which units are predominantly owner-occupied. Figure 2.5 maps the number of housing units by tenure (rental or ownership) and census tract within the City. As shown, the central City areas, particularly north of downtown, contain the largest number of rental units. Owner-occupied units tend to be in the northern half of the City. In the older sections of the City, between the Napa River and Highway 29, the number of renter-occupied units outnumbers the

[8] City of Napa, *Public Review Draft Housing Element*, 2015-2023 Planning Period, June 2014.

owner-occupied units. Tracts located west of Highway 29, North of Trancas St, and the easternmost tracts contain more owner-occupied units than renter units.

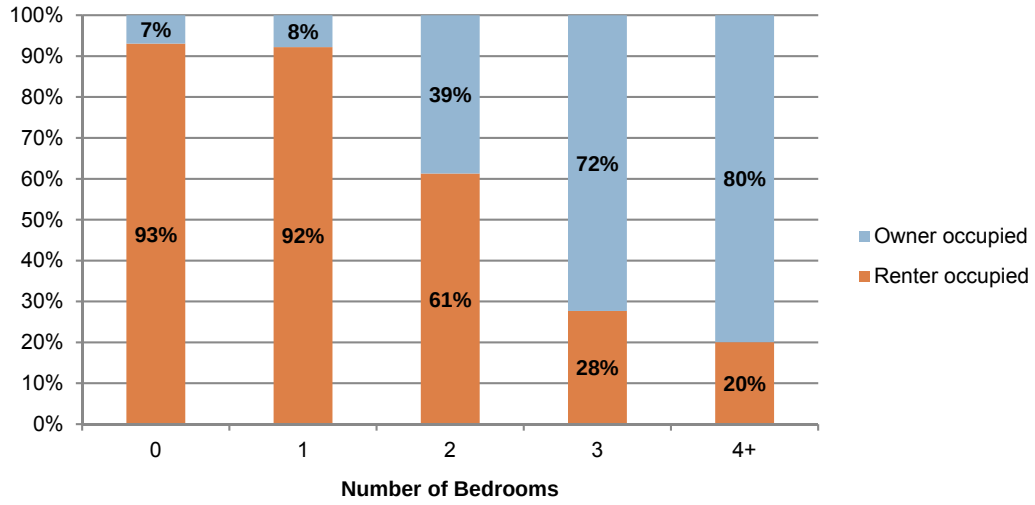
Figure 2.5: Distribution by Tenure of Units in City of Napa, 2010



Source: U.S. 2010 Census; ESRI; BAE, 2014.

The size of housing units varies between renter- and owner-occupied homes, with rental units typically having fewer bedrooms than owner-occupied units. Figure 2.6~~Figure 2.6~~ shows the breakdown of housing units in Napa by tenure for various unit sizes, based on data from 2012. As shown, smaller units are most often rental housing, while most of the larger units (three or more bedrooms) are owner-occupied. At the far ends of the spectrum, 93 percent of studio units were rental units, and 80 percent of homes with four or more bedrooms were owner occupied in 2012. Overall, rental units with three or more bedrooms made up only 14 percent of the City's housing stock.

Figure 2.6: Percentage of Units by Size and Tenure, 2012



Source: 2012 American Community Survey, Table B25042; BAE, 2014.

The City's shortage of large rental units limits the availability of housing to larger renter households, including those with children, households that include multiple wage earners in order to afford housing costs, and extended multi-generational families. This pattern has a disparate impact on Hispanic households, which are often larger than the average household size in the City as a whole. According to the 2010 Census, Hispanic households averaged 4.15 persons per household, compared to 2.21 persons per household on average for White households.[9]

Overcrowding may be exacerbated where there is a mismatch between the number of large family households and the number of available family-sized housing units. Despite the larger size of ownership units, families tend to make up a somewhat higher percentage of renter households than owner households. Approximately 27 percent of owner-occupied units consist of a family with children, while 38 percent of renter households are families with children.[10] Large households

[9] 2010 U.S. Census SF1 Tables H12, H12H, and H12I. Retrieved from factfinder2.census.gov.
[10] 2012 American Community Survey Table B25115. Retrieved from factfinder2.census.gov.

(those with five or more members) are also more likely to be renters, despite the fact that Napa's housing stock provides few large rental units.[11]

[11] 2012 American Community Survey Table B25009. Retrieved from factfinder2.census.gov.

Housing Affordability

Napa housing prices have increased considerably during recent years in both the for-sale and rental markets, creating severe strain in terms of affordability on many Napa households. Although housing affordability is directly a fair housing issue, high housing costs can have a disparate impact on protected classes when there is a strong tendency for the protected class to have relatively lower incomes. High housing costs can also mean that when a member of a protected class is the victim of a discriminatory housing practice, the damages suffered by that household may be compounded by the lack of other affordable housing options. As housing prices increase in Napa, there is also an increased risk of displacement of the City's existing lower-income residents, many of whom are members of protected classes. Local fair housing service providers report that increases in housing costs have already caused some households to leave Napa County altogether in favor of more affordable locations in Solano County and elsewhere.

Home Sale Trends

Following a decline in housing prices during the most recent recession, housing prices in the City of Napa have shown large recent increases. Table 2.8~~Table 2.8~~ provides the median sale price reported for all homes sold in the City and County in March 2014. As shown, the median sale price in the City was $465,000, up 22 percent from March 2013. The March 2014 median sale price was slightly higher for the County as a whole at $478,000, up 21 percent since March 2013. These rising prices will exacerbate affordability problems in the area.

Table 2.8: Median Sales Price, March 2014

	City of Napa	Napa County
Median Sales Price, March 2014	$465,000	$478,000
Percent Change in Sales Price Since March 2013	21.9%	20.9%
Number of Units Sold in 2013	1,065	1,491

Note: Based on resale of single family residences and condos as well as new home sales. Sales counts are limited to sales where a full price is known.

Sources: DQ News, 2014; BAE, 2014.

Rental Market Trends

A review of rental market conditions in the City of Napa was conducted using data from RealFacts, a private data vendor that collects quarterly rental data from apartment complexes with 50 or more units.

Table 2.9~~Table 2.9~~ presents rental market data for the City during the first quarter of 2014. The average monthly rent ranged from $850 for studios to $2,021 for three-bedroom, two-bathroom units, with an overall average rent of $1,517 across all types of units. Monthly rents have increased by slightly more than 12 percent over the last two years. In keeping with these indicators of strong demand for rental housing, vacancy rates have gradually declined over the last several years, with

the exception of the most recent quarter for which data are available (Q1 2014), which shows a substantial rise in vacancies. It should be noted that this rise in Q1 2014 is likely due to a new 134-unit apartment complex that opened in Napa in 2013, which was still in the lease-up period in the beginning of 2014. It is anticipated that the City's vacancy rate will return to prior low levels after the new project is fully occupied.

The City of Napa has historically had a low vacancy rate, an indicator of the strong need for affordable rental housing. As part of its condominium conversion ordinance, the City uses a survey to establish the multifamily vacancy rate each year to determine whether a "rental housing shortage" exists; if a shortage exists, condominium conversions are prohibited in the next year. Based on the most recent survey in July 2013, the overall multifamily vacancy rate for all complexes with 20 or more units stands at 2.3 percent.[12] This is an extremely low vacancy rate, even lower than the rate reported by RealFacts, which covers a smaller group of complexes (50 or more units only), and per ordinance indicates a "Severe Rental Housing Shortage." Housing economists generally consider a rental vacancy of five percent as sufficient to provide adequate choice and mobility for residents, and sufficient income for landlords. Lower rates may begin to impinge on resident mobility and lead to housing problems such as overcrowding and overpayment.

Overall, the City's increasing rental costs and low vacancy rates are an indicator of a tight housing market with a high amount of competition for rental units, particularly for units that are affordable to lower-income households. Under these conditions, owners of rental properties often have a large number of applicants to choose from when selecting tenants, making it easier for property owners to avoid renting to tenants based on discriminatory practices. Furthermore, when property owners have a large number of potential tenants to choose from, it can be more difficult to recognize or prove if individual tenanting decisions are based on discriminatory practices rather than other factors.

[12] Planning Commission Staff Report, August 1, 2013, Agenda Item 6.B 13-0075, Vacancy Rate Determination.

Table 2.9: Rental Market Overview, City of Napa, Q1 2014

Current Market Data - 1Q 2014

Unit Type	Number	Percent of Mix	Avg. Sq. Ft.	Avg. Rent	Avg. Rent/Sq. Ft.
Studio	7	0.3%	625	$850	$1.36
Jr 1BR/1 BA	48	2.2%	648	$1,140	$1.76
1 BR/1 BA	808	36.8%	716	$1,344	$1.88
2 BR/1 BA	619	28.2%	866	$1,484	$1.71
2BR/1.5 BA	38	1.7%	817	$1,358	$1.66
2 BR/2 BA	552	25.1%	1,035	$1,768	$1.71
2 BR TH	23	1.0%	870	$1,425	$1.64
3 BR/ 2 BA	103	4.7%	1,242	$2,021	$1.63
All Units	**2,198**	**100.0%**	**864**	**$1,517**	**$1.76**

Average Rent History - Annual

Unit Type	2012	2013	2012-2013 % Change	2014 (a)	2012-2014 % Change (a)
Studio	$850	$850	0.0%	$850	0.0%
1BR/1 BA	$1,231	$1,293	5.0%	$1,344	9.2%
2 BR/1 BA	$1,290	$1,425	10.5%	$1,484	15.0%
2 BR/2 BA	$1,606	$1,676	4.4%	$1,768	10.1%
2 BR TH	$1,386	$1,430	3.2%	$1,425	2.8%
3 BR/2 BA	$1,763	$1,827	3.6%	$2,021	14.6%
Average	**$1,352**	**$1,438**	**6.4%**	**$1,517**	**12.2%**

Occupancy Rate

Year	Average Occupancy
2009	94.4%
2010	94.6%
2011	95.9%
2012	96.0%
2013	96.2%
2014 (a)	92.3%

Age of Housing Inventory (by Complex)

Year	Percent of Complexes
Pre 1960s	0.0%
1960s	18.8%
1970s	31.3%
1980s	25.0%
1990s	0.0%
2000s	18.8%
2010s	6.3%

Notes:
Data for housing complexes with 50 units or more.
(a) 2014 data only includes information from 1Q. Information for all other years represents full annual averages.

Sources: RealFacts, 2014; BAE, 2014.

Housing Affordability for Various Income Groups

Housing affordability is generally discussed in terms of housing costs that are affordable to households in different income groups, as defined by the relationship between household income and the median income for the area. Households are categorized by HUD as extremely low-income,

very low-income, or low-income based on household size and how household income compares to area Median Family Income (MFI) for other households of the same size, with income limits for each household sized and income group established annually by HUD. Federal, State, and local affordable housing programs generally target households earning up to 80 percent of MFI, though some programs also provide assistance to households earning up to 120 percent of MFI. The HUD-defined income categories are as follows:

- Extremely Low-Income: Up to 30 percent of County MFI
- Very Low-Income: 31 percent to 50 percent of County MFI
- Low-Income: 51 percent to 80 percent of County MFI

Affordability of Ownership Units. Table 2.10~~Table 2.10~~ shows affordability scenarios for four-person households with extremely low-, very low-, and low- incomes. This analysis compares the maximum affordable sale price for each of these households to the market rate prices for three-bedroom units in Napa.

The maximum sale price was calculated using household income limits published by HUD, historic interest rates for 30-year fixed mortgages, and assuming that households provide a 20 percent down payment and spend 30 percent of gross income on mortgage payments, taxes, and insurance. Appendix A shows the detailed calculations used to derive the maximum affordable sales price for single-family residences and condominiums.

As shown in Table 2.10~~Table 2.10~~, the maximum affordable sale price for low-income household in Napa is $298,900. Only 5.5 percent of three-bedroom single family homes sold between February 1, 2014 and April 30, 2014 fell under this price point.

The maximum affordable sales price for condominiums is lower than the price for single-family homes because monthly homeowners' association (HOA) fees are factored into the calculation, thereby reducing the amount available for mortgage payments. The maximum affordable condominium sales price for a low-income household is $223,800. Only one three-bedroom condominium (7.1 percent of total full and verified sales) sold in Napa between November 1, 2013 and April 30, 2014 period would be affordable to low-income households.

The City's previous *AI*, which was completed in 2010, estimated a substantially higher proportion of units that were affordable to low income households at that point in time. The analysis here indicates that increasing home sales prices and stagnating incomes are pushing single-family and condominium ownership out of reach for low-income households, and homeownership is virtually unattainable for very low- and extremely low-income households in Napa.

Table 2.10: Affordability of Market Rate For-Sale Housing, City of Napa, 2014

Single-Family Residences

Income Level (4-person household)	Income Limit (a)	Max. Affordable Sale Price (b)	% of 3-bdrm SFRs within Price Range (c)
Extremely Low-Income (Up to 30% MFI)	$24,700	$112,000	1.4%
Very Low-Income (Up to 50% MFI)	$41,200	$186,800	1.4%
Low-Income (Up to 80% MFI)	$65,900	$298,900	5.5%
Median Sale Price (c)			**$438,000**
Number of Units Sold (c)			**73**

Condominiums and Townhomes

Income Level (4-person household)	Income Limit (a)	Max. Affordable Sale Price (b)	% of 3-bdrm Condos within Price Range (c)
Extremely Low-Income (Up to 30% MFI)	$24,700	$43,800	0.0%
Very Low-Income (Up to 50% MFI)	$41,200	$115,900	0.0%
Low-Income (Up to 80% MFI)	$65,900	$223,800	7.1%
Median Sale Price (c)			**$300,500**
Number of Units Sold (c)			**14**

Notes:
(a) Income limits published by U.S. Dept. of Housing and Urban Development for a four-person household in Napa County, 2014.
(b) Assumptions used to calculate affordable sales price:

Annual Interest Rate (fixed)	5.23%	Freddie Mac historical monthly Primary Mortgage Market Survey data tables. Ten-year average.
Term of mortgage (years)	30	
Percent of sale price as down payment	20%	
Initial property tax (annual)	1.1136%	Napa County Assessor's Office
Mortgage Insurance as percent of loan amount	0.00%	Only included if down payment is less than 20%.
Annual homeowner's insurance rate as percent of sale price	0.21%	CA Dept. of Insurance website, based on average of all quotes, assuming $400,000 of coverage.
	0.46%	CA Dept. of Insurance website, based on average of all quotes, assuming $100,000 of coverage for condominiums.
Homeowners Association Fee (monthly)	$367	Average taken from condos currently on the market.
PITI = Principal, Interest, Taxes, and Insurance		
Percent of household income available for PITI	30.00%	

(c) Analysis based on all full and verified sales of three-bedroom single-family residences between February 1, 2013 and April 30, 2014 and all full and verified sales of three-bedroom condos between November 1, 2014 and April 30, 2014.

Sources: U.S. Dept. of Housing and Urban Development, 2014; Freddie Mac, 2014; Napa County Assessor's Office, 2014; CA Dept. of Insurance, 2014; BAE, 2014.

For some households, affordability challenges are exacerbated by lending terms that have become more restrictive in response to the recent recession. Along with increasing home prices, lender requirements for a minimum down payment or credit score present additional obstacles for prospective buyers. The Federal Housing Administration (FHA) offers loans with lower down payment requirements that are insured by the federal government and have allowed lower-income households to purchase a home that they could not otherwise afford. However, many sellers and loan officers prefer to work with buyers with conventional mortgages because of the added time and effort associated with processing and securing approval on a FHA loan, making it difficult for prospective buyers to use FHA loans in a competitive market.

Rental Housing. Table 2.11~~Table 2.11~~ compares the maximum affordable monthly rent with the average market rents in the city of Napa for households of various sizes. Maximum affordable

monthly rent calculations are based on the assumption that households pay 30 percent of their gross income on rent and utilities.

In the City of Napa, the maximum affordable monthly gross rent was lower than average market rate gross rents for low-income households, with the affordable rent only slightly below market for two and three person households. Average market rents far exceeded the maximum affordable rent for very low- and extremely low-income households. As shown in Table 2.11~~Table 2.11~~, the affordability gap for extremely low-income households ranged from $915 to $1,530 per month. These findings suggest that many extremely low- and very low-income households likely pay more than 30 percent of gross income to afford market rents in Napa.

Table 2.11: Affordability of Market Rate Rent, City of Napa

	Household Size (a)			
	1 person	2 person	3 person	4 person
Average Rent				
Contract Rent (b)	$1,344	$1,344	$1,484	$2,021
Utilities	$66	$66	$97	$126
Gross Rent	$1,410	$1,410	$1,581	$2,147
Maximum Affordable Monthly Rent				
Extremely Low Income (30% MFI)				
Household Income (c)	$17,300	$19,800	$22,250	$24,700
Max. Affordable Monthly Gross Rent (d)	$433	$495	$556	$618
Monthly Affordability Gap (e)	$978	$915	$1,025	$1,530
Very Low Income (50% MFI)				
Household Income (c)	$28,850	$33,000	$37,100	$41,200
Max. Affordable Monthly Gross Rent (d)	$721	$825	$928	$1,030
Monthly Affordability Gap (e)	$689	$585	$654	$1,117
Low Income (80% MFI)				
Household Income (c)	$46,150	$52,750	$59,350	$65,900
Max. Affordable Monthly Gross Rent (d)	$1,154	$1,319	$1,484	$1,648
Monthly Affordability Gap (e)	$256	$91	$97	$500

Notes:
(a) The following unit sizes are assumed based on household size:
1 person - 1 bedroom/1 bathroom
2 person - 1 bedroom/1 bathroom
3 person - 2 bedroom/1 bathroom
4 person - 3 bedroom/2 bathrooms
(b) Reported by RealFacts for 1Q 2014.
(c) Household income published by the U.S. Dept. of Housing and Urban Development for Napa County, 2014.
(d) Assumes 30 percent of income spent on rent and utilities. Utility costs based on utlility allowance for multifamily dwellings established by Housing Authority of the City of Napa, 2014. Assumes all-electric utilities, with tenant paying for heat, hot water, cooking, air conditioning, and other electricl use (lights, refrigerator, etc.)
(e) Monthly affordability gap is average monthly gross rent minus maximum affordable rent.

Sources: U.S. Dept. of Housing and Urban Development, 2014; RealFacts, 2014; Housing Authority of the City of Napa, 2014; BAE, 2014.

Overpayment

According to HUD standards, a household is considered "cost-burdened" (i.e., overpaying for housing) if it spends more than 30 percent of gross income on housing-related costs. Households are "severely cost burdened" if they pay more than 50 percent of their income on housing costs. An estimated 51 percent of rental households and 41 percent of owner households overpaid for housing in the City of Napa in the 2006 through 2010 period. Table 2.12~~Table 2.12~~ presents a detailed breakdown of the prevalence of overpayment by household income and type. Elderly non-family renter households had the highest rate of overpayment among all household types, with approximately 64 percent of these households overpaying for housing. Over three fourths of extremely low-income and very low-income households (earning less than 50 percent of MFI) overpay for housing. These findings are consistent with the rental affordability analysis presented above.

Table 2.12: Housing Problems by Income and Household Type, City of Napa, 2006-2010

	Renters						Owners						
	Elderly 1 & 2 Member Households	Small Related (2 to 4 Members)	Large Related (5 or more Members)	Elderly Non-Family	All Other Households	Total Renters	Elderly 1 & 2 Member Households	Small Related (2 to 4 Members)	Large Related (5 or more Members)	Elderly Non-Family	All Other Households	Total Owners	Total Households
Household Income <=50% MFI	**75**	**1,910**	**575**	**1,285**	**955**	**4,800**	**455**	**590**	**170**	**1,055**	**415**	**2,685**	**7,485**
Household Income <=30% MFI	**60**	**1,090**	**195**	**780**	**445**	**2,570**	**140**	**230**	**115**	**535**	**295**	**1,315**	**3,885**
% with any housing problems	50.0%	90.8%	100.0%	73.7%	83.1%	84.0%	89.3%	95.7%	100.0%	77.6%	71.2%	82.5%	83.5%
% Cost Burden >30%	48.3%	89.9%	100.0%	73.7%	83.1%	83.6%	89.3%	95.7%	95.7%	77.6%	71.2%	82.1%	83.1%
% Cost Burden >50%	41.7%	67.0%	92.3%	55.8%	64.0%	64.4%	89.3%	95.7%	82.6%	44.9%	55.9%	64.3%	64.4%
6. Household Income >30% to <=50% MFI	**15**	**820**	**380**	**505**	**510**	**2,230**	**315**	**360**	**55**	**520**	**120**	**1,370**	**3,600**
% with any housing problems	100.0%	99.4%	100.0%	74.3%	87.3%	91.0%	36.5%	59.7%	100.0%	56.7%	79.2%	56.6%	77.9%
% Cost Burden >30%	100.0%	90.2%	47.4%	74.3%	87.3%	78.7%	36.5%	59.7%	100.0%	54.8%	79.2%	55.8%	70.0%
% Cost Burden >50%	100.0%	48.2%	17.1%	28.7%	43.1%	37.7%	7.9%	33.3%	54.5%	37.5%	54.2%	31.8%	35.4%
10. Household Income >50 to <=80% MFI	**85**	**875**	**360**	**295**	**815**	**2,430**	**650**	**745**	**385**	**605**	**235**	**2,625**	**5,055**
% with any housing problems	64.7%	64.0%	83.3%	55.9%	71.2%	68.3%	33.8%	72.5%	59.7%	25.6%	66.0%	49.5%	58.6%
% Cost Burden >30%	64.7%	54.9%	40.3%	55.9%	65.6%	56.8%	33.8%	71.1%	50.6%	25.6%	66.0%	47.8%	52.1%
% Cost Burden >50%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14. Household Income >80% MFI	**210**	**1,995**	**235**	**415**	**1,430**	**4,280**	**2,210**	**6,235**	**905**	**665**	**1,775**	**11,790**	**16,070**
% with any housing problems	42.9%	16.8%	76.6%	43.4%	14.0%	23.0%	15.4%	35.8%	66.3%	11.3%	46.2%	34.5%	31.5%
% Cost Burden >30%	38.1%	9.8%	4.3%	38.6%	11.5%	14.3%	15.4%	34.8%	46.4%	12.0%	46.2%	32.5%	27.6%
% Cost Burden >50%	0.0%	0.0%	0.0%	15.7%	0.0%	1.5%	5.4%	7.5%	14.9%	5.3%	13.2%	8.4%	6.6%
18. Total Households	**370**	**4,780**	**1,170**	**1,995**	**3,200**	**11,510**	**3,315**	**7,570**	**1,460**	**2,325**	**2,425**	**17,095**	**28,605**
% with any housing problems	51.4%	56.5%	90.2%	64.9%	49.8%	59.4%	24.1%	42.4%	68.5%	40.4%	52.8%	42.3%	49.2%
% Cost Burden >30%	48.4%	50.1%	45.3%	63.9%	47.3%	51.2%	24.1%	41.4%	53.4%	40.2%	52.8%	40.5%	44.8%
% Cost Burden >50%	10.8%	23.5%	20.9%	32.3%	15.8%	22.2%	8.1%	10.6%	17.8%	20.2%	19.2%	13.3%	16.9%

Definitions:
Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.
Cost Burden: Cost burden is the fraction of a household's total gross income spent on housing costs.
Household types:
Elderly family (2 related persons, with either or both age 62 or over)
Small family (2 related persons, neither person 62 years or over, or 3 or 4 related persons)
Large family (5 or more related persons)
Elderly non-family
Other household type (non-elderly non-family)
Totals may not add due to independent rounding.

Sources: HUD, CHAS special tabulations from American Community Survey 2006-2010; BAE, 2014.

Overcrowding

A lack of affordable housing can result in overcrowded households. The U.S. Census defines "overcrowding" as more than one person per room, excluding bathrooms and kitchens. In the City of Napa, 7.7 percent of households were overcrowded in 2008-2012 (see Table 2.13~~Table 2.13~~). Of the overcrowded units, 28 percent were owner-occupied units and 72 percent were renter-occupied units. Overcrowded conditions are an indicator of a shortage of affordable units, particularly for renter households, and support the notion that there is a lack of large rental units to accommodate extended families, families with children, and households with multiple wage earners.

Table 2.13: Overcrowding by Tenure, 2008-2012

	Owner Households		Renter Households		Total Households	
Napa City	**Number**	**%**	**Number**	**%**	**Number**	**%**
1.51 or more persons per room(Severely Overcrowded)	151	1.7%	631	5.2%	782	2.7%
1.01 to 1.50 (Overcrowded)	467	4.3%	963	7.9%	1,430	5.0%
1.00 or less	15,883	178.5%	10,537	86.9%	26,420	92.3%
Total	**16,501**	**100.0%**	**12,131**	**100.0%**	**28,632**	**100%**
% Overcrowded by Tenure	**3.7%**		**13.1%**		**7.7%**	
	Owner Households		**Renter Households**		**Total Households**	
Napa County	**Number**	**%**	**Number**	**%**	**Number**	**%**
1.51 or more persons per room (Severely Overcrowded)	283	0.9%	757	4.0%	1,040	3.6%
1.01 to 1.50 (Overcrowded)	714	2.3%	1,353	7.2%	2,067	7.2%
1.00 or less	29,458	96.7%	16,644	88.7%	46,102	161.0%
Total	**30,455**	**100.0%**	**18,754**	**100.0%**	**49,209**	**172%**
% Overcrowded by Tenure	**3.3%**		**11.3%**		**6.3%**	

Notes:
The U.S. Census defines overcrowded an unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severley overcrowded.

Sources: U.S. Census American Community Survey, Table B25014, 2008-2012; BAE, 2014.

Housing Need by Race

Table 2.14~~Table 2.14~~ shows the prevalence of housing need by race and ethnicity in the City of Napa based on data from American Community Survey collected between 2006 and 2010. For the purpose of this analysis, housing need is defined as paying more than 30 percent of income towards housing costs, overcrowding, and/or lacking complete kitchen or plumbing facilities (i.e., HUD-identified "housing problems"). Per HUD's definition, a disproportionately greater need exists when members of a particular racial/ethnic group have at least a 10-percent greater prevalence of housing need than average in a particular income group. As shown, Hispanic households in all income groups have a disproportionate need compared to households each income group as a whole. Black, Asian, Native American, and Pacific Islander households in some income groups also exhibit disproportionate need, though these findings may be skewed by the limited number of households in the sample set.

Table 2.14: Housing Need by Income and Race/Ethnicity, 2006-2010

	White Non-Hispanic	Black Non-Hispanic	Asian Non-Hispanic	Native American Non-Hispanic	Pacific Islander Non-Hispanic	Hispanic, Any Race	All Other (a)	Total
Household Income <=50% MFI	**4,625**	**70**	**65**	**30**	**-**	**2,635**	**54**	**7,479**
Household Income <=30% MFI	**2,415**	**25**	**25**	**30**	**-**	**1,335**	**50**	**3,880**
# with any housing problems	78.5%	60.0%	60.0%	100.0%		94.0%	70.0%	83.8%
Household Income >30 to <=50% MFI	**2,210**	**45**	**40**	**-**	**-**	**1,300**	**4**	**3,599**
# with any housing problems	71.3%	100.0%	100.0%			88.1%	100.0%	78.1%
Household Income >50 to <=80% MFI	**3,245**	**20**	**40**	**75**	**15**	**1,625**	**34**	**5,054**
# with any housing problems	51.8%	100.0%	62.5%	100.0%	100.0%	69.2%	55.9%	58.6%
Household Income >80% MFI	**12,530**	**79**	**419**	**34**	**20**	**2,695**	**290**	**16,067**
# with any housing problems	27.4%	50.6%	28.4%	44.1%	50.0%	48.6%	43.1%	31.5%
Total Households	**20,400**	**169**	**524**	**139**	**35**	**6,955**	**378**	**28,605**
# with any housing problems	42.1%	71.0%	38.0%	86.3%	71.4%	69.5%	48.4%	49.2%

Notes:
Highlighted cells show disproportionate need (10% greater than overall for that income category).
Totals may not sum from parts and may vary from other tables due to independent rounding.
(a) All Other includes multiple races, non-Hispanic.

Sources: HUD, CHAS special tabulations from American Community Survey 2006-2010; BAE, 2014.

Assisted Housing

Affordable Housing

There are over 1,600 units of subsidized affordable housing in the City of Napa for low-income households and seniors, as summarized in Table 2.15~~Table 2.15~~. As shown, there are 17 subsidized developments with 683 units for low- and very low-income households of all ages. In addition, there are 14 senior housing developments that contain 877 affordable units for seniors and disabled individuals. Finally, 85 units of affordable housing have been produced in seven developments as part of the City's inclusionary housing and density bonus programs. None of these units are at risk of being converted to market-rate housing over the next decade.

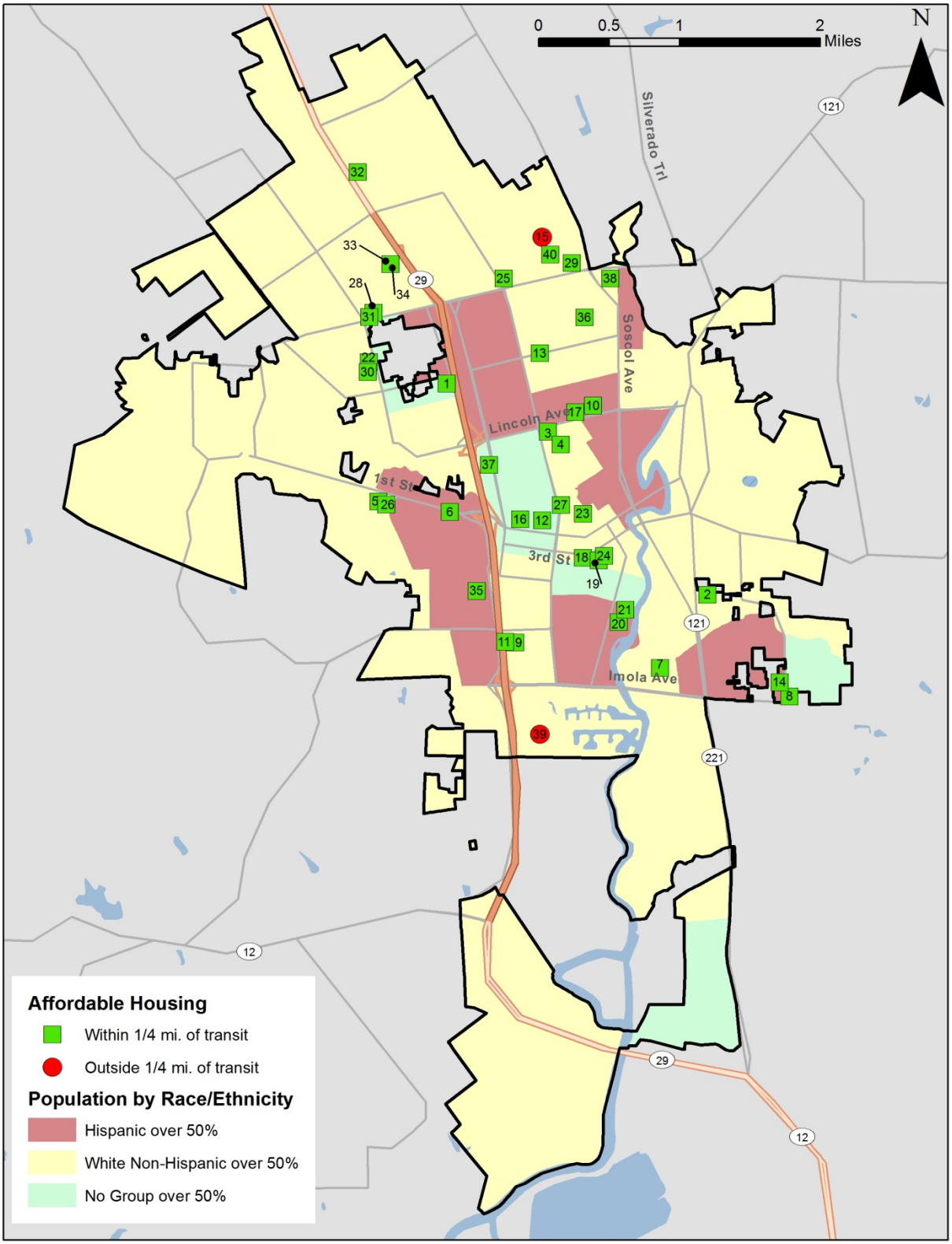
Figure 2.7 illustrates the location of the affordable housing developments, with the numbers on the map corresponding to the identification number for each property on Table 2.15~~Table 2.15~~. Figure 2.7 maps these affordable housing developments with race and ethnicity data, showing that these units are not disproportionately located in areas of minority concentration. Twenty-eight of the 40 properties with affordable housing units are located in areas where White Non-Hispanic residents represent the majority of the Census block group population; five are in block groups where no group comprises a majority. The remaining seven properties are located in areas where Hispanics make up more than 50 percent of the population.

Table 2.15: Affordable Housing, City of Napa, 2014

		Address	Total Units	Affordable Units	Target Population	Maturity Date
Low-Income Housing						
1	2010 Morlan Dr.	2010 Morlan Drive	6	1	Low Income	Beyond 2025
2	Alexander Crossings	250 Silverado Trail	134	27	Very Low Income	Beyond 2025
3	Brown St. Apts.	2143 Brown Street	8	8	Very Low Income/SRO	Beyond 2025
4	Brown St. Manor	1976 Brown Street	12	12	Low & Moderate Income	Beyond 2025
5	Charter Oaks	3017 Browns Valley Road	75	75	Low Income	Beyond 2025
6	Creekside Park II	2632 First Street	118	118	n/a	Beyond 2025
7	Hartle Court Apts.	200 Hartle Court	24	24	Very Low Income Disabled & Special Needs	2067
8	Magnolia Park	2000 Imola Avenue	29	29	Low & Very Low Income	Beyond 2025
9	Mayacamas Village	70 Calaveras Court	51	51	Low & Very Low Income Families	Beyond 2025
10	Napa Park Apts.	790 Lincoln Avenue	140	140	Low, Very Low & Extremely Low Income	2042
11	Oran Court	120-144 Oran Court	13	13	Low & Very Low Income	Beyond 2025
12	Pecan Court	2020 Clay Street	25	25	Low & Very Low Income	2040
13	Pueblo Orchard	Pueblo Avenue	15	15	Low Income	Perpetuity
14	Schoolhouse Court	2175 N. Shurtleff Avenue	14	14	Low & Very Low Income	2040
15	Silverado Creek Apts.	3550 Villa Lane	102	102	Low & Very Low Income	Beyond 2025
16	Villa de Adobe	2270 Clay Street	12	12	Low & Very Low Income	2030
17	Whistlestop Townhomes	2220 Yajome Street	17	17	Low & Very Low Income	2034
	Subtotal			**683**		
Senior Housing						
18	Abaco Apts.	1555 Third Street	12	12	Low Income Seniors/Disabled	Beyond 2025
19	Bequia Apts.	1443 Division Street	12	12	Seniors/Disabled	Beyond 2025
20	Bridgeview Apts.	116-154 Brown Street	41	10	Seniors/Disabled	Beyond 2025
21	Brown St. Senior Village	270 Brown Street	12	12	Seniors/Disabled	Beyond 2025
22	Concordia Manor	2435 Sutherland Drive	146	146	Low Income Seniors	2062
23	Folks Landing	1350 Calistoga Avenue	14	14	Low & Very Low Income Seniors/Disabled	Beyond 2025
24	Fourth St. Apts.	1415 4th Street	12	3	Seniors/Disabled	Beyond 2025
25	Jefferson Street Senior Apts.	3400 Jefferson Street	78	78	Low Income Seniors	Beyond 2025
26	Laurel Manor	3201 Laurel Street	50	50	Low Income Seniors	2033
27	Napa Creek Manor	1300 Jefferson Street	84	84	Low Income Seniors	2037
28	Redwood Retirement Residence	2350 Redwood Road	97	15	Seniors/Disabled	Beyond 2025
29	The Reserve	710 Trancas Blvd.	117	117	Low & Very Low Income Seniors	Perpetuity
30	Rolff's Memorial Manor	2400 Fair Drive	209	209	Low Income Seniors	2062
31	The Vintage	2360 Redwood Road	115	115	Low Income Seniors	Perpetuity
	Subtotal			**877**		
Inclusionary Housing/Density Bonus						
32	The Grove Townhomes	El Centro Ave.	n/a	1	Low Income Rental as part of For-Sale	Perpetuity
33	Hawthorne Apts.	3663 Solano Avenue	200	20	Low Income	Perpetuity
34	Hawthorne Village II	3663 Solano Avenue	44	3	Low Income	Perpetuity
35		308 Hickory Street	n/a	4	Low Income	Perpetuity
36	La Homa Village	La Homa Drive	24	4	Low Income	Perpetuity
37	Lincoln Gardens	1802 F Street	30	3	Low Income	Perpetuity
38	Montrachet Apts.	3200 Soscol Avenue	200	20	Low Income	Perpetuity
39	Saratoga Downs	2075 Funny Cide St.	124	28	Low Income	Perpetuity
40	Villa Lane Villas	3450 Villa Lane	18	2	Low Income	Perpetuity
	Subtotal			**85**		
	Total Affordable Units			**1,645**		

Sources: City of Napa Public Review Draft Housing Element, 2014; BAE, 2014.

Figure 2.7: Affordable Housing, City of Napa, 2014



Note: Some block groups include areas outside the city (not shown). Calculation is based on entire block groups, not just portion in the City.
Sources: City of Napa Public Review Draft Housing Element, 2014; BAE, 2014.

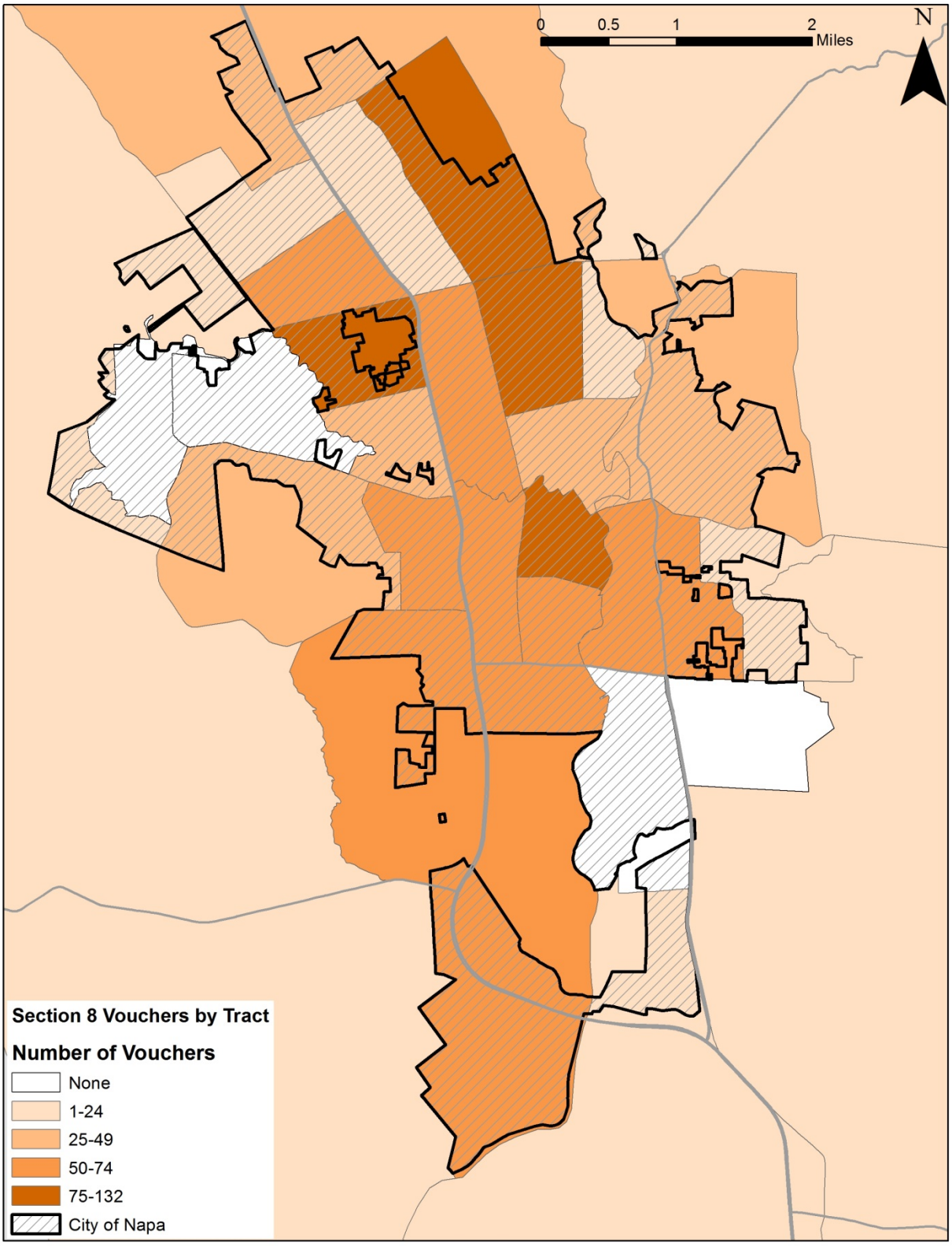
Section 8 Vouchers

Some lower-income households in Napa receive rental assistance through the Section 8 Voucher program, which is funded through HUD and administered for the entire county by the Housing Authority of the City of Napa (HACN). Under the voucher program, HACN issues a voucher to an eligible household and the household selects a unit of its choice. Tenants pay 30 to 40 percent of their monthly income while HACN pays the remaining share, up to an established limit. The HACN has a total allocation of 1,228 Section 8 Vouchers (including 30 Mainstream Vouchers) that are disbursed throughout Napa County, with the majority located within the City of Napa. Demand for vouchers greatly exceeds the number of vouchers available, and the waiting list was closed in March 2013. Figure 2.8 illustrates the distribution of Section 8 vouchers by Census Tract for Tracts located wholly or partially within the City of Napa. As shown, the highest concentrations of Section 8 Voucher holders tend to reside in the northern areas of the City. This includes some areas of low-income and minority household concentrations, but also includes areas of the City that do not have those concentrations.

For Census Tracts where data was available, 31 percent of the voucher households in Napa County were minority households.[13] This is nearly the same as the County's proportion of minority households, where households where the householder is other than White Non-Hispanic make up 30 percent of the County's households.[14] Nearly 40 percent of the voucher households in the County reported that either the householder or co-householder had a disability.[15] This is considerably higher than the 11 percent proportion of the overall County population reporting a disability, as shown in Table 3.1 below.

[13] Picture of Subsidized Households, huduser.org, 2012; BAE, 2014.
[14] Based on 2010 Census SF1, Table H7.
[15] Picture of Subsidized Households, huduser.org, 2012; BAE, 2014.

Figure 2.8: Section 8 Participants by Census Tract, City of Napa, 2012



Note: Some Census Tracts include areas outside the city (not shown). Calculation is based on entire tracts, not just portion in the City.
Sources: Picture of Subsidized Households, huduser.org, 2012; BAE, 2014.

Linkages between Housing and Employment Centers

Impediments to fair housing choice may exist when poor linkages exist between the locations of major employers and affordable housing. Under these conditions, persons who depend on public transportation, such as lower-income households and disabled persons, would be more limited in their housing options. As such, affordable housing developments and community care facilities should be located in transit accessible areas.

Major Job Centers

According to projections by the Association of Bay Area Governments (ABAG), there were approximately 70,660 jobs in Napa County in 2010. Approximately half of these jobs are located within the City of Napa, making it the largest employment node in the County. Over one-third of the County's jobs are scattered across unincorporated areas, reflecting the importance of the wine industry to the County's economy. For incorporated jurisdictions, the second largest concentration of jobs is in St. Helena, with an estimated 5,340 jobs in 2010.

The City of Napa is expected to retain its share of jobs such that it remains the largest job center in the County through 2040. As shown in Table 2.16~~Table 2.16~~, the number of jobs in the City is projected to increase by 31 percent between 2010 and 2040.

Table 2.16: Employment Projections, Napa County, 2010-2040

	2010	2015	2020	2025	2030	2035	2040	% Change '10-'40
American Canyon	2,920	3,250	3,650	3,750	3,850	3,990	4,160	42.5%
Calistoga	2,220	2,340	2,450	2,480	2,520	2,590	2,640	18.9%
Napa	**33,950**	**36,660**	**39,650**	**40,610**	**41,610**	**43,030**	**44,520**	**31.1%**
St. Helena	5,340	5,590	5,860	5,910	5,970	6,110	6,230	16.7%
Yountville	1,600	1,700	1,810	1,840	1,870	1,930	1,980	23.8%
Unincorporated County	24,630	26,160	27,820	28,150	28,480	29,230	30,010	21.8%
Napa County Total	**70,660**	**75,700**	**81,240**	**82,740**	**84,300**	**86,880**	**89,540**	**26.7%**

Sources: ABAG *Projections 2013*; BAE, 2014

Access to Employment and Job Centers

Consistent with data on overall employment by city, many of the County's largest employers are located in the City of Napa. Table 2.17~~Table 2.17~~ provides a list of the largest employers in Napa County, while Figure 2.9 indicates the locations of large employers in the City of Napa relative to transit stops.[16] As shown, ten of the 26 largest employers in the County are located in the City of Napa, and several others are nearby. Fifteen of the County's 26 largest employers and eight of the City's ten largest employers are located within one-quarter mile of a bus stop, suggesting many local

[16] It should be noted that some of these employers are multilocation (e.g., Napa Valley Unified School District); the location shown and used in the analysis here is the primary location/main office for these employers, thus some of their employees may not be have the same transit access

jobs are accessible via transit from housing in the City. However, many lower- income agricultural workers in the City have jobs in rural parts of the County that are less accessible by transit. These conditions may have a negative impact on fair housing choice.

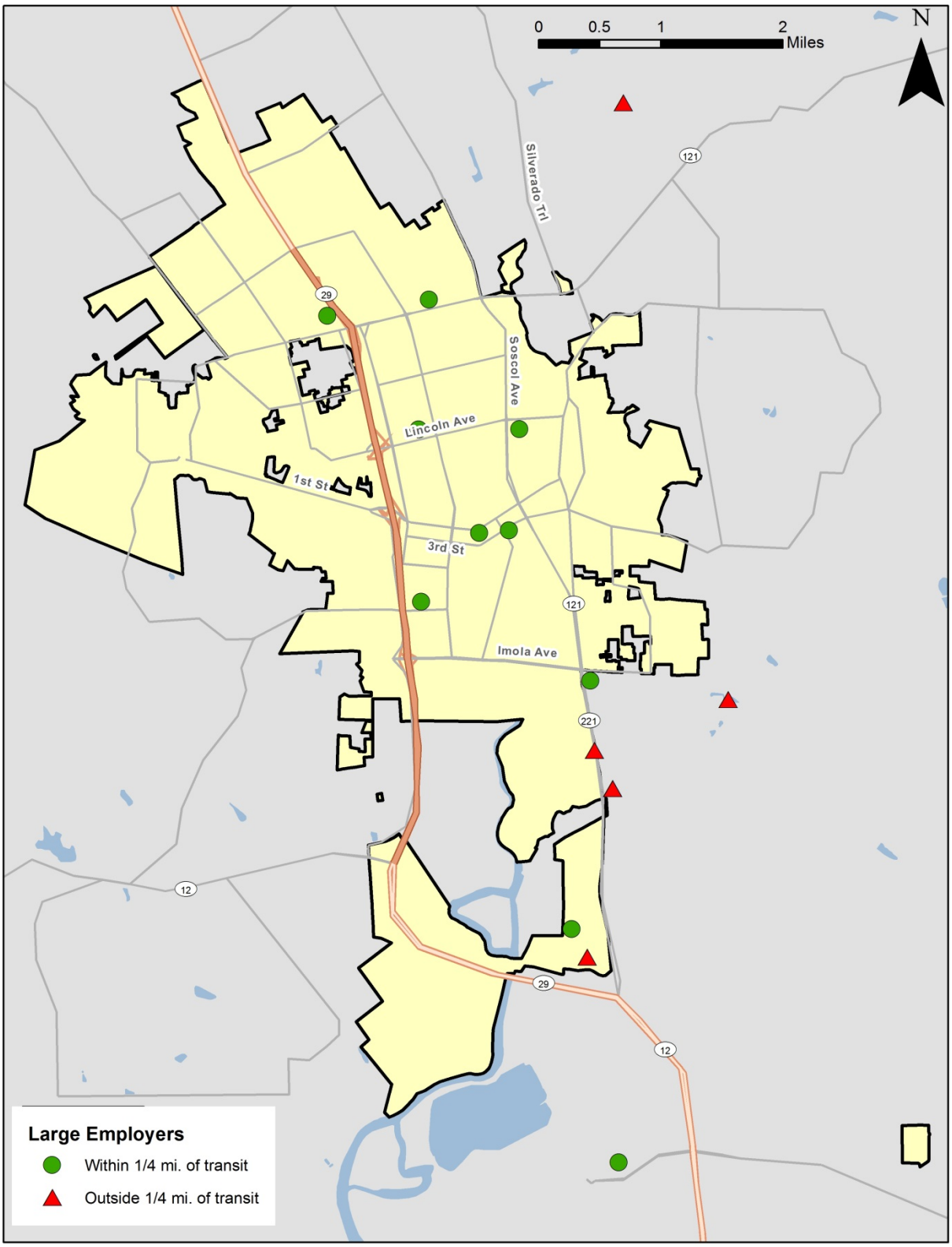
Table 2.17: Major Employers, Napa County, 2014

Employer Name	Location	Industry	Number of Employees (a)
City of Napa	Napa	City Government	250-499
Dolce Silverado Resort	Napa	Hotels & Motels	500-999
Marriott-Napa Valley	Napa	Hotels & Motels	250-499
Meritage Resort & Spa	Napa	Resorts	250-499
Mylan Specialty LP	Napa	Physicians & Surgeons Equip & Supls-Mfrs	500-999
Napa County Community School	Napa	Schools	100-249
County of Napa	Napa	County Government	1,000-4,999
Napa State Hospital	Napa	Hospitals	1,000-4,999
Napa Valley College	Napa	Schools-Universities & Colleges Academic	500-999
Napa Valley Unified School District	Napa	Schools	1,000-4,999
Owens Corning	Napa	Building Materials-Manufacturers	500-999
Queen of the Valley Med Ctr	Napa	Hospitals	1,000-4,999
Syar Industries Inc	Napa	Marketing Programs & Services	250-499
Universal Protection Svc	Napa	Security Guard & Patrol Service	250-499
Walmart Supercenter	Napa	Department Stores	250-499
Yolano Engineers Inc	Napa	Surveyors-Land	250-499
Walmart Supercenter	American Canyon	Department Stores	250-499
Pacific Union College Ltd	Angwin	Schools-Universities & Colleges Academic	1,000-4,999
Auberge Du Soleil	Rutherford	Hotels & Motels	100-249
Saint Helena Hospital	Saint Helena	Hospitals	1,000-4,999
Sutter Home Winery	Saint Helena	Exporters (Whls)	250-499
Treasury Wine Estates	Saint Helena	Wineries (Mfrs)	500-999
Trinchero Family Estates	Saint Helena	Wineries (Mfrs)	250-499
Domaine Chandon-Etoile Rstrnt	Yountville	Wineries (Mfrs)	250-499
Pavilion-Vintage Estate	Yountville	Wedding Chapels	250-499
Veterans Home of Ca	Yountville	Government-Specialty Hosp Ex Psychiatric	500-999

Note:
(a) Companies ranked by employment size category; exact employment figures by company not available.
The America's Labor Market Information System (ALMIS) Employer Database consists of 13 million employers in the 50 United States, Puerto Rico and the Virgin Islands. It is developed by infogroup using the local phone books and calling the employer directly to obtain the information. infogroup provides the database to state employment security agencies under an agreement with the Employment and Training Administration. Resale of these data is prohibited. In some instances, the company shown here may have its headquarters in the county, but the employees are actually located throughout the state. Information provided on this list is not a product of the Quarterly Census of Employment and Wages (QCEW), or ES202, program. Napa Valley Hospital and St. Helena Hospital added to EDD list by BAE based on information from previous AI.

Sources: ALMIS; CA Employment Development Dept. 2014; City of Napa, 2015; BAE, 2015.

Figure 2.9: Major Employers, City of Napa, 2014



Sources: ALMIS; CA Employment Development Dept. 2014; BAE, 2014.

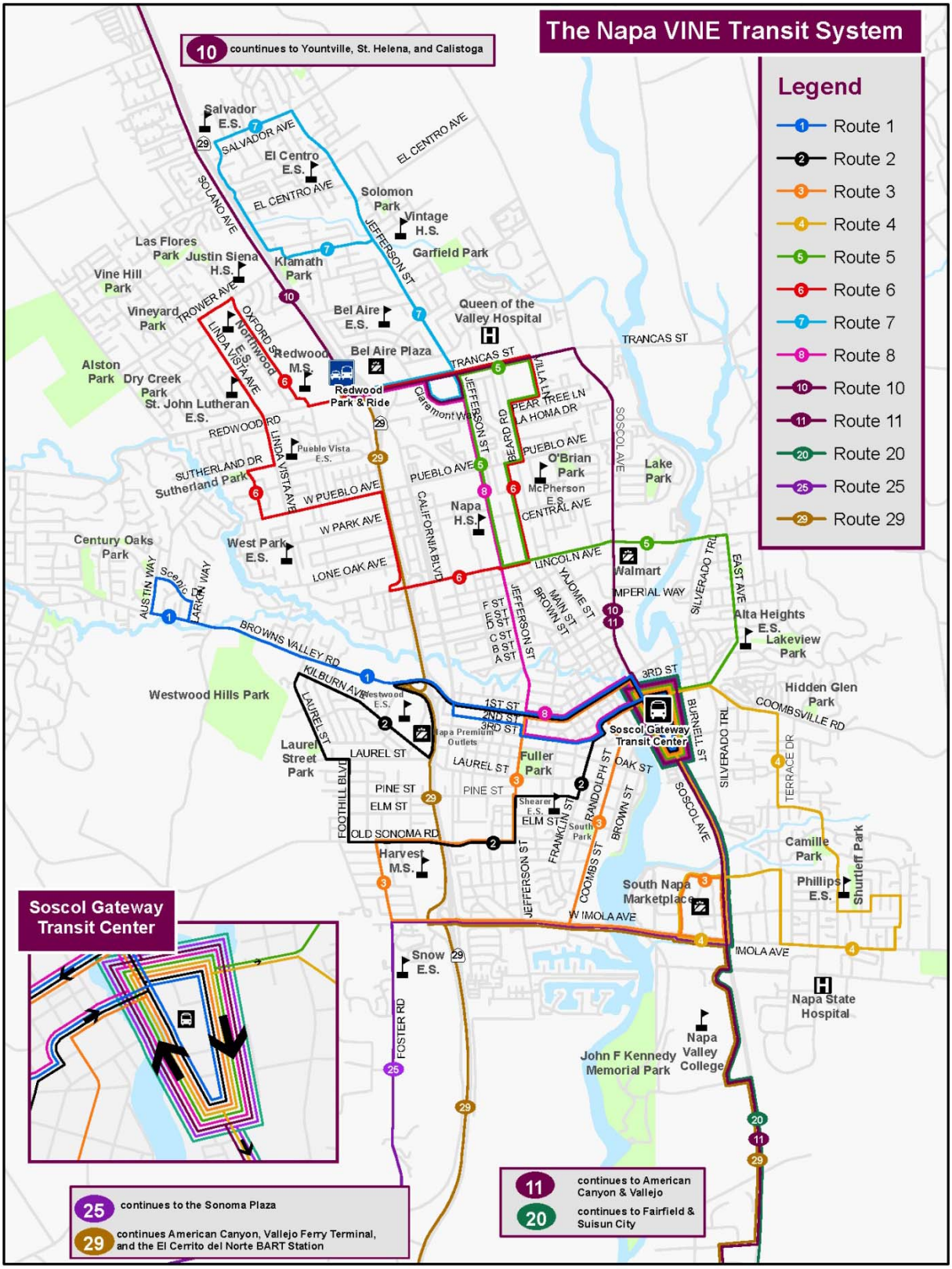
Public Transit

VINE. Napa County has a fixed-route bus system, the VINE, which provides safe, affordable, and accessible transportation for residents and visitors. The Napa County Transportation & Planning Agency (NCTPA) operates the VINE bus system. Regional routes provide service up and down the Napa Valley, into Vallejo, Fairfield/Suisun City, and Sonoma City, and to the El Cerrito Del Norte BART station. In addition, there are several local routes within the City of Napa.

VINE Go. VINE Go is a door-to-door ADA shared ride paratransit service in Napa County. This service is available to ADA certified individuals who live in the cities of Calistoga, St. Helena, Napa, American Canyon, the Town of Yountville and the unincorporated areas of Napa County. All buses are lift equipped for wheelchairs and scooters.

Figure 2.10 illustrates the bus routes and bus stops in the City. Although the City of Napa is a predominantly suburban community with transportation limited to a fixed-route bus system, the City's inventory of subsidized housing is relatively well connected to public transportation. As shown in Figure 2.7, 38 of the 40 properties with affordable housing units in Napa are located within a quarter mile of a bus stop.

Figure 2.10: Napa Bus Routes



Source: Napa County Transportation & Planning Agency, 2014

SPECIAL NEEDS HOUSING

This section of the *AI* addresses the unique fair housing concerns of populations with special housing needs. It provides background data on persons with disabilities, homeless individuals and families, seniors, persons with limited English proficiency, and farm workers in the City and County, and highlights relevant fair housing issues for these groups.

Special Needs Populations

Persons with Disabilities

A disability is a physical or mental impairment that limits one or more major life activities.[17] Persons with a disability generally have lower incomes and often face barriers to finding employment or adequate housing due to physical or structural obstacles. This segment of the population often needs affordable housing that is located near public transportation, services, and shopping. Persons with disabilities may require units equipped with wheelchair accessibility or other special features that accommodate physical or sensory limitations. Depending on the severity of the disability, people may live independently with some assistance in their own homes, or may require assisted living and supportive services in special care facilities. Persons with disabilities are protected against housing discrimination by federal and State fair housing laws.

The 2008-2012 American Community Survey estimates that there were 7,942 individuals with disabilities in the City of Napa, accounting for 10.4 percent of the City's civilian, non-institutionalized population age five years and older. The share of persons in the City with disabilities is comparable to the County, where 10.7 percent of the population had a disability.

Table 3.1: Persons with Disabilities, 2008-2012

	City of Napa	Napa County
Population with a Disability	7,942	14,360
Percent of Total Population (a)	**10.4%**	**10.7%**

Note:
(a) Percentage calculated from universe of non-institutionalized civilians.

Sources: U.S.Census, American Community Survey 2008-2012, Table S1810; BAE, 2014.

[17] According to the Americans with Disabilities Act, major life activities include seeing, hearing, speaking, walking, breathing, performing manual tasks, learning, caring for oneself, and working.

Disability by Type. The U.S. Census Bureau American Community Survey places disabilities into six categories, defined below:

- Hearing Difficulty - Hearing difficulty was derived by asking respondents if they were "deaf or … [had] serious difficulty hearing."
- Vision Difficulty - Vision difficulty was derived by asking respondents respondents if they were "blind or … [had] serious difficulty seeing even when wearing glasses."
- Cognitive Difficulty - Cognitive difficulty was derived by asking respondents if due to physical, mental, or emotional condition, they had "serious difficulty concentrating, remembering, or making decisions."
- Ambulatory Difficulty - Ambulatory difficulty was derived by asking respondents if they had "serious difficulty walking or climbing stairs."
- Self-Care Difficulty - was derived by asking respondents if they had "difficulty dressing or bathing." Difficulty with these activities are two of six specific Activities of Daily Living (ADLs) often used by health care providers to assess patients' self-care needs.
- Independent Living Difficulty - was derived by asking respondents if due to a physical, mental, or emotional condition, they had difficulty "doing errands alone such as visiting a doctor's office or shopping." Difficulty with this activity is one of several Instrumental Activities of Daily Living (IADL) used by health care providers in making care decisions.

As shown in Table 3.2, the largest proportion (51.5 percent) of disabled individuals in the City had an ambulatory disability. The second most common type of disability in the City and County was a cognitive disability, followed closely by an independent living disability and a hearing disability. It should be noted that individuals may have more than one disability.

Table 3.2: Persons with Disabilities by Disability Type and Age, 2008-2012

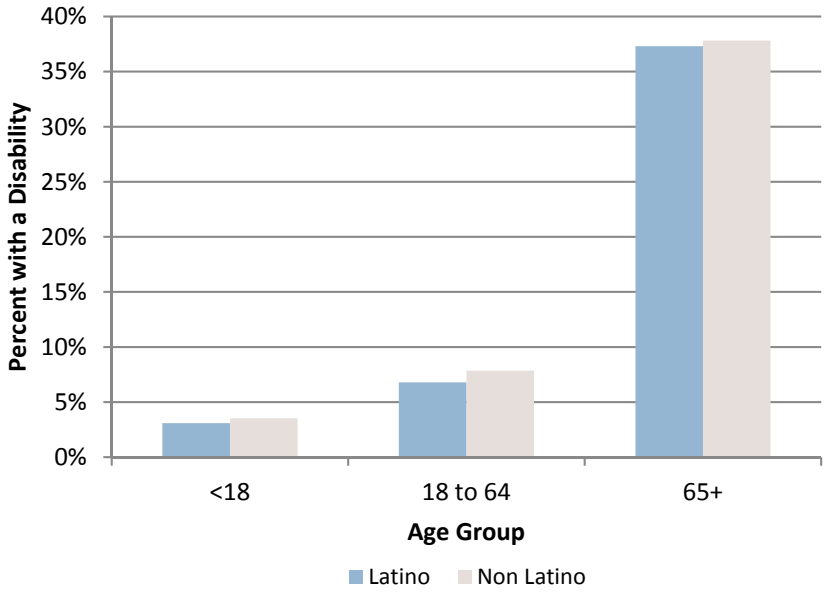
Disability Type	Age <5 Number	Age <5 Percent of Persons w Disability	Age 5-17 Number	Age 5-17 Percent of Persons w Disability	Age 18-64 Number	Age 18-64 Percent of Persons w Disability	Age 65+ Number	Age 65+ Percent of Persons w Disability	Total Number	Total Percent of Persons w Disability
City of Napa										
Total Population	5,040		13,710		47,281		10,048		**76,079**	
With Any Disability	81	1.6%	534	3.9%	3,531	7.5%	3,796	37.8%	**7,942**	**10.4%**
Hearing Difficulty	74	1.5%	93	0.7%	723	1.5%	1,696	16.9%	**2,586**	**3.4%**
Vision Difficulty	7	0.1%	73	0.5%	486	1.0%	560	5.6%	**1,126**	**1.5%**
Cognitive Difficulty	N/A	N/A	413	3.0%	1,533	3.2%	891	8.9%	**2,837**	**3.7%**
Ambulatory Difficulty	N/A	N/A	53	0.4%	1,637	3.5%	2,404	23.9%	**4,094**	**5.4%**
Self-Care Difficulty	N/A	N/A	76	0.6%	756	1.6%	906	9.0%	**1,738**	**2.3%**
Independent Living Difficulty	N/A	N/A	N/A	N/A	1,223	2.6%	1,574	15.7%	**2,797**	**3.7%**
Total Disabilities (b)	**81**		**708**		**6,358**		**8,031**		**15,178**	
Napa County										
Total Population	8,086		23,136		83,172		20,126		**134,520**	
With Any Disability	81	1.0%	756	3.3%	6,269	7.5%	7,254	36.0%	**14,360**	**10.7%**
Hearing Difficulty	74	0.9%	122	0.5%	1,314	1.6%	3,275	16.3%	**4,785**	**3.6%**
Vision Difficulty	7	0.1%	124	0.5%	893	1.1%	1,206	6.0%	**2,230**	**1.7%**
Cognitive Difficulty	N/A	N/A	550	2.4%	2,892	3.5%	1,786	8.9%	**5,228**	**3.9%**
Ambulatory Difficulty	N/A	N/A	53	0.2%	2,769	3.3%	4,597	22.8%	**7,419**	**5.5%**
Self-Care Difficulty	N/A	N/A	76	0.3%	1,404	1.7%	1,794	8.9%	**3,274**	**2.4%**
Independent Living Difficulty	N/A	N/A	N/A	N/A	2,397	2.9%	2,956	14.7%	**5,353**	**4.0%**
Total Disabilities (b)	**81**		**925**		**11,669**		**15,614**		**28,289**	

Notes:
(a) Total disabilities exceed total persons with disabilities because individuals may have more than one disability type.

Sources: U.S.Census, American Community Survey 2008-2012, Table S1810; BAE, 2014.

Disability by Ethnicity. Figure 3.1 details the disability status by age and ethnicity for the City's Hispanic and Non-Hispanic populations. As shown, for each age group, the Hispanic population has lower rates of disability than Non-Hispanics across all age groups.

Figure 3.1: Disability Status by Ethnicity, City of Napa, 2000

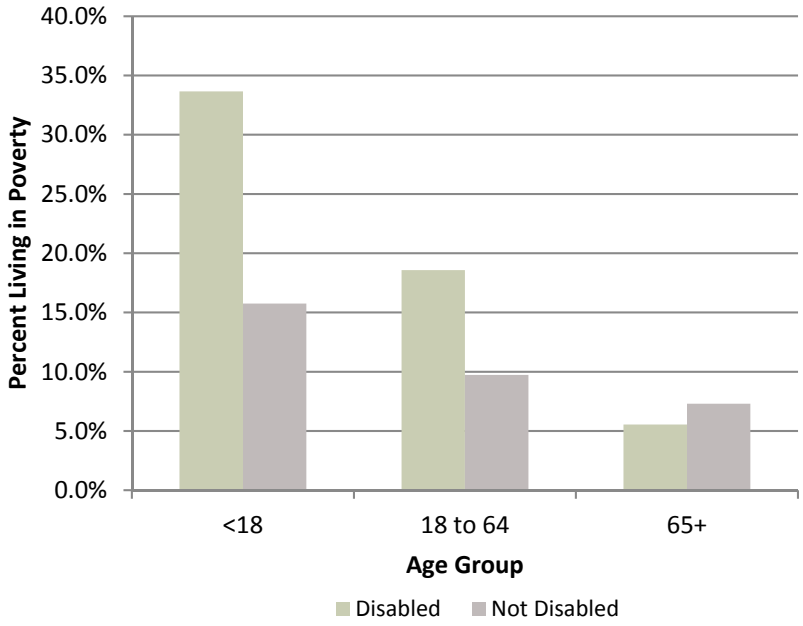


Source: 2008-2012 American Community Survey, Tables B18101I and S1810; BAE, 2014

Poverty and Disability. Persons with disabilities are more likely to live in poverty. Working aged persons who are disabled are less likely to be employed and disabilities often entail medical expenses. These factors impact a person's ability to afford housing, particularly in the relatively expensive Napa housing market. Disabled persons who live in market-rate housing and require modifications to their units may see the costs for housing increased even further.

Based on American Community Survey data from 2008 through 2012, there are approximately 1,100 individuals with disabilities living in poverty within the City. Figure 3.2 outlines the poverty status for individuals by age and disability. Disability is linked to a substantially higher incidence of poverty for those under 65. For example, 19 percent of individuals with disabilities between the age of 18 and 64 years lived in poverty but only 10 percent of individuals without disabilities in this age group lived in poverty. While a large share of individuals age 65 and older has a disability, there is little difference between the persons with disabilities and the persons without disabilities in this age cohort in terms of the proportion living in poverty.

Figure 3.2: Poverty Status by Disability, City of Napa, 2008-2012



Source: 2008-2012 American Community Survey, Table C18130; BAE, 2014

Homeless Persons

The primary barrier to housing choice for homeless individuals is insufficient income. Many homeless individuals rely on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI), which do not provide enough income to qualify for most subsidized programs and affordable housing developments. In addition, as noted above, both affordable housing developers and market-rate landlords often screen out individuals with a criminal or drug history, history of evictions, or poor credit, which can prevent many homeless persons from obtaining permanent housing.

The 2014 Point-in-Time count estimated that there were a total of 285 homeless individuals in Napa County at the time of the count. Approximately 47 percent of these individuals were in emergency shelter, 21 percent were in transitional housing, and 32 percent were unsheltered. Chronically homeless individuals accounted for 26 percent of the homeless individuals counted (73 individuals).

The homeless population has a high proportion of persons with disabilities, which presents additional challenges in securing housing for many homeless individuals. The *Napa County Ten Year Plan to End Homelessness*, released in 2006, indicates that more than one-third (36 percent) of homeless individuals have special needs. Of these, 42 percent have a problem with drugs or alcohol, 42 percent have a mental illness, 23 percent suffer from a physical disability, and six percent have a chronic illness.[18] As previously noted, a disability can limit one's mobility, ability to

[18] Homeless Services Planning Council. "Napa County Ten Year Plan to End Homelessness." 2006.

work, and ability to interact with others. These three factors can severely limit employability or preclude it altogether, leaving disabled persons in a financially precarious position and susceptible to homelessness.

Seniors

Many elderly residents face a unique set of housing needs, largely due to physical limitations, fixed incomes, and health care costs. Unit sizes and accessibility to transit, health care, and other services are important housing considerations for elderly residents. Housing affordability also represents a key issue for seniors, many of whom are living on fixed incomes.

Approximately 15 percent of the City of Napa's population is 65 years old or older, a slightly lower proportion than Napa County as a whole. As discussed previously, elderly non-family renter households have a high incidence of cost burden, with approximately 64 percent of these households in the City paying more than 30 percent of their household income towards housing.

Local service providers report that housing affordability and availability is a key challenge for seniors in Napa. Although there are subsidized senior housing facilities in the City (see Table 2.15~~Table 2.15~~), many of these have long waiting lists. In addition, there are no subsidized assisted living facilities in the City, limiting assisted living facilities to market-rate units for those who can afford them. Concordia Manor, a former residential care facility for the elderly (RCFE) in Napa, provided affordable assisted living units for seniors but transitioned to an independent living facility several years ago. According to a local service provider, several housing concerns arose during the transition, including short notification of the de-licensing and continued marketing as an assisted living facility even as the property was being transitioned to independent living.[19] Lower-income individuals are often unable to afford the cost of living in an assisted living facility and must bring services into their homes. Many affordable senior housing facilities have service coordinators who work to provide these services to residents at the development.

Limited English Proficiency (LEP)

Consistent with the large Hispanic/Latino population in the City, a substantial proportion of Napa residents speak Spanish at home. As shown in Table 3.3, 36 percent of City residents and 29 percent of residents in the County speak Spanish at home. Overall, 40 percent of City residents speak a language other than English at home.

[19] Restelli-Deits, Terri, Area Agency on Aging. Phone interview with BAE, July 23, 2010.

Table 3.3: Language Spoken at Home, 2014

	City of Napa	Napa County
English	60.4%	63.5%
Spanish	35.9%	28.8%
Asian or Pacific Islander	1.6%	4.9%
Indo-European	2.0%	2.5%
Other	0.2%	0.3%
English not First Language (a)	**39.6%**	**36.5%**

Note:
Based on all persons age 5 and older.
(a) This percentage counts all persons, five years and older, who speak a language other than English at home.

Sources: Nielsen Markteplace; BAE, 2014.

Local service providers report that LEP populations face many of the same challenges that others face in securing housing. In particular, housing affordability and the availability of subsidized housing are challenges in the City of Napa. For the LEP population, linguistic barriers may present additional challenges for individuals seeking subsidized rental housing because of the complex application forms and procedures necessary to demonstrate eligibility. As discussed in greater detail in the chapter of this *AI* that relates to fair housing testing, LEP individuals also encounter fair housing concerns because their language skills lead to discrimination on the basis of national origin. Of the fair housing complaints in Napa County that were submitted to HUD between 2010 and 2014 (year-to-date), 11 percent were on the basis of national origin.

LEP households also face differential treatment in the for-sale housing market. In some cases, LEP households do not have access to documents in a language other than English and therefore may not fully understand their mortgage terms. In addition, LEP homeowners who fall behind on mortgage payments are more likely to be referred to the collections department when contacting the loan servicer, while native English speakers are more often referred to the loss mitigation department. This results in differential outcomes for LEP households because employees working in loss mitigation have a mandate to work with homeowners to try to prevent foreclosure.[20]

Farm Workers

Napa Valley is a fertile agricultural area known for its vineyards and wineries. Farm workers have a variety of special housing needs in terms of affordability, location, and duration of residence. In March 2013, BAE completed the *2012 Napa County Farmworker Housing Needs Assessment,* documenting farm worker housing needs in the County. According to the *Assessment*, there are up to 7,000 or more farm workers working in Napa County, with the number varying greatly depending on time of year.

[20] Brown, Maeve Elise, Executive Director, Housing and Economic Rights Advocates. Phone interview with BAE, June 2, 2014.

An increasing number of these farmworkers are choosing to reside in Napa County on a permanent or semi-permanent basis due to increased demand for year-round farm labor as well as difficulties crossing the U.S./Mexico border. This not only increases the need for local, affordable farmworker housing, but introduces issues related to providing housing for household types other than single adult men. The *Assessment's* stakeholder outreach process indicated that there is a growing trend of farmworkers no longer merely looking for a temporary bed, but rather seeking family housing and all the services and neighborhood amenities associated with raising families and being permanent members of the community in Napa County.

The *Assessment's* worker survey poses several questions regarding farmworkers' "permanent home." Approximately 54 percent of all respondents indicated their permanent home is Napa County. Over 95 percent of farmworkers with permanent jobs in Napa agriculture reported that their permanent home was Napa County, along with 38 percent of seasonal workers and 25 percent of migrant workers.

Results from the *Assessment's* farmworker employer survey indicated that on average, just under half of Napa farmworkers live in the County during most of the year; 25 percent live outside the County but commute in to jobs within Napa County; 20 percent live outside of the County and reside in the County temporarily for work; and eight percent are migrant workers with no permanent place of residence.

The farmworkers who do choose to live in market-rate housing in Napa may experience extreme cost burdens. According to the 2006-2010 American Community Survey data from the U.S. Census Bureau analyzed by BAE, approximately 45 percent of workers in the agricultural sector living in Napa County who rent their housing have housing cost burdens (more than 30 percent of income spent on housing), including approximately 18 percent with extreme cost burdens (more than 50 percent of income spent on housing). Among agricultural sector workers who own their housing in Napa County, 40 percent reported paying more than 30 percent of their income for housing and just less than 16 percent reported paying more than 50 percent of their income for housing. Since these figures reflect the inclusion of people with occupations across the entire agricultural sector, including those that are typically higher paid than fieldworkers, the percentages from the American Community Survey analysis likely represent conservative estimates of the proportion of farmworkers overpaying or severely overpaying for housing in Napa County.

Farmworkers who choose to live in market-rate housing in Napa County are also likely to experience overcrowding. In order for most market rate residences to be affordable on a farmworker's income, it is often necessary for two or more families to share a house or apartment intended for single-family occupancy. A consequence of families sharing an apartment or house is that overcrowding becomes a financial necessity.

The *Assessment's* interviews with key stakeholders indicated that, with few housing options apart from overcrowded units, farmworkers are often vulnerable to attempted eviction by landlords. In the

experience of some stakeholders interviewed, some landlords take advantage of the strong competition for units and knowingly rent sub-standard housing to farmworkers.

Overall, the constrained supply of housing units keeps the price of for-sale housing units high and out of reach for many low- and moderate-income households. The shortage of housing affordable to moderate-, low-, very low-, and extremely low-income households makes it difficult for farmworkers to live in Napa County, prompting many to commute in to their jobs from less expensive areas in neighboring counties or the Central Valley.

In an effort to better understand the characteristics of farmworker households who live in affordable housing units, and perhaps infer information regarding the housing preferences by farmworkers more generally, as part of the *Assessment*, BAE interviewed and requested tenant data from Napa Valley Community Housing (NVCH). This organization is one of the larger affordable housing providers in Napa County, managing 406 units in 13 developments located in the City of Napa, Saint Helena, and Yountville. Of these, approximately 105 units, or one quarter, are occupied by self-identified farmworker households. All but one of these households includes children, and all were Napa County residents prior to moving into an affordable unit managed by NVCH. The average income of these farmworker households is $43,500, and the average household size is five persons. Only one of the NVCH-managed properties requires households to show legal documentation, due to the use of HUD subsidies; the other 12 properties are not permitted by State law to require documentation.

Information from key stakeholders indicates that a major concern with federally-funded affordable housing projects is the requirement that, at minimum, the head of household must provide documentation of legal resident status in order to qualify for the subsidized units. Additionally, traditional affordable housing projects struggle to accommodate the extended family configurations in which many farmworker households prefer to reside. These dual issues of documentation requirements and potentially inadequate unit sizes are important concerns that prospective affordable housing projects must confront. The legal documentation requirements, in particular, account for at least some local hesitancy to take advantage of federal loans and grants specifically meant for farm laborer housing, such as the U.S. Department of Agriculture's Section 514/516 Farm Labor Housing program. Funds from Section 514 loans and Section 516 grants can be used to purchase a site or a leasehold interest on a site; construct or repair housing, day care facilities or community rooms; pay fees to purchase durable household furnishings; or pay construction loan interest. Tenants of Section 514/516 subsidized housing projects must be farm laborers (and their families) who receive a substantial portion of income from primary production, processing, and transport of agricultural or aquacultural commodities, and must be either U.S. citizens or legally admitted for permanent residence. Neither legally admitted temporary laborers, such as H-2A workers nor farmworkers who lack documentation are eligible to live in such housing.[21] These

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[21] U.S. Government Accountability Office. March 30, 2011. Rural Housing Service: Opportunities Exist to Strengthen Farm Labor Housing Program Management and Oversight. GAO Report No.GAO-11-329. Available at: http://www.gao.gov/assets/320/317162.html

eligibility restrictions limit the number of Napa County farmworkers who might be interested and able to benefit from Section 514/Section 516 affordable housing.

Housing for Special Needs Populations

Reasonable Modification

The Fair Housing Act requires housing providers or homeowners' associations to provide reasonable modifications when such modifications are necessary to afford persons with disabilities full enjoyment of the premises. A reasonable modification is a structural change made to existing premises and can include changes to interiors and exteriors of dwellings, as well as to common and/or public use areas. There must be an identifiable relationship or nexus between the requested modification and the individual disability. Examples of reasonable modifications include widening doorways and installing ramps for wheelchair accessibility, installing grab bars in bathrooms, and lowering kitchen cabinets for persons in wheelchairs. While the Fair Housing Act requires housing providers to permit the reasonable modification, the tenant is responsible for paying the costs of the modification. In addition, the landlord can require that the tenant restore the unit to its original condition before moving if it is reasonable to do so.[22]

There are several local service organizations that work with tenants to request and advocate for reasonable modifications. For example, Fair Housing Napa Valley (FHNV) assisted elderly clients in a 111-unit senior housing complex that were having difficulty securing reasonable modification to install bathroom grab bars. After negotiations, the corporation that owned the property agreed to offer grab bars in any tenant's bathroom at the owner's expense. The Disability Services and Legal Center recently worked with a client that needed a ramp installed, and the property owner agreed to install ramps on all units.[23]

The City of Napa provides funding to lower-income households for reasonable modifications in owner-occupied and rental housing. Because many tenants cannot afford to restore a unit to its original condition when moving out, the City requires that the owners of units that are modified using City funds do not require tenants to reverse the reasonable modifications to rental units upon termination of tenancy.

Reasonable Accommodation

Federal and State fair housing laws also require housing providers to allow for reasonable accommodations to rules, policies, practices, and services when such accommodations are necessary to afford people with disabilities equal opportunity to use and enjoy a dwelling. A

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[22] U.S. Department of Housing and Urban Development and the Department of Justice, Reasonable Modifications Under the Fair Housing Act, March 5, 2008. http://www.hud.gov/offices/fheo/disabilities/reasonable_modifications_mar08.pdf
[23] Jim King, Independent Living Advocate, Disability Services and Legal Center. Phone interview with BAE, May 27, 2014.

reasonable accommodation is a change, exception, or adjustment to a rule, policy, practice, or service.[24]

Under the Fair Housing Act, a person requesting a reasonable accommodation must demonstrate that they have a disability if it is not already known or obvious. Verification of a disability can be provided by any reliable third party in a position to know about the individual's disability, such as a doctor, peer support group, or service agency. However, in many cases the disability is already verified and on record, and further proof should not be requested.

Once the disability is established, the request for an accommodation must show a connection between the person's disability and the request for the accommodation. Finally, the request must be reasonable. These requests are typically made to allow parking close to where a tenant lives, to allow a tenant to have a companion animal, to pay rent on a different schedule or in a different place, or other conditions that help the disabled person have equal enjoyment of their housing.

As with reasonable modification, there are numerous local service agencies that provide assistance in securing reasonable accommodations. For example, Becoming Independent, a local nonprofit organization that assists individuals with developmental disabilities to help them live independently, frequently assists clients with reasonable accommodation requests. Failures to grant reasonable accommodation requests make up a large portion of discriminatory practices cited in fair housing complaints handled by FHNV, as discussed in greater detail in a subsequent chapter of this report.

In addition to reasonable accommodations on the part of housing providers, fair housing laws require jurisdictions to provide reasonable accommodation in their land use and zoning policies when such accommodations are necessary to grant equal access to housing for persons with disabilities. The City of Napa's reasonable accommodations procedures are discussed in further detail in a following chapter of this AI.

Section 8 Vouchers and Subsidized Housing

Section 8 Vouchers. Housing affordability is a major challenge for disabled individuals and other special needs populations in the City of Napa. Due to their limited incomes, many disabled individuals participate in the Section 8 Housing Choice Voucher program, operated by the Housing Authority of the City of Napa (HACN). As discussed earlier, Section 8 vouchers provide rental assistance to households at units of their choice.

HACN's Administrative Plan includes policies to further fair housing for Section 8 participants and applicants (Appendix XIII of the Plan). The policy provides that HACN will work with property owners to encourage reasonable accommodation and/or structural alterations or modifications, and other accessibility features that are needed for disabled tenants. HACN also contracts with FHNV to assist

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[24] U.S. Department of Housing and Urban Development and the Department of Justice, Reasonable Accommodations under the Fair Housing Act, May 14, 2004. http://www.justice.gov/crt/housing/jointstatement_ra.php

persons with disabilities in filing fair housing complaints, provide education and technical assistance to housing providers, and provide conciliation services.

Even with a Section 8 voucher, individuals with disabilities often face barriers to securing housing. Regardless of disability status, Section 8 voucher holders can experience difficulty in finding housing because many housing providers do not accept Section 8 vouchers. These challenges are exacerbated in Napa's tight housing market because property managers are easily able to fill vacancies, reducing the incentive to accept vouchers. For persons with disabilities, housing choice can be further limited by accessibility requirements, a need for access to services, or other constraints. Individuals with developmental disabilities may face challenges in complying with the complex regulations associated with the Section 8 program, which requires termination of assistance for people who commit serious rule violations. Local service providers such as FHNV and Becoming Independent help to address these challenges by advocating for persons with disabilities and providing case management to ensure compliance with program requirements.

Affordable Housing Application Processes. Due to the requirements associated with various affordable housing funding sources, certain households may encounter difficulties in applying for subsidized housing. For example, applications can involve a large amount of paperwork and require households to provide records for income verification. In some cases, short application time frames and submittal requirements create additional challenges. These requirements present obstacles for many households, and can be particularly challenging for homeless or disabled individuals who lack access to communication systems and information networks, as well as the skills to complete and submit the necessary documentation.

The number of households in need of affordable housing consistently exceeds the available supply of affordable units by a significant margin. Affordable housing developers hold lotteries to select tenants for new properties and typically have only enough units for a small fraction of interested households. Property managers for affordable developments subsequently maintain long waiting lists of prospective tenants who are offered units as space becomes available. Waiting lists for affordable properties will often consist of hundreds of households, most of which remain on the waiting list for at least six months and often longer.[25] If applicants on waiting lists move or change their phone number and do not update their information on the waiting list for each property, property managers may not be able to contact them when a unit becomes available. This can make it difficult for transient individuals or families who do not have a regular address, phone number, or email address to get off a waiting list. Long waiting lists also mean that households facing crisis situations and at risk of losing their housing are often unable to find suitable affordable housing quickly enough to avoid homelessness.

Applicants who are selected through the lottery or who come off the waitlist go through a screening process. Property managers routinely screen out individuals with a poor credit record or criminal or

[25] Dreessen, Kathleen, Executive Director, Napa Valley Community Housing. Phone interview with BAE, May 27, 2014.

drug history, which can screen out homeless or disabled applicants. Some developmentally disabled individuals have never had a credit card, resulting in no credit history for housing applications. Other disabled individuals have faced loss of income and high medical bills as a result of their disability.

To help address these challenges, several Napa County organizations provide housing location assistance. Organizations such as Aldea Children and Family Services and the Disability Services and Legal Center assist clients in their housing search.

Accessible Units

Many individuals with mobility disabilities need accessible units that are located on the ground floor or have elevator access, as well as larger kitchens, bathrooms, and showers that can accommodate wheelchairs. The City of Napa's building code includes regulations for providing accessible units, which generally require that ten percent of units on the ground floor in multifamily developments are fully accessible and that all units on accessible floors with elevators have features to make the units adaptable. The City's Housing Element update, which is currently in progress, includes programs that aim to extend universal design standards to a larger number of homes.

Housing for Disabled Individuals

People with disabilities have a wide range of housing needs, depending on the type and severity of the disability. Some people with disabilities are able to live in a standard home without requiring modifications to make the home more accessible, while others will require homes that are wheelchair-accessible or have grab bars or other accessibility features. Some individuals with disabilities may reside in licensed board and care homes that provide support 24 hours a day, seven days a week and receive support from the North Bay Regional Center. For individuals with disabilities that interfere with their ability to earn enough income to pay for market-rate housing costs, housing affordability is often a key issue. Individuals with disabilities that are have Supplemental Security Income (SSI) as their primary or only income source need deeply affordable units in order to afford housing.

Because of the high cost of market-rate housing and low vacancy rates in Napa, finding suitable affordable housing is often a challenge for individuals with disabilities. In general, property owners have multiple applicants for units that are available, and local service providers indicate that property owners may hesitate to rent to individuals with disabilities because they are concerned about potential complications in making accessibility modifications. Local service providers that work with individuals with developmental disabilities also report that this population is largely misunderstood, and that in the City's tight housing market property owners have little incentive to rent to someone that they perceive to be a potential problem. Once a home is rented, some tenants have reported problems with getting responses to requests for repairs because property managers are confident that they will be able to rent the unit to a new tenant if the current tenant leaves.

Other Housing Challenges

Mobility. Disabled individuals with limited mobility can often benefit from living near areas with access to transit and other services. Disabled people may have difficulty securing transportation for

everyday activities, such as shopping, attending work or school, or other errands. Many individuals with disabilities may be unable to drive to meet their daily needs due to the physical or mental limitations of their disability or the prohibitive cost of owning a car. Given Napa's low-density character and car dependency, this should be taken into account when decisions are made regarding the siting of future services or housing for the disabled. Furthermore, if services for the disabled are located in areas that become attractive to developers, steps may need to be taken to ensure that nearby housing does not become cost-prohibitive for disabled persons.

Social Services. A large number of public and nonprofit organizations provide a wide range services to assist persons with disabilities in Napa, including budgeting, reviewing important paperwork, grocery shopping and other daily activities, and addressing issues with social security. However, potential clients are not always aware of the services available to them, and cuts to mental health programs and other services have resulted in fewer case workers and reduced capacity at many service organizations.

Housing with Live-in Aides. Seniors and individuals with disabilities that require a live-in caregiver often face difficulty securing a suitable unit at an affordable rental rate. Individuals that need a live-in caregiver may have difficulty finding a housing unit that is large enough to accommodate a live-in aide, which can be particularly challenging for lower-income households.

Individuals with live-in caregivers may need to file reasonable accommodations requests to secure market-rate or subsidized housing and document their need for a live-in aide as a part of the request. Reasonable accommodation requests can be necessary for a number of reasons. For example, a caregiver's income may make a household ineligible for an affordable unit under normal circumstances. While subsidized housing providers are required to exclude a live-in aide's income when calculating eligibility and, when applicable, the amount that a household must pay toward rent, HUD requires that households demonstrate that the live-in aide would not normally be living in the housing unit if the aide was not providing care for the tenant. This can be difficult to demonstrate in cases where family members act as live-in aides. In other cases, a caregiver may not meet the age restrictions for a senior housing development. Under reasonable accommodation requirements, a caregiver is exempt from these age restrictions, but documentation of the need for a live-in aide and other screening requirements may apply. Furthermore, live-in aides can be subject to background checks to screen for issues related to past tenancies or criminal behavior. Though often necessary, these restrictions can add to the difficulty associated with securing housing for individuals with disabilities.

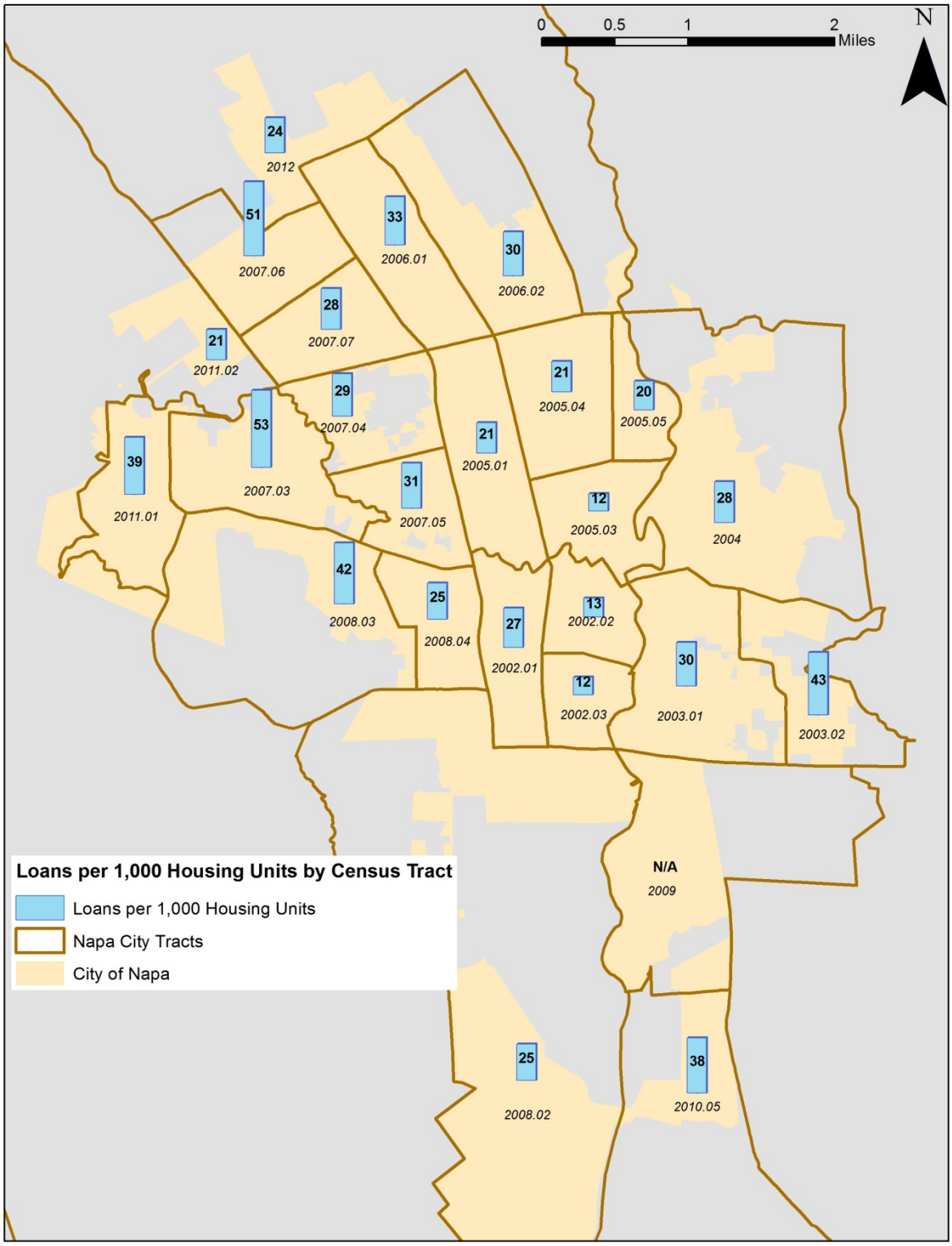
HOME PURCHASE, LENDING, AND FORECLOSURE

Lending and Home Purchase

Mortgage lending is governed by both State and federal statutes including the Federal Fair Housing Act and the Home Mortgage Disclosure Act (HMDA). HMDA mandates that most mortgage lenders report details regarding each application for a mortgage, including the ultimate result of the application, any reasons for the denial of an application and details regarding the borrower and property. These reports provide a primary source of market information regarding the sale and purchase of housing. For this section of the *AI*, a "successful" home purchase mortgage application is defined as one that is originated, or approved by the lender and accepted by the borrower. Mortgage applications that are approved by the lender but not accepted by the borrower are not considered successful or originated.

The pattern of successful home purchase mortgages is demonstrated in Figure 4.1. It illustrates the number of home purchase loans per 1,000 residential units for each of the census tracts in the City of Napa during 2012. It appears that the number of loans is greater for the tracts on the periphery of the City, with a lower ratio of loans per 1,000 units in the older core areas of the City. This may in part reflect the housing stock, with more multifamily units in the older parts of the City. There appears to be little, if any, discernable pattern and no apparent correlation to the racial or ethnic profile of the tracts. Census tracts in the City ranged from 12 to 53 successful home purchase mortgages per 1,000 residential units.

Figure 4.1: Loans Originated Per 1000 Units, by Census Tract, 2012



Note: Some tracts include areas outside the City. Calculation is based on entire tracts, not just portion in the City. HMDA data from 2012; housing unit count from 2010 Census.

Sources: ESRI; 2010 U.S. Census; Federal Financial Institutions Examination Council's (FFIEC); BAE, 2014.

Race and Ethnicity of Borrowers

Success rates and market shares of mortgages across racial and ethnic groups were determined utilizing HMDA data on the race and ethnicity of borrowers and Census data on the race and ethnicity of Napa residents. HDMA categorizes race data according to the following groups: American Indian/Alaska Native, Asian, Black/African American, Native Hawaiian/Pacific Islander, White, Joint (Two Minorities), Joint (White and Minority Race), and Race Not Available. "Ethnicity," a different breakdown, includes Hispanic/Latino populations, Non-Hispanic/Latino populations, Joint (Hispanic/Latino and Non- Hispanic/Latino) and populations for whom ethnicity data is not available.

The rates of success for mortgage applications vary across racial and ethnic groups. In Napa County, 65 percent of all conventional mortgage applications made in 2012 were successful, or originated.[26] In the Bay Area as a whole (consisting of the Napa MSA, the Vallejo-Fairfield MSA, the San Jose-Santa Clara-Sunnyvale MSA, the San Francisco-San Mateo-Redwood City Metropolitan Division, the Oakland-Fremont-Hayward Metropolitan Division, and the Santa Rosa-Petaluma MSA), the origination rate was 71 percent. Of the six MSAs, Napa had the second-lowest origination rate.[27]

Within Napa County, Asians had the highest success rate with 67.5 percent origination. Whites were second at 66.5 percent, followed by persons of joint racial background[28] at 65.5 percent, and Native Hawaiian/Pacific Islander at 57.1 percent.

It is important to note that the number of applicants by race in Napa are very small; for instance, there are only 10 African American households and three American Indian/Alaska Native households that applied for mortgages in 2012. These small numbers may easily skew the data.

For the Bay Area, American Indian/Alaska Natives had the lowest success rate, at 57.7 percent of loan applications originated, but there was insufficient data for comparison in Napa County, since there were only three applicants in this group. The next lowest origination rate for the Bay Area was for African Americans (including Napa residents), with a 62.2 percent rate. The highest success rate for the Bay Area was among households of joint racial background at 76.5 percent, followed by Whites at 73.2 percent and Asians at 70.3 percent.

Hispanic or Latino borrowers in Napa County had a significantly lower rate of success than other groups, with 40.4 percent origination compared to 68.3 percent for Non-Hispanics and 84.2 percent for households of joint Hispanic/Non-Hispanic ethnicity. While the Hispanic origination rate for the entire Bay Area is also below that for non-Hispanics, it is much higher than for Napa County, at 57.5 percent for Bay Area Hispanics and 72.7 percent for non-Hispanics. It should be noted, however, that Napa County's percentage for Hispanics is based on only 141 applications and 57 originations.

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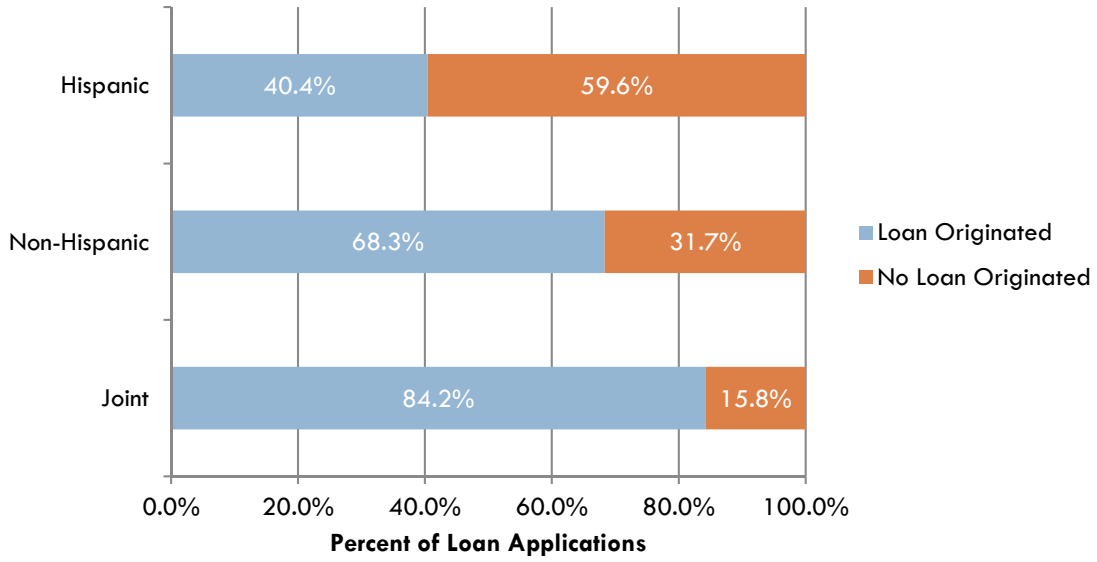
[26] HMDA Online. Aggregate Table 5-2: Disposition of Applications for Conventional Home-Purchase Loans by Income, 1 to 4-Family and Manufactured Home Dwellings, by Income, Race and Ethnicity of Applicant, 2012. Retrieved from http://www.ffiec.gov/hmda/hmdaproducts.htm.

[27] Ibid.

[28] Households of two or more minority races have been combined with households jointly White and other race, due to limited number in the category (only one household in Napa County).

Figure 4.2: Mortgage Application Success Rate by Ethnicity, Napa County, 2012

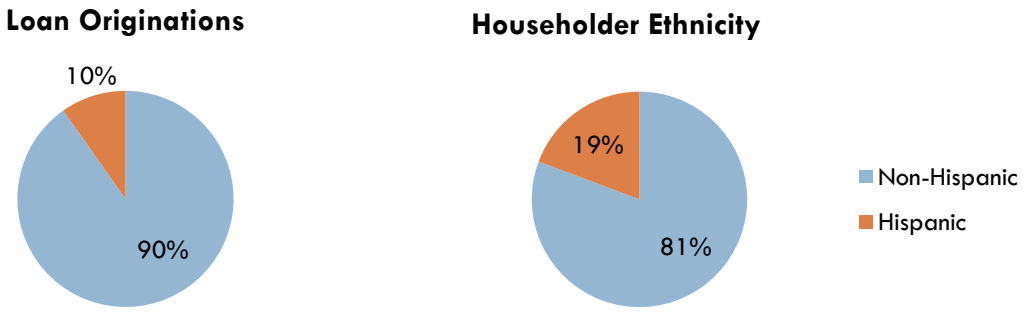


Source: HMDA Data, 2012; BAE, 2014.

Market Share of Mortgages

Hispanics are underrepresented among mortgage applicants and borrowers. Based on the 2012 American Community Survey, 19 percent of Napa County households identified as Hispanic/Latino and 81 percent Non-Hispanic/Latino. However, the HDMA data shows Hispanics and joint Hispanic/Non-Hispanics as making up only 10 percent of originated loans in the County, for applications for which ethnicity is known.

Figure 4.3: Percent of Market and Population by Ethnicity, Napa County, 2008



Note: Loan origination data for Hispanic/Latino households includes households classified as joint Hispanic/Non-Hispanic in HMDA data

Sources: HMDA Aggregate Table 5-2 as previously cited; 2012 American Community Survey, Tables B25003 and B25003I; BAE, 2014.

Amounts Borrowed Across Racial/Ethnic Groups

Using the same data source from HMDA, the average amount borrowed by White home purchasers in Napa County in 2012 was $378,805, considerably higher than Asians at $277,054 and African Americans at $241,600. For most income groups, when the income level of the purchaser was taken into account, no distinct patterns between Asians and Whites were apparent.[29] However, for the highest income category, Whites showed an average loan origination of $493,080 while for Asians the average was only $313,774; this may be a function of the overall distribution within the income category.

However, Hispanic borrowers borrowed less than Non-Hispanic borrowers at most income levels. The average mortgage for a Hispanic household was $215,474 compared to $377,852 for a Non-Hispanic household. Non-Hispanic households borrowed more than Hispanics in every income category except the under 50 percent AMI category.

These findings do not necessarily point to a fair housing issue, as mortgage applications and approvals are functions of household income, access to down payment funds, and other factors. Nonetheless, the data show that Hispanic borrowers are significantly underrepresented considering their share of the population, and typically borrow less than their non-Hispanic counterparts, even controlling for income.

Subprime Loans and Predatory Mortgage Lending

Subprime lending refers to the issuance of loans to persons who are less credit-worthy than those typically offered credit (prime borrowers). Subprime mortgage lending inherently carries greater risk for the lender, and to mitigate that risk, subprime loans carry terms and conditions less favorable to the borrower because the borrower is less qualified to take on a loan due to credit history, employment, and/or ratio levels. Subprime loans can be a valuable tool in community development, particularly in communities underserved by traditional financial institutions. However, many of the subprime loans made in the past decade involved predatory lending practices and subprime mortgage lending was a major factor in the 2007-2008 financial crisis.

Although subprime loans are not inherently a predatory practice, subprime loans are often issued in ways that do constitute predatory practices. The California Reinvestment Coalition (CRC) defines predatory mortgage lending as abusive home lending that includes excessively high interest rates, points or fees, burdensome terms, is made through the use of misleading or aggressive sales tactics, or is targeted to low-income people, the elderly, or people of color. Predatory practices include targeting vulnerable neighborhoods or populations, flipping mortgages (overly frequent refinancing), prepayment penalties, overly high fees or ballooning interest rates (common in 2/28 adjustable rate mortgages), and failure to confirm the borrower's ability to pay the mortgage. Predatory practices

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[29] Only five conventional home-purchase loans were originated to Black/African Americans in Napa County in 2012, so data was insufficient to compare by income group.

have been shown to lead to greater mortgage foreclosure risk, notwithstanding other risk factors, and are far more prevalent in subprime mortgages than in conventional mortgages.

Predatory lending practices have impacted households in Napa, similar to other communities throughout the country. Members of racial and ethnic minority groups, individuals with limited proficiency in English, and seniors have been disproportionately represented among individuals targeted by predatory lending practices in Napa. Although predatory lending practices have decreased somewhat in Napa and elsewhere following the recent mortgage crisis, some predatory practices continue to occur. Moreover, to the extent that predatory lending practices disproportionately targeted members of racial and ethnic minority groups, individuals with limited proficiency in English, and seniors, the lasting effects of foreclosure will continue to impact these groups at higher rates than other households.[30]

In response to the foreclosure crisis, mortgage lenders nationwide adopted tighter lending standards, requiring higher down payments and credit scores, thereby reducing the incidence of subprime lending. While more stringent lending terms help to prevent some predatory practices and other problems that can contribute to the risk of foreclosure, many lower-income households now face significant barriers to homeownership as a result of these stricter standards. Some lenders have begun to add more flexibility to lending standards over the past few years while other organizations have emerged to develop new loan products for lower-income, higher-risk borrowers.[31] However, it is unlikely that subprime loans will become as widely used as these products were prior to the foreclosure crisis, or that lending standards will be as flexible in the near future.

Foreclosures

Foreclosure rates in Napa County grew dramatically when the housing bubble burst in late 2007 and during the subsequent subprime mortgage crisis, as shown in Figure 4.4~~Figure 4.4~~. Since the 2007 through 2009 peak, foreclosure actions have declined considerably to near pre-bubble levels as the housing market has recovered.

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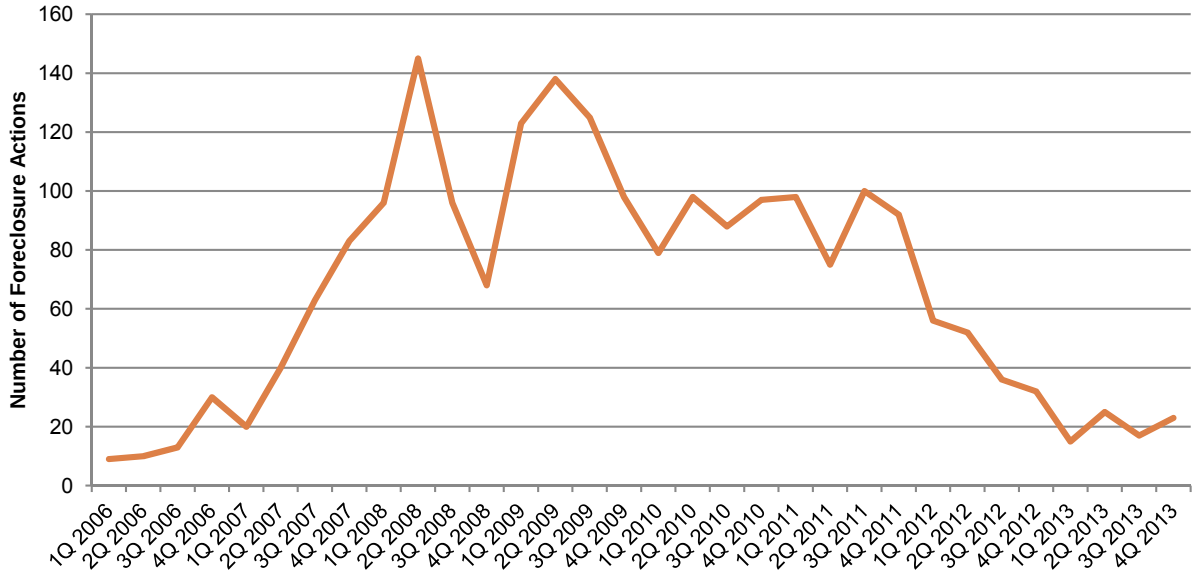
[30] Brown, Maeve Elise, Executive Director, Housing and Economic Rights Advocates. Phone interview with BAE, June 2, 2014.
[31] Appelbaum, Binyamin. "A Nonprofit Lender Revives the Hopes of Subprime Borrowers." New York Times. February 25, 2014. Retrieved from www.nytimes.com.

Figure 4.4: Foreclosure Actions in Napa County, 1Q 2006 – 4Q 2013



Note: Foreclosure actions include notices of default, auctioned and bank-owned properties, preforeclosure notice of sale, and preforeclosure sold.

Source: PropertyRadar.com, 2014.

Foreclosures affect renters as well as owners. Tenants may face eviction if their landlords lose their properties to foreclosure. While foreclosures and evictions alone are not fair housing issues, they may become fair housing concerns if landlords or lenders attempt to evict tenants without providing them with the legally required 90 days of notice or if they disappear with tenants' deposits.

During the height of the foreclosure crisis, the Napa Valley Foreclosure Collaborative worked to assist households affected by foreclosure. The Collaborative was comprised of family resource centers, affordable housing agencies, Fair Housing Napa Valley, Legal Aid of Napa Valley, and Housing and Economic Rights Advocates (HERA), an Oakland-based nonprofit specializing in foreclosure and homeowner counseling. The Collaborative provided foreclosure counseling, legal assistance and representation to owners and renters, re-housing services, and credit and asset re-building education. HERA and the Collaborative conducted quarterly homeowner education workshops in Napa County that focused on foreclosures and loan modifications. The Collaborative is no longer active, but HERA and Legal Aid of Napa Valley continue to provide services to households in Napa. Although foreclosures and the predatory lending practices that contributed to the foreclosure crisis have declined substantially in recent years, many households that were affected by the crisis are still working to recover from the effects of foreclosure.[32]

[32] Brown, Maeve Elise, Executive Director, Housing and Economics Rights Advocates, phone interview with BAE, June 2, 2014.

LAND USE AND ZONING

Land use and zoning regulations can affect housing availability and costs by limiting the supply of buildable land, setting standards and allowable densities for development, exacting development fees, or placing restrictions on particular types of housing. These regulations can lead to fair housing concerns as particular segments of the population are unable to access suitable affordable housing. This section reviews land use and zoning policies in Napa and considers the extent to which these policies may constrain fair housing choice.

Growth Controls

In 1999, 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 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 would not have included pacing limits for very low-, low-, and moderate-income projects, recognizing that the market has not been providing adequate affordable housing and that this is a critical need in the community. 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. The City 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 more than once, but as the City's pace of development had slowed by that point, it was not adopted.[33]

Zoning

The City of Napa Zoning Ordinance establishes development standards and densities for new housing in the City. These regulations include minimum lot sizes, maximum number of dwelling units per acre, lot width, setbacks, lot coverage, maximum building height, and minimum parking requirements. The City's Zoning Ordinance 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.

Multifamily and Mixed-Use Development

The City's Zoning Ordinance allows for a variety of housing types and the City's Draft Housing Element includes programs to expand the types of housing allowed in particular zoning districts. Although all of the City's three single-family residential zoning districts permit more than one detached dwelling on a parcel, one district does not currently allow attached single-family dwellings. The Draft Housing Element includes a program that states that the City will consider a Zoning

[33] City of Napa, *Public Review Draft Housing Element*, 2015-2023 Planning Period, June 2014.

Amendment to allow duplexes and/or triplexes in the Single Family Residential land use category where they are not currently allowed.

Napa has also facilitated multifamily residential and mixed-use development in key areas of the City. Multifamily housing is in the RM (Multifamily Residential) zoning district, and the City's 2012 Downtown Plan increased the residential development potential and allowable densities Downtown. The General Plan and Zoning Ordinance have specific policies to encourage mixed-use development and the City has established mixed-use zoning districts where higher-density residential development can be located close to jobs, services, and transportation Downtown, in the Soscol Gateway area, in the Tannery Bend area, and along south California Boulevard.

Affordable Housing Overlay

The City of Napa adopted an Affordable Housing Overlay District in 2003 that increased the minimum density and affordability requirements on several larger multifamily and mixed-use sites and increased minimum densities and required a portion of lots to provide second units on low density sites. Due to the 2009 California State Appellate Court decision in *Palmer/Sixth Street Properties L.P. v City of Los Angeles*, which effectively invalidated affordability requirements for rental housing in California jurisdictions, the City's Draft Housing Element for 2015-2023 planning period includes a program to update the ordinance governing the overlay to clarify that it applies to ownership housing only. The Draft Housing Element also includes a program to expand the Overlay by identifying potential sites for rezoning under the Affordable Housing Overlay designation.

Height Restrictions

Napa allows a range of residential building heights based on zoning districts. While buildings in low-density residential zones are limited to 30 feet tall or 2.5 stories, the RM zone allows buildings to be 35 feet tall, or up to 40 feet tall with design review approval. The Downtown Specific Plan allows building heights up to 75 feet in a select portion of the Plan Area, and building heights up to 60 feet in much of the rest of the Plan Area. The Soscol Gateway Area has a 40 foot limit with five to eight foot height increases allowed for underground parking or pitched roof designs on certain sites, and the Tannery Bend District heights range from 30 to 50 feet with potential five-foot height increases allowed for subsurface parking. Due to the scarcity of land for further development within the City's Rural Urban Limit (RUL) and the long-standing commitment to preserving agricultural lands under County control, the City continues to support the development of projects that make use of higher height limits within these designated areas of the City.

Mobile and Modular Homes

Mobile homes often serve as affordable housing for seniors and other households, and increasingly serve as gateways to home ownership for lower-income families. According to the City's *Draft Housing Element for the 2015-2023* planning period, the City of Napa has 12 mobile home parks, and, as shown in Table 2.6~~Table 2.6~~ of this *AI*, mobile homes account for approximately five percent of the City's housing units (almost 1,400 units). Napa allows mobile home parks in the Single Family Residential, Single Family Infill, and Multi-Family Residential zones, creating the potential for additional mobile home parks in the City. However, it is unlikely that new mobile home parks will be

established in Napa in the near term due to the high cost of land and other factors. Napa regulates the conversion of existing mobile home parks to other uses to prevent the loss of this affordable housing resource.

The City's zoning ordinance allows modular or manufactured homes in all districts where single-family homes are permitted, subject to the same requirements as other homes in the same district.

Second Units

Second units, also known as accessory dwelling units (ADUs) are self-contained apartments with a kitchen, bathroom, and sleeping facilities that are attached to a single-family residence or located on the same property as the principal residence. Due to their smaller sizes, second units may provide affordable housing opportunities for lower-income households, seniors, and/or disabled individuals. Local land use regulations that constrain the development of second units may therefore have a negative impact on housing for special needs populations.

State law requires local jurisdictions to either adopt ordinances that establish the conditions under which second units will be permitted or to follow the State law provisions governing second units (Government Code, Section 65852.2). In conformance with State law, the City of 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.

Single Room Occupancy (SRO) Units

Single room occupancy units (SROs) often provide affordable housing opportunities for lower-income residents. SROs are rooms meant for occupancy by one or two individuals and may have shared bathroom and kitchen facilities or provide small bathrooms and/or kitchenettes within each unit. Napa permits SROs in several residential, commercial, and office zoning districts, subject to approval of a Use Permit. The Draft Housing Element for the 2015-2023 planning period includes programs to encourage new and rehabilitated SRO permanent housing.

Emergency Shelters, Transitional Housing, and Supportive Housing

Local land use controls can constrain the availability of emergency shelters, supportive housing, and transitional housing for homeless individuals if these uses are not permitted in any zoning district or if additional discretionary permits are required for their approval. SB2, a State law that became effective on January 1, 2008, helped to address this potential constraint by requiring all jurisdictions to identify a zone where emergency shelters are permitted by right without a conditional use permit or other discretionary permit. In accordance with SB 2, Napa allows emergency shelters by right in areas zoned for Public/Quasi Public use. These areas have a sufficient amount of vacant and underutilized land to accommodate an emergency shelter. Napa currently has four emergency shelters with 105 year-round beds and 55 winter shelter beds. There are waiting lists for both of the primary year-round shelters.

In addition, SB 2 requires that transitional and permanent supportive housing be allowed by right in all residential zones, subject only to restrictions that apply to other residential uses in the same

zone, and the City's Zoning Ordinance complies with this requirement. Napa has five transitional housing developments with 84 beds and nine permanent support housing developments with 51 beds. According to local service providers, the need for both transitional and permanent supportive housing considerably exceeds the supply.

Regulations for Community Care Facilities

Local zoning ordinances also may affect the availability of community care facilities serving special needs populations. In particular, zoning ordinances often include provisions regulating community care facilities and outlining processes for reasonable accommodation. The Lanterman Developmental Disabilities Services Act requires local jurisdictions to treat licensed group homes and residential care facilities with six or fewer residents no differently than other permitted residential uses. Cities must allow these licensed residential care facilities in any area zoned for residential use and may not require conditional use permits or other additional discretionary permits.

In conformance with State law, Napa's Zoning Ordinance permits residential care homes with six or fewer residents in all residential zones. These small group homes are not subject to special development requirements, policies, or procedures which would impede them from locating in a residential district. Residential care homes with seven or more residents are allowed through a Conditional Use Permit in the RT (Transitional Residential Infill) and RM (Multifamily Residential) zones.

Definition of Family

A jurisdiction's zoning ordinance can constrain access to housing if it contains a restrictive definition of a family. For example, a definition of family that limits the number of persons and differentiates between related and unrelated individuals living together can be used to discriminate against nontraditional families and illegally limit the development and siting of group homes for individuals with disabilities. California court cases (*City of Santa Barbara v. Adamson*, 1980 and *City of Chula Vista v. Pagard*, 1981) have ruled a zoning ordinance invalid if it defines a "family" as (a) an individual; (b) two or more persons related by blood, marriage, or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. The rulings established that defining a family in a manner that distinguishes between blood-related and non-blood related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning or land use planning powers of a jurisdiction, and therefore violates privacy rights under the California Constitution.

Napa's Zoning Ordinance does not define "families." Instead, the City defines "households" as "a person or group of people in a single dwelling unit, but not including the renting of rooms."[34] The City places no numerical limits on unrelated persons living in homes or occupancy standards based on family status, two practices considered discriminatory under Federal Fair Housing laws.

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[34] City of Napa Municipal Code, Chapter 17.06.030.

Other Land Use Regulations

Condominium Conversion

Requests for a change in tenancy from rental units to for-sale units have been regulated by the City for many years, and the City of Napa has one of the strictest condominium conversion programs in the State. Under the current City General Plan and implementing zoning ordinance, conversion of existing rental units to for-sale units can only take place if there is at least a five percent vacancy rate in multifamily rental units in the prior year and applications for conversion will not exceed the number of multifamily rental units for which building permits were issued during that same year. The City conducts surveys of multifamily properties with 20 units or more on an annual basis, and consistently finds that the vacancy rate among these properties is lower than three percent, precluding the potential for any condominium conversions. To address concerns of displacement and loss of affordable housing resulting from condominium conversions, the ordinance requires relocation payments to tenants and other mitigation measures.

Universal Design

Universal design is the design of products and environments to be usable by all people to the greatest extent possible, without adaption 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 designed at the time a home is being built.

Currently universal design is only required in apartment developments. Generally, 10 percent 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.[35]

Reasonable Accommodation Policies

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on cities and counties to make reasonable accommodations in their zoning and land use policies when such accommodations are necessary to provide equal access to housing for persons with disabilities. Reasonable accommodations refer to modifications or exemptions to particular policies that facilitate equal access to housing. Examples include exemptions to setbacks for wheelchair access structures or reductions to parking requirements.

In July 2010, Napa adopted a Reasonable Accommodation Ordinance that establishes administrative procedures for reviewing and approving requests for modifications to planning or building regulations when necessary to accommodate the needs of persons with disabilities.

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[35] City of Napa, *Public Review Draft Housing Element*, 2015-2023 Planning Period, June 2014.

Parking Requirements

Parking requirements may serve as a constraint on housing development by increasing development costs and reducing the amount of land available for project amenities or additional units. Developers may be deterred from building new housing in jurisdictions with particularly high parking ratios due to the added costs associated with such requirements. To address this potential constraint, the City has taken many recent steps to selectively reduce parking amounts and provide more flexibility. In 2003, the City updated its standards to eliminate a standard for extra parking for typical multifamily uses on the City's "crucial corridors," to allow use of parking reserves and encourage shared parking solutions. In 2005, the City reduced residential parking requirements 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 further reduced parking requirements in the Plan Area. As a result of a Public Works Street Standards review, Napa also reduced parking space sizes in 2010.[36]

On- and Off-Site Improvements

Residential developers are responsible for constructing road, water, sewer, and storm drainage improvements on new housing sites. Where a project has off-site impacts, such as increased runoff or added congestion at a nearby intersection, additional developer expenses may be necessary to mitigate impacts. The City of Napa's street width and sidewalk standards were reviewed and debated during the General Plan update process, culminating in new street standards in 2008. The City's Public Works staff collaborated with other City departments, including fire and planning staff, and a Development Advisory Committee to determine the new standards. The City amended the General Plan and Zoning Ordinance in 2010 to reflect the new standards.

In addition, substantial 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, which helps facilitate review of subsequent development projects.[37]

Development Impact and Entitlement Fees

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; housing impact fees; school impact fees; and sanitation district fees. Impact fees provide a means for the City to pay for planning and entitlement services, provide the infrastructure required by new development, and, in the case of housing impact fees, assist in providing new affordable housing. While fees and exactions can add substantially to the cost of housing, Napa's fees are relatively low compared to many other Bay Area cities.

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[36] City of Napa, *Public Review Draft Housing Element*, 2015-2023 Planning Period, June 2014.
[37] City of Napa, *Public Review Draft Housing Element*, 2015-2023 Planning Period, June 2014.

Moreover, with limited exceptions (e.g., Big Ranch Impact Fees), the City has not updated its impact and entitlement fees since 2005 or earlier, while construction costs have risen steeply. According to the Draft Housing Element for the 2015-2023 planning period, City impact and entitlement fees have remained largely unchanged since 2005. The exception is a new housing impact fee for residential rental developments, which replaced the City's inclusionary requirements in response to the ruling in the 2009 *Palmer* case that invalidated inclusionary ordinances for rental housing. However, the housing impact fee does not fully cover the cost of providing an inclusionary unit, resulting in savings for developers that are now able to pay the fee rather than provide affordable units. Fees for the Napa Valley Unified School District and Napa Sanitation District have increased over the past ten years, resulting in increases in the fees that developers pay overall.

As of 2008, City, School District, and Napa Sanitation District Fees were estimated to total $25,460 per unit for an apartment in a ten-unit building and $44,000 per unit for a detached single family home in Napa. Compared to 2008 fee rates, total development fees in Napa are estimated to have increased by 22 percent or more for single-family developments and 14 percent or multi-family developments, Due to increases in fees for the School and Sanitation Districts.

The City has identified the need to update most of its development impact fees, as well as costs charged for staffing and review of development applications and inclusionary housing in lieu fees. During review of the 2007-08 Big Ranch Impact Fee update, consultants concluded that overall City fees are relatively low and, in general, do not constitute an impediment to new residential development.

The City has taken steps to defer fees for affordable housing projects. Waiving fees altogether is difficult as some entity, usually the City, must make up the difference.[38]

Inclusionary Housing

The City of Napa adopted an Inclusionary Ordinance in 1999 requiring rental and for-sale developments of two units or more to reserve 10 percent of the units for affordable housing. The City's ordinance was similar to those of other jurisdictions in Napa County and throughout the Bay Area. Alternatives to construction included payment of an in-lieu fee, land dedication, or off-site construction. The City provided a variety of concessions or incentives for construction of affordable units, including density bonuses or incentives of equal financial value, waiver or modification of City standards, provision of direct financial assistance, and deferral of payment of City fees. Under the ordinance, all multifamily apartment and townhome projects constructed inclusionary units onsite while low-density single-family projects typically provided in- lieu fees.[39]

In 2009, the California State Appellate Court ruling in the *Palmer* case effectively invalidated inclusionary housing requirements for rental housing in California. In response, Napa commissioned nexus studies in 2010 for residential and non-residential development and amended the City's

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[38] City of Napa, *Public Review Draft Housing Element*, 2015-2023 Planning Period, June 2014.
[39] City of Napa, Housing Element, 2007-2014 Planning Period, June 2009.

inclusionary ordinance to replace the inclusionary requirements with a requirement to pay an affordable housing impact fee. Revenue generated by the impact fee accrues to the City's Housing Trust Fund, which supports affordable housing.[40]

[40] City of Napa, *Public Review Draft Housing Element*, 2015-2023 Planning Period, June 2014.

FAIR HOUSING ENFORCEMENT, TESTING, AND EDUCATION

Fair Housing Complaint Process

Federal Complaint Process

Fair housing rights are protected under the Fair Housing Act of 1968. Individuals may file complaints about violations with HUD or local fair housing providers through the following process:[41]

Intake. Any entity, including individuals and community groups, can file fair housing complaints at no cost by telephone, mail, or via the internet. An intake specialist will interview the complainant, usually by telephone, and determine whether the matter is jurisdictional.

Filing. If the local fair housing provider or HUD accepts the complaint for investigation, the investigator will draft a formal complaint and provide it to the complainant, typically by mail. The complainant must sign and return the form to HUD. HUD will then send the complaint to the respondent, who must submit an answer to HUD within 10 days.

Investigation. As part of the investigation, the local provider or HUD will interview the complainant, the respondent and pertinent witnesses, as well as collect relevant documents and conduct onsite visits when appropriate. Local providers refer some cases that warrant federal scrutiny to HUD. HUD has the authority to take depositions, issue subpoenas, conduct interrogations, and compel testimony or the submittal of documents. Local fair housing providers may take the same course of action by filing injunctions or similar complaints first with the courts.

Conciliation. The Fair Housing Act requires HUD to bring the parties together to attempt conciliation. The choice to conciliate the complaint is voluntary on the part of both parties. If a conciliation agreement is signed, HUD will end its investigation. Local providers also implement this process as a means to settle cases.

No Cause Determination. If HUD's or the fair housing provider's investigation finds no reasonable cause to believe that housing discrimination has occurred or is about to occur, HUD will issue a determination of no reasonable cause and close the case. Complainants who disagree with the decision may request reconsideration. If complainants disagree with HUD's no cause determination in the reconsideration, the complainant can file a civil court action in the appropriate U.S. district court.

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[41] U.S. Department of Housing and Urban Development, HUD□s Title VIII Fair Housing Complaint Process, http://www.hud.gov/offices/fheo/complaint-process.cfm

Cause Determination and Charge. If the investigation finds reasonable cause to believe that discrimination has occurred or is about to occur, HUD will issue a determination of reasonable cause and charge the respondent with violating the law. A HUD Administrative Law Judge will then hear the case unless either party elects to have the case heard in federal civil court. Local fair housing providers may directly file their complaints in civil court.

Hearing in a U.S. District Court. For federal cases filed by HUD or the local housing providers, the Department of Justice will commence a civil action on behalf of the complainant in U.S. District Court. If the court finds that a discriminatory housing practice has or is about to occur, the court can award actual and punitive damages as well as attorney fees.

Hearing before a HUD ALJ (For cases referred directly to HUD). If neither party elects to go to federal court, a HUD ALJ will hear the case. An attorney from HUD will represent the complainant before the ALJ. The ALJ will decide the case an issue an initial decision. Either party may petition the initial decision to the Secretary of HUD for review.

Federal Fair Housing Complaints

Table 6.1~~Table 6.1~~ summarizes fair housing complaint data obtained from HUD's Office of Fair Housing and Equal Opportunity (FHEO). Between the beginning of 2010 and the end of May, 2014, a total of 26 complaints were resolved in Napa County, including 14 complaints filed in the City of Napa. Complaints in the City represented 54 percent of the County's total, a slightly lower proportion than the City's share of countywide occupied housing units/households; Napa City households comprised 58 percent of the County total in 2014. Between one and eight complaints were resolved annually in the City during this time period.

Table 6.1: Fair Housing Complaints by Year Resolved, Napa County, 2010-YTD 2014

	Year Resolved					Total	Percent	City Share of
City	**2010**	**2011**	**2012**	**2013**	**YTD 2014** (a)	**Complaints by City**	**of County Complaints**	**2014 County Households**
Napa City	3	1	2	8	0	14	**53.8%**	57.5%
American Canyon	0	0	3	0	1	4	**15.4%**	11.7%
Calistoga	0	4	0	0	0	4	**15.4%**	4.1%
St. Helena	0	2	0	2	0	4	**15.4%**	4.9%
Yountville	0	0	0	0	0	0	**0.0%**	2.2%
Unincorporated County	0	0	0	0	0	0	**0.0%**	19.6%
Total	**3**	**7**	**5**	**10**	**1**	**26**	**100%**	100.0%

Notes:
(a) YTD 2010 data is current through May 31, 2014.

Sources: Department of Fair Housing and Equal Opportunity, HUD San Francisco Regional Office, June 2014; CA Department of Finance, 2014; BAE, 2014.

Table 6.2~~Table 6.2~~ provides data on the bases of the fair housing complaints filed in the City and County. As shown, the distribution of complaint bases was somewhat similar for the City of Napa and the County. Disability emerged as the most common basis for complaints at 44 percent in the City and 35 percent countywide. Retaliation was the second most common complaint in the City,

and third most common in the County, with familial status ranked third in the City and second in the County. Together, these three bases accounted for 91 percent of complaints in the City and 84 percent in the County. It should be noted that one housing complaint may include several bases for complaint.

Table 6.2: Fair Housing Complaints by Bases, 2010-YTD 2014

	Year Resolved					Total	
Basis	**2010**	**2011**	**2012**	**2013**	**YTD 2014** (a)	**Complaints by Basis**	**Percent of Total**
City of Napa							
Race	0	0	0	0	0	0	**0.0%**
Color	0	0	0	0	0	0	**0.0%**
National Origin	0	0	2	0	0	2	**8.7%**
Sex	0	0	0	0	0	0	**0.0%**
Disability	1	1	0	8	0	10	**43.5%**
Religion	0	0	0	0	0	0	**0.0%**
Familial Status	2	0	2	0	0	4	**17.4%**
Retaliation	1	1	0	5	0	7	**30.4%**
Total (b)	**4**	**2**	**4**	**13**	**0**	**23**	**100.0%**
Napa County							
Race	0	0	0	0	1	1	**2.7%**
Color	0	0	0	0	0	0	**0.0%**
National Origin	0	2	3	0	0	5	**13.5%**
Sex	0	0	0	0	0	0	**0.0%**
Disability	1	1	0	10	1	13	**35.1%**
Religion	0	0	0	0	0	0	**0.0%**
Familial Status	2	4	4	0	0	10	**27.0%**
Retaliation	1	1	1	5	0	8	**21.6%**
Total (b)	**4**	**8**	**8**	**15**	**2**	**37**	**100.0%**

Notes:
(a) YTD 2010 data is current through May 31, 2014.
(b) "Bases for complaint" total may not match "housing complaint" total, because one housing complaint may contain several bases for complaint.

Sources: Department of Fair Housing and Equal Opportunity, HUD San Francisco Regional Office, June 2014; CA Department of Finance, 2014; BAE, 2014.

As shown in Table 6.3~~Table 6.3~~, 11 out of 14 (79 percent) complaints filed in the City of Napa since the beginning of 2010 were conciliated or settled. No other category of resolution accounted for more than a single case. Countywide, 54 percent of the 26 cases were conciliated or settled, three cases were dismissed for no cause, and three cases were resolved with a FHAP judicial consent order.

Table 6.3: Fair Housing Complaints by Resolution, 2010-YTD 2014

Resolution	Year Resolved 2010	2011	2012	2013	YTD 2014 (a)	Total Complaints by Resolution	Percent of Total
City of Napa							
Conciliated/Settled	1	0	2	8	0	11	**78.6%**
Withdrawal without resolution	0	0	0	0	0	0	**0.0%**
Withdrawn after resolution	1	0	0	0	0	1	**7.1%**
Unable to locate respondent	0	0	0	0	0	0	**0.0%**
No Cause	1	0	0	0	0	1	**7.1%**
Complainant failed to cooperate	0	1	0	0	0	1	**7.1%**
FHAP Judicial Dismissal	0	0	0	0	0	0	**0.0%**
FHAP Judicial Consent Order	0	0	0	0	0	0	**0.0%**
Total	**3**	**1**	**2**	**8**	**0**	**14**	**100.0%**
Napa County							
Conciliated/Settled	1	0	3	10	0	14	**53.8%**
Withdrawal without resolution	0	0	1	0	0	1	**3.8%**
Withdrawn after resolution	1	0	0	0	1	2	**7.7%**
Unable to locate respondent	0	0	1	0	0	1	**3.8%**
No Cause	1	2	0	0	0	3	**11.5%**
Complainant failed to cooperate	0	1	0	0	0	1	**3.8%**
FHAP Judicial Dismissal	0	1	0	0	0	1	**3.8%**
FHAP Judicial Consent Order	0	3	0	0	0	3	**11.5%**
Total	**3**	**7**	**5**	**10**	**1**	**26**	**100.0%**

Notes:
(a) YTD 2010 data is current through May 31, 2014.

Sources: Department of Fair Housing and Equal Opportunity, HUD San Francisco Regional Office, June 2014; CA Department of Finance, 2014; BAE, 2014.

Local Fair Housing Enforcement and Complaints

In fiscal year 2012-2013, FHNV worked 591 cases including 452 new cases involving City of Napa clients. A total of 2,962 individuals, of whom 741 were children, lived in these households. Eighty-two percent of cases in the City of Napa involved Hispanic households.[42]

FHNV assists complainants in determining if an allegation of housing discrimination is jurisdictional under federal and/or State law. Factors that are considered include:

- Did the most recent alleged event occur within a statute of limitations?
- Was the complainant harmed or about to be harmed?
- Are the dwelling and respondent involved covered under the law?
- Is the alleged discriminatory act or housing practice prohibited?
- Is there a connection between the alleged discriminatory act and a legally defined protected class?

FHNV's work involved 153 allegations and investigations of discrimination in the City of Napa in fiscal year 2011-2012. It should be noted that not all complaints investigated by FHNV are filed with

[42] City of Napa, 2012-2013 Consolidated Annual Performance Evaluation Report, September 2013.

HUD or the State. As shown in Table 6.4~~Table 6.4~~, the primary protected classes cited by complainants were disability (42 percent of complaints), followed by familial status (31 percent of complaints). These were similar to the protected classes most commonly cited by complaints filed with HUD, which showed that disability was the most commonly cited protected class in complaints filed in Napa, followed by retaliation and familial status.

The most common discriminatory housing practice cited by complainants involved different terms and conditions (27 percent of complaints), followed by complaints regarding reasonable accommodation and modification (21 percent of complaints).

Table 6.4: FHNV Fair Housing Cases, City of Napa, FY 2012-2013

Protected Class (a)	Number	Percent
Disability	64	41.8%
National Origin	17	11.1%
Familial Status	48	31.4%
Age	0	0.0%
Gender	0	0.0%
Marital Status	2	1.3%
Race	12	7.8%
Color	0	0.0%
Sexual Orientation	0	0.0%
Arbitrary	0	0.0%
Religion	0	0.0%
Medical Condition	0	0.0%
Source of Income	10	6.5%
Total	**153**	**100.0%**

Discriminatory Housing Practice (a)	Number	Percent
Reasonable Accommodation/Modification	55	20.6%
Different Terms & Conditions	71	26.6%
Refusal to Rent or Sell	16	6.0%
Overly Restrictive Rules (Familial Status)	21	7.9%
Advertising/Statemnts	8	3.0%
Intimidation, Coercion, Hostile Environment	28	10.5%
Financing	5	1.9%
Other	0	0.0%
Broker Services	1	0.4%
Retaliation	41	15.4%
Interference, Intimidation, Coercion	18	6.7%
False Denial	3	1.1%
Total	**267**	**100.0%**

Notes:
(a) Each complaint may have more than one protected class or discriminatory practice.
Source: FHNV, 2014; BAE, 2014.

Local service providers report that many people do not know when their rights are violated or who to contact when a violation occurs. Furthermore, variations in outreach and cultural differences can affect whether a person will report a potential fair housing violation. For these reasons, complaints can only be used as one indicator of the prevalence of housing discrimination.

Fair Housing Testing

Audit testing is seen as an excellent way to gauge the extent and pattern of discriminatory practices. Audits consist of two or more testers contacting a housing provider as possible buyers or renters of property. The testers are intentionally nearly identical in terms of qualifying for the property, but vary by protected class. Comparisons of the treatment of the testers allow an agency to measure whether the housing provider is treating both persons equally as required by law. HUD's *Housing Discrimination Against Racial and Ethnic Minorities 2012* showed that African-American and Hispanic renters face significant discrimination in rental and sales markets nationwide. While there was no significant difference in getting an appointment and learning about at least one unit, African Americans and Hispanics were on average told about or shown fewer available units than Whites. In nationwide tests, Hispanics were told about 11.4 percent fewer units than Whites, and shown 4.2 percent fewer units. African Americans were told about 17 percent fewer units than Whites, and shown 17.7 percent fewer units.

FHNV conducts audit testing in Napa County on an annual basis to assess patterns of discrimination locally. In fiscal year 2011/12,[43] FHNV conducted 30 onsite tests in which testers visited a rental property, 20 phone tests in which testers placed phone calls in response to advertisements for rental properties, 10 accessibility tests in which properties were inspected for compliance with accessibility requirements, and 15 complaint-based tests.

FHNV has found evidence of discrimination in recent tests as well as over time. Onsite tests performed by FHNV in FY 2011/12 confirmed discriminatory actions in 19 out of the 30 tests conducted. Discriminatory actions were based on familial status in 11 cases, race or national origin in six cases, and disability in two cases. Additionally, tests conducted in 2011/12 confirmed discriminatory actions in half of all phone tests, one accessibility test, and ten complaint-based tests.[44]

Tenant-Landlord Services and Fair Housing

In addition to conducting fair housing tests, FHNV investigates and mediates tenant-landlord disputes in the City of Napa, including illegal retention of security deposits, issues related to property maintenance, and other concerns. In some cases, these investigations uncover potential violations of State and federal fair housing law.

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[43] Data from FY 2011/12 are the most recent available.
[44] Collier, Nicole, Executive Director, Fair Housing Napa Valley. Email correspondence with BAE, July 2014.

Illegal Retention of Client Security Deposits

Many tenant-landlord cases in Napa begin with complaints that the housing provider has refused to return a tenant's security deposit according to the dictates of California Civil Code §1950.5. In these cases, FHNV staff typically contacts the housing provider to negotiate the return of all or most of the deposit. FHNV has also assisted tenants in bringing cases to small claims court.

Cases involving illegal retention of security deposits can result in a fair housing concern when the security deposits are returned to some tenants, but not to specific protected classes, such as Hispanic renters or families with children. While FHNV has pursued fair housing cases resulting from retention of security deposits, it is often difficult to demonstrate evidence of disparate treatment in these cases since it is usually not possible to determine whether the deposit would have been returned to a tenant that does not belong to the same protected class.

Disparate Treatment Regarding Maintenance Issues

Disputes related to maintenance of rental properties often begin as a tenant-landlord dispute but can become a fair housing issue. Under California Civil Code §1941, housing providers must maintain rental units according to standards outlined in the code. Examples of code violations include a lack of heat or hot water, infestations of vermin, leaking windows and roofs, and severe mold and mildew. Inadequate maintenance can constitute a fair housing case if there is disparate treatment of members of a protected class. However, disparate treatment can be difficult to demonstrate, particularly in properties where most of the units are rented to members of a single protected class.

Many local service providers report that problems related to inadequate maintenance of rental properties have become more common as a result of the competitive market for rental properties in Napa. Due in part to the City's tight housing market, some residents are hesitant to report maintenance issues because they perceive that reporting problems may jeopardize their tenancy. Tenants that have particular challenges with securing housing, such as lower-income households, households with special housing needs, or households that are often subject to discrimination in the housing market, are often more unlikely to report problems because they anticipate that finding new housing will be difficult if they are forced to move.[45] This results in a disparate impact on protected classes, even if there is no disparate treatment from the property owner or manager in responding to maintenance requests.

While most property owners in Napa are responsive to maintenance requests, local service providers have worked with many households in Napa report that requests for maintenance are not properly addressed. With the low rental vacancy rates in Napa, local service providers report that some landlords ignore maintenance issues because empty units will be easy to fill if a current tenant moves out due to poor maintenance. In some cases, tenants and local service providers perceive that property owners may be more likely to ignore maintenance requests from tenants with

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[45] Eble, Mary, Executive Director, North Bay Housing Coalition. Phone interview with BAE, July 18, 2014.
Shiff, Suzzane, Director, Napa Valley Coalition of Nonprofit Agencies. Phone interview with BAE, July 15, 2014.

disabilities or other special housing needs because property owners know that these tenants will face limited options if they leave the unit, and are therefore more likely to remain despite problems with maintenance.[46] While various types of households may face issues with inadequate maintenance, which are exacerbated by the tight housing market, lower-income households, households with special housing needs, and households that are often subject to discrimination in the housing market are more likely to be impacted due to the relative shortage of housing options available to these households.

Fair Housing Education and Outreach

Many fair housing violations are likely to go unreported due to a variety of factors. According to local service organizations, many violations go unreported because residents are unaware of their fair housing rights. Housing discrimination may be subtle and go undetected by victims, and households that detect unequal treatment may choose not report it.

To counter some of these issues, local fair housing and social service organizations in Napa provide outreach to educate community members on fair housing issues. For example, FHNV provides information and assistance to civil rights groups, housing counseling agencies, social services agencies, disability rights agencies, neighborhood organizations, local colleges, clergy, nonprofits, parent teacher organizations, and other organizations that represent minorities in the community. FHNV conducted 22 workshops in the City of Napa during fiscal year 2012-2013, including 10 workshops conducted in Spanish and nine English/Spanish workshops. A total of 1,031 individuals were trained during these 22 workshops. FHNV's outreach activities are intended to ensure access to services for underrepresented populations, including immigrant populations and persons with limited proficiency in English, and FHNV therefore provides all services in both Spanish and English.[47]

Local organizations also offer trainings to housing providers to ensure that providers are aware of their fair housing obligations. For example, the California Apartment Association offers training on a regular basis and requires all members to complete at least two hours of fair housing training each year.[48] Napa Valley Community Housing, a local nonprofit organization that develops and manages affordable housing in Napa, holds annual fair housing trainings for staff.[49] However, local service providers report that there are a number of landlords in Napa that own a single unit or a small number of units and are therefore not active enough to come into contact with organizations that offer fair housing trainings, and some are reported to engage in discriminatory practices either knowingly or unintentionally.[50]

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[46] Gonzalez, Amber, Service Manager of Community Living Supports. Phone interview with BAE, June 11, 2014.
[47] City of Napa, 2012-2013 Consolidated Annual Performance Evaluation Report, September 2013.
[48] Karr,Teresa, California Apartment Association, Solano/Napa/Contra Costa County Chapter, phone interview with BAE, May 28, 2014.
[49] Dreessen, Kathleen, Executive Director, Napa Valley Community Housing, phone interview with BAE, May 27, 2014.
[50] Collier, Nicole, Executive Director, Fair Housing Napa Valley, phone interview with BAE, April 28, 2014.

COMMUNITY OUTREACH

Community outreach and involvement is essential in addressing fair housing issues. The HUD *Fair Housing Planning Guide* recommends that the *AI* "provide for effective, ongoing relationships with all elements of the community with clear and continuous exchange of concerns, ideas, analysis, and evaluation of results." The City of Napa maintains strong relationships with local service providers that work to identify and address fair housing issues, and engaged these organizations as well as other community members throughout the *AI* process to gain further insight on potential constraints to fair housing choice in Napa. This insight was used to help formulate the recommendations presented in this document.

Community Workshop

As a part of the *AI* process, the City of Napa held a public workshop in the evening on June 2, 2014 to solicit input from community members and local service providers. Notices for the workshop were widely distributed through email, the City's website, and electronic newsletters for the City and local nonprofit agencies. Notices were translated into Spanish for distribution to nonprofit agencies that serve Spanish speakers. The workshop was also announced at meetings with nonprofit agencies and the public. The meeting was attended by representatives from local service agencies that work on housing issues with seniors, persons with disabilities, and person with serious mental illness. Meeting attendees provided insight on a number of issues and cited significant challenges in securing housing for individuals with special needs and extremely low incomes, particularly in the face of recent increases in housing costs.

Key Informant Interviews

To gain further insight on local fair housing issues for this *AI*, phone interviews were conducted with fair housing and service organizations as well as affordable and market-rate housing providers in Napa. The interviews sought to gain additional information about local housing conditions, elicit feedback on barriers to fair housing, and discuss strategies to remove these barriers. Appendix C provides a list of the organizations interviewed for this *AI*. Information obtained through these interviews informed the analysis and recommendations presented in this *AI.*

CITY OF NAPA ACCOMPLISHMENTS

This section details the City's efforts and accomplishments to further fair housing choice in Napa during recent years.

Demographics, Affordability, and Housing Choice

1. **Zoning for Multifamily Residential Uses and Availability of Sites for Affordable Housing.** Through the Housing Element and the Downtown Napa Mixed Use and Residential Infill Development Strategy, the City of Napa has identified available land for residential uses and affordable housing.

    a. In 2012, the City adopted the Downtown Specific Plan, which emphasizes multifamily and mixed-use development and increased allowable densities within the Plan area.

    b. In 2009, the City adopted higher densities in mixed-use areas citywide and on certain multifamily sites.

    c. Napa implements several programs to ensure that sites are available for affordable housing. The draft Housing Element for the upcoming update cycle includes Policy H3.4, which states that that "The City shall continue to promote a 'fair share' of well-designed affordable and varied housing in all neighborhoods throughout the city," and identifies four different programs to accomplish this goal.

    d. In 2003 the City adopted an Affordable Housing Overlay zone that increased the minimum density and affordability requirements on several larger multifamily and mixed-use sites, increased minimum densities, and required a portion of lots to provide second units on low density sites. The draft Housing Element for the upcoming planning cycle includes a program to amend the Overlay ordinance to clarify that inclusionary requirements apply to ownership developments only in order to bring it into compliance with the holding in a recent court case. As a part of this amendment process, the City will consider additional changes to the ordinance to identify additional potential sites for rezoning under the Affordable Housing Overlay designation and other changes to further support the construction of affordable housing.

2. **Preservation of Affordable Housing Units.** The City also provided funding to acquire existing rental housing that provides long term affordability restrictions, including the following:
    a. Oran Court: 13 low and very low income units
    b. Villa de Adobe on Clay: 12 low and very low income units
    c. 1219 Jefferson St: 6 low and very low income/disabled units
    d. 1070-76 Imola Ave: 8 low and very low income/disabled units
    e. 1046 Bella Drive: shared living home for persons with mental illness.
    f. Charter Oaks: a 75 unit apartment complex for very low and low income households.

3. **Affordable Housing Funding.** The City provides financial support for affordable housing through a variety of sources.
    a. The City of Napa maintains a Housing Trust Fund using funds generated through City fees on market-rate residential and non-residential development, which is used to support affordable housing activities in Napa.
    b. Napa receives CDBG funds as a HUD entitlement jurisdiction and HUD funding under the Continuum of Care program, and regularly applies for other funding sources such as HOME funds to support affordable housing programs. The City is also active in pursuing funding through the HUD Shelter Plus Care and Section 8 voucher programs.
    c. The Housing Authority currently owns a 5.37 acre parcel located on Lincoln Avenue that was purchased in December, 2001. This parcel adjoins another 5.08 acre parcel that is owned by Napa Valley Community Housing (NVCH), a local nonprofit housing developer. The Housing Authority has entered into a Development Agreement with NVCH that will enable them to join the two parcels and develop an affordable housing project. When completed, it is planned that the project will consist of a mix of single family for sale housing and multi-family rental housing. The total project will include a planned 198 units at an average density of 18.5 units per acre. Approximately $4.5 million in a combination of public funding is connected to this project. However, the site has significant flood control issues that must be addressed prior to development. Federal funding has allowed for some flood control improvements to be constructed, but it is not clear whether additional Federal funding will be available for the remaining improvements that are needed. As a result, funding from another source may need to be identified to complete flood control improvements in order to make development possible.

Special Needs Housing

1. **Lower-Income and Senior Housing.**
    a. Three senior low- and very low-income projects totaling 310 units have been approved since 2000 and are complete. These include The Reserve at Napa, a 117 unit apartment complex located at 710-714 Trancas Street; Jefferson Street Senior Apartments, a78 unit apartment complex located at 3400 Jefferson Street and The Vintage at Napa a 115 unit apartment complex located at 2360 Redwood Road.
    b. In 2009, the Housing Authority of the City of Napa approved a loan request from EAH in the amount of $1,035,000 for the acquisition and rehabilitation of Rohlffs Manor and Concordia Manor. This action maintained the long term affordability of these units preserving 211 units at 50 percent of the area median income and 140 of these units at 60 percent of the area median income for 55 years.
    c. The City of Napa issued a Notice of Funding Availability in the amount of $3.5 million on July 15, 2010 to fund housing facilities for low- and very low-income families and

on January 18, 2012, the City Council approved reservations of approximately $3.9 million in funding for three new rental projects. In addition, Napa County committed a total of $5.3 million to these projects. The three approved projects will provide a total of 125 new units affordable to low- and very low-income households, consisting of 40 one-bedroom units, 65 two-bedroom units, and 20 one-bedroom units. One of these projects, a 27-unit development for very low-income households, has been completed and is fully occupied.

d. The City of Napa formed a multi-jurisdictional Affordable Housing Task force with the City of American Canyon and the County of Napa to identify mechanisms for providing ongoing funding for affordable housing and recommend strategies to deliver affordable housing throughout the County. Recommendations from the Task Force were presented to City Council in mid-2013.

2. Special Needs Housing Rehabilitation. Through the CDBG funded CIP Program for non-profit facilities, the City continues to provide funding to upgrade housing facilities for special needs populations in Napa. In the past five years, the City has completed the following accessibility/mobility modifications for private homeowners and public/private non-profit facilities:

a. Using CDBG low-interest loans:
    i. One wheelchair ramp was installed on a private home.
    ii. Twenty-four private homes received interior modifications, including accessible bathrooms, door widening, grab bars, and removal of trip hazards.

b. For non-profit agency facilities, the following were completed through CDBG grants:
    i. One bathroom was modified for ADA compliance and one new ADA-compliant bathroom was installed.
    ii. One ramp was constructed and one accessible entrance was installed.
    iii. One ADA compliant playground was constructed or retrofitted.

3. Rental Assistance for Special Needs Populations.

a. The Housing Authority provides 30 Mainstream Vouchers to assist persons with disabilities who are working with supportive services agencies.

b. The Housing Authority works in conjunction with the Napa County Department of Health and Human Services on the implementation of the Shelter Plus Care Grant Program. The Housing Authority provides the rental assistance subsidies and the Department of Health and Human Services provides the case management and support services necessary to insure successful, long term stability of the tenants. During the 2013-14 program year, a total of nine subsidies were provided through this program.

c. The Housing Authority currently provides Section 8 vouchers to 1,165 households in Napa, 670 of which are provided to households that include individuals with disabilities. In addition, the Housing Authority received $784,000 for 100 vouchers for non-elderly persons with disabilities in 2010.

4. **Rehabilitation Assistance.** The Housing Authority operates an active rehabilitation program that provided funds for the rehabilitation of 447 rental units and 39 owner-occupied units between 2007 and 2013. Over 400 of the units rehabilitated are occupied by seniors. In 2013, the City added an Emergency Repair Grant component to the rehabilitation program to provide grants for accessibility improvements and other needed repairs. In 2014, the Emergency Repair Grant program was expanded to make funds available for accessibility improvements in renter-occupied homes, allowing renters with disabilities to make use of these funds.

5. **Emergency Shelters.** Emergency shelters in the City currently provide 105 year-round beds and 55 winter beds. In 2009, Napa updated the City's Zoning Ordinance to identify the Public/Quasi Public zoning category as a zone that allows emergency shelters as a permitted use with sites that could accommodate a new emergency shelter.

6. **Transitional and Supportive Housing.** In 2009, the Napa updated the City's Zoning Ordinance to define transitional and supportive housing and identify these housing types as subject to the same standards that apply to other residential uses within each zoning category. There are currently five facilities in Napa that provide transitional housing, with a total of 84 beds.

7. **Homeless Prevention and Rapid Rehousing Program (HPRP).** HPRP is a Federally-funded program that provides interim rental assistance along with a strong case-management component. The recipient of the HPRP grant for Napa County is Napa County Health and Human Services. CANV, Catholic Charities, NEWS, and the Housing Authority of the City of Napa are implementing the program with assistance from Legal Aid and FHNV.

8. **Farmworker Housing.** In 2012, Napa City Council approved funding for three new rental projects with units affordable to very low- and low-income households. One of these projects has been completed, and outreach plans for the development targeted farmworkers along with other groups. The City will ensure that outreach plans for the two remaining projects will also target farmworkers along with other households as these projects are completed. The City has previously played an integral role in the development of three seasonal housing centers for farm workers in the Napa Valley. Each center has 30 bedrooms, with two residents per room. The dormitory-style centers provide housing for unaccompanied farm workers with a common dining room serving breakfast and lunch.

Home Purchase, Lending, and Foreclosure

1. **Expanding homeownership opportunities for low- and moderate-income home buyers.** The City has used the CalHome and HOME programs to extend homeownership options to low and moderate income households. Between 2007 and 2014, 93 low-income households and 3 moderate-income households were provided downpayment assistance.

2. **Inclusionary Ordinance.** In response to a 2009 California State Appellate Court decision that held that inclusionary requirements cannot lawfully be implemented on rental units, the City of Napa updated the City's Jobs Housing Impact Study and Housing Impact Nexus Study in 2011 and revised the City's Inclusionary Ordinance in 2012. The revised ordinance replaced inclusionary requirements with an impact fee, which provides funding for affordable housing programs in Napa.

Land Use and Zoning

1. **Zoning for Multifamily Housing, Higher Density Residential Development, and a Variety of Housing Types.**
   a. In 2012, the City adopted the Downtown Specific Plan, which emphasizes multifamily and mixed-use development Downtown. The Downtown Specific Plan allows for densities up to 60 units per acre, building heights up to 75 feet, and reduced parking requirements.
   b. The City has continued to permit density bonuses as required by State law for projects that qualify. The State Density Bonus law was recently amended. The City amended its zoning ordinance in early 2010 to be consistent with the changes in State law.
   c. A 2003 second unit ordinance revision provides performance standards and eliminates discretionary permits for accessory second units in accordance with state law. These changes have made it easier for new second units to be constructed. The new Ordinance also provides greater flexibility for accessory second units. Further, the City encourages development of second units in new subdivisions which has resulted in second units in four larger subdivisions including Sheveland Ranch, Carmel Drive Subdivision, Oakleaf Ranch, and Valley Oak Villas. The Napa Creek Planned Development also was approved with second units but has not been built to date. In 2015, the City will undertake a review of the second unit ordinance to look at possibly amending it to remove perceived constraints in order to encourage the development of second units as a form of more affordable housing.
   d. The Housing Element of the General Plan that is currently in progress identifies potential locations for multi-family housing development.

2. **Condominium Conversion Regulations.** In June, 2005 a revision was made to the City's condominium conversion ordinance that caps the number of rental apartment units that can be converted to condominiums on an annual basis. This revision also increased relocation assistance for displaced renter, and required the vacancy rate to exceed 5.0 percent before apartments can be converted. The zoning ordinance also required those converting or demolishing rental units to non-residential uses to pay Housing Impact Fees for the space converted/lost. If vacancy rates are less than 3.0 percent, conversion requires additional mitigation (fees or equivalent) as negotiated with the Housing Director. This condominium conversion policy is one of the most protective ordinances in the state towards maintaining existing rentals.

3. **Accessibility Improvements.**
   a. In August 2003 the "Residential Design Guidelines" established guidelines to create and improve pedestrian-friendly streets.
   b. The City's Capital Improvement Program funds and CDBG community development funds continue to assist in improving neighborhood streets, sidewalks, and installed ramps.
   c. In July 2010, Napa adopted a Reasonable Accommodation Ordinance that establishes administrative procedures for reviewing and approving requests for modifications to planning or building regulations when necessary to accommodate the needs of persons with disabilities.

Fair Housing Enforcement, Testing, and Education

1. **Code Enforcement.** The Community Development Department's Code Enforcement program provides complaint-driven enforcement of the building code and municipal code, including zoning and public nuisance complaints. The Code Enforcement division has two full-time code enforcement officers, and is an integral part of maintaining and improving habitability of housing in Napa.

2. **Local Fair Housing Service Provider.** In November 2002 the City contracted with the National Fair Housing Alliance to establish Greater Napa Fair Housing Center. This organization, now doing business as Fair Housing Napa Valley (FHNV), provides fair housing and mediation services consistent with HUD regulations. The City funds FHNV through the Community Development Block Grant program, and the Housing Authority provides additional funding through Housing Authority funds. In the 2013-2014 fiscal year, the City also allocated money to FHNV from the General Fund to make up for the loss of an outside donation source that had contributed funding to support FHNV in prior years. Continued funding has supported much of the agency's enforcement and education programming.

3. **Legal Services Provider:** The City of Napa has committed CDBG funds to provide funding in the 2014-2015 fiscal year to Legal Aid of Napa Valley, which provides free legal advice and representation to seniors, immigrants, and low-income residents in Napa County, including advice and representation related to fair housing issues.

4. **Housing Element Review**. In accordance with State law, the City annually reviews and evaluates the effectiveness of policies and programs in the Housing Element.

Community Outreach

1. **Expanded Outreach.** FHNV conducts outreach to people in the community who may be subject to violations of the Fair Housing Act. The purpose is twofold – to provide remedies to victims of housing discrimination and to send a message that illegal housing discrimination will not be tolerated in Napa. FHNV provides information and assistance to civil rights groups, housing counseling agencies, social services agencies, disability rights agencies, neighborhood organizations, the local college, clergy, nonprofits, and parent/teacher associations, and other organizations that represent the minority community.[51]

2. **Bilingual Services**. The City of Napa's fair housing services provider (FHNV) conducts outreach to immigrant and other underserved populations. FHNV provides its full range of services in Spanish as well as English.[52] The Housing Authority has staff fluent in English and Spanish and also subscribes to a service called Language Line that provides over the phone interpretation for 175 languages.

3. **Fair Housing Education**. FHNV provides Fair Housing workshops throughout Napa County to train social service agencies, local governments, private housing providers, property managers, and tenants on fair housing laws. Between FY 2010-11 and FY 2012-13, over 2,300 people have participated in these fair housing workshops. The workshops, many of which are held within the City of Napa, are offered in English and Spanish. Table 8.1 details the number of workshops and attendees in each year.

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[51] City of Napa, 2012-2013 Consolidated Annual Performance and Evaluation Report, p. 10.
[52] City of Napa, 2012-2013 Consolidated Annual Performance and Evaluation Report, p. 11.

Table 8.1: FHNV Fair Housing Workshops, City of Napa, FY 2010-2013

	2010-11	2011-12	2012-13	Total
Total Workshops Conducted	**14**	**12**	**22**	**48**
Government Trainings	0	2	3	5
Spanish Only Trainings	9	6	10	25
English and English/Spanish Trainings	5	4	9	18
People Trained	**384**	**921**	**1,031**	**2,336**

Sources: City of Napa, CAPER, 2012-2013; BAE, 2014.

RECOMMENDATIONS

The purpose of the *AI* is to identify barriers to fair housing choice, present recommendations that may be pursued to overcome these barriers, and monitor progress in achieving the adopted recommendations. The *AI* finds an ongoing need to address fair housing issues in the City of Napa, given general concerns about affordability, access, potential discrimination, and a continued lack of awareness among many persons seeking housing and landlords regarding their fair housing rights and obligations. The approval of this *AI* by the City Council shall serve as direction from the City Council to the Community Development Director to return to Council with an updated action plan for the 2015-2020 Consolidated Plan to document the steps and timing for implementing the recommendations set forth below.

While the intent of this document is to identify the challenges facing the City and its residents in the area of fair housing, the 2015-2020 Consolidated Plan will be the document that will implement a plan to address those areas identified in the *AI*. This section identifies recommendations based on the AI that will assist the City in taking the next step in the Consolidated Planning process and further fair housing choice in Napa.

General Recommendations

Use the AI as a mechanism to promote fair housing awareness. Utilize the public hearing and AI adoption process to raise community awareness of the barriers to fair housing choice by advertising the hearings in the media and inviting the community to participate.

Periodically monitor progress related to AI recommendations. The City will assign the Community Development Department to consistently monitor and track the progress of implementing AI recommendations. Monitoring process will include an annual progress report on fair housing providers that operate in Napa to provide information on services provided, clients served, and all testing results.

Housing Affordability, Choice, and Displacement

Project review for siting concerns. The siting of permanent affordable housing, transitional housing, and housing that includes social services should be comprehensively reviewed to establish policies and programs that encourage the distribution of housing types throughout the City that enhance fair housing choice.

City funded projects will be consistent with fair housing regulations. The City of Napa has and will continue to review any affordable housing project that receives financial support from the City, for consistency with fair housing goals.

Consider creating a website to provide information about vacant units targeted to low-income households or individuals with special needs. Local housing providers report that high market-rate rents and low vacancy rates are increasingly leading to displacement of low-income households. These displacement pressures disproportionately impact racial and ethnic minorities, individuals with disabilities, and members of other protected classes. The City should consider creating a website that provides information about vacant units that are targeted to low-income households and individuals with special needs, including home sharing opportunities, so that households that are displaced are able to find new housing opportunities.

Seek grants and other funding streams for flood control improvements. The Napa Housing Authority has entered into a Development Agreement with NVCH to develop 198 affordable housing units on two parcels located on Lincoln Avenue. However, significant flood control improvements have prevented development of the site. The City should seek funding sources to finance the remaining improvements that are needed to make the site available for development.

Special Needs Housing

Explore appropriate zoning designations that will promote additional housing for people with disabilities. Persons with disabilities may live together in group homes with sufficient programming and support. The City will review land use and zoning requirements such as parking, setbacks, fire regulations, and street width regulations, to identify any changes necessary to minimize barriers that preclude group homes in certain neighborhoods that otherwise meet State and federal group home regulations and requirements.

Improve connectivity between neighborhoods. While the City of Napa has been proactive about using CDBG funds for making curb cuts and replacing buckled sidewalks, there are still barriers for people who must use wheelchairs. In addition to ramps at intersections, connectivity to existing communities should be explored to facilitate access and movement from neighborhood to neighborhood for people with mobility devices.

Explore enhanced accessibility regulations in all new multi-family housing developments. The City should explore establishing policies and programs that enhance accessibility in all new multi-family housing developments for both for residents and visitors. This includes housing for farm workers and their families.

Seek grants and other funding streams to fund new special needs housing. Service providers report that there is a considerable shortage in housing units for individuals with special housing needs, and that the City's current high rental rates and low vacancy rates have further reduced housing options for individuals with special needs. The City should seek additional funding sources to assist in the development of additional units for individuals with special housing needs, including grants and loans to aid in the development of veterans' housing.

Home Purchase, Lending, and Foreclosure

Encourage lender marketing to all segments of the community. The lending community should be marketing their services and products more effectively to all portions of the community. For example, the fact that subprime and abusive lenders became effective in utilizing community resources, local "cultural brokers," and affinity group marketing means that legitimate lenders could also be successful in similarly marketing their own, less expensive, products to minority populations.

Support homebuyer and consumer education. As part of its first-time homebuyer training workshops, the City should explore the development and implementation of effective consumer education on avoiding predatory practices. Information should continue to be provided in Spanish as well as English.

Land Use and Zoning

Expand housing types allowed in areas zoned for single family units. The City should explore changes in the General Plan and zoning to allow small scale multiple family or clustered units as permitted uses in the single family residential zoning district, as recommended by Housing Element program H2.J.

Expand the distribution of affordable housing units within multifamily areas. The City should explore encouraging a mix of housing types and incomes on large (>10 acres) multifamily and mixed use sites, as has happened on the Von Uhlit and Sheveland Ranch properties.

Promote mixed-use and mixed-income development. Through the implementation of the Downtown Specific Plan as well as mixed-use zoning standards in other neighborhoods, the City will continue to support the development of mixed-use areas that are intended to provide housing for households at a range of income levels in close proximity to transit and other services.

Encourage the development of projects that make use of higher height limits. The City should continue to support the development of projects that make use of higher height limits within designated areas.

Implement programs in the 2015 Housing Element. The City will periodically report on the implementation of programs recommended in the 2015 Housing Element such as the City of Napa Zoning Ordinance updates and collaboration with other agencies and jurisdictions on affordable housing issues including:

- Provide priority processing for affordable housing developments.
- Continue to collaborate on City/County housing issues, including the housing needs of farmworkers.
- Consider amending the City's existing Universal Design ordinance to extend accessible design requirements to a larger number of units.

- Support the development of housing for individuals with developmental disabilities by partnering with developers of supportive housing to encourage projects targeted to individuals with developmental disabilities.
- Amend the single room occupancy (SRO) ordinance to assure excellent management of SROs and encourage new SRO developments that meet City standards.
- Consider revisions to standards for second units, including eliminating owner occupancy requirements and modifying parking standards, to encourage additional second units.
- Amend the Affordable Housing Overlay Zone (AHOZ) to bring the provisions of the AHOZ into compliance with the ruling in the 2009 *Palmer* case. In addition, review the minimum site size criteria for the AHOZ and identify possible additional sites for rezoning under the AHOZ.

Fair Housing Enforcement, Testing, and Education

Contract with local service providers to conduct fair housing education, investigation, and enforcement. The City will continue to contract with local fair housing organizations such as FHNV to assist households with fair housing concerns, and lodge complaints as necessary to bring landlords in compliance with applicable fair housing laws. The City will also ensure that workshops, trainings, and printed materials continue to be offered in Spanish as well as English.

Contract with local service providers to conduct ongoing outreach and education regarding fair housing for homeseekers and housing providers. Local service providers report a lack of awareness of fair housing issues among both homeseekers and housing providers. This indicates a continued need for funding of FHNV's educational programs to all protected classes and particularly to housing providers and new immigrants. The City should continue to contract with FHNV to maintain these educational programs and ensure that housing providers and citizens can become better informed about their rights and responsibilities.

Continue to conduct outreach to the Hispanic community. The City of Napa has a large Hispanic population and over 35 percent of residents speak Spanish. In addition, service providers report that a portion of clients are undocumented immigrants and face challenges due to their immigration status. Fair housing audits found evidence of discriminatory practices against individuals with Spanish accents. The City should continue to support fair housing outreach to the Hispanic community.

Support fair housing audits. Audit testing provides information that can assist in gauging the extent and pattern of discriminatory practices. FHNV conducts audits in the City of Napa through federal funds and grants. In the event that these funds are not available for audits in any given year, the City should explore helping FHNV or other fair housing agencies secure additional funds to continue fair housing testing.

Support comprehensive fair housing education and enforcement. In addition to rental housing, fair housing issues impact homeowners and homebuyers. The City should continue to support

community education and enforcement efforts across the rental and for-sale housing industries. Educational efforts should ensure that housing providers are informed of their fair housing responsibilities related to all protected classes, including racial and ethnic minorities and persons with physical or developmental disabilities.

Promote fair housing in new construction. The City of Napa Building Department should consider distributing a brochure outlining Federal Fair Housing Act Accessibility Requirements in New Construction to any new construction building permit for multi-unit housing.

Provide information about tenant rights and resources. The City should provide written information to educate tenants on their rights and provide information on local service providers that can be contacted in the event of a potential fair housing issue.

APPENDIX A: MAXIMUM AFFORDABLE SALES PRICE

Table A.1: Maximum Affordable Sales Price for Single-Family Residences, City of Napa, 2014

	Household Income (a)	Sale Price	Down Payment (b)	Total Mortgage (b)	Monthly Payment	Monthly Property Tax (c)	Mortgage Insurance (d)	Homeowner's Insurance (e)	Total Monthly PITI (f)
Extremely Low Income (30% AMI)									
4 Person HH	$24,700	$112,018	$22,404	$89,615	$493.80	$103.95	$0.00	$19.75	$617.50
Very Low Income (50% AMI)									
4 Person HH	$41,200	$186,848	$37,370	$149,479	$823.67	$173.40	$0.00	$32.94	$1,030.00
Low Income (80% AMI)									
4 Person HH	$65,900	$298,866	$59,773	$239,093	$1,317.47	$277.35	$0.00	$52.68	$1,647.50

Notes:

(a) Income limits published by U.S. Dept. of Housing and Urban Development for a four-person household in Napa County, 2014.

(b) Mortgage terms:

Annual Interest Rate (fixed)	5.23%	Freddie Mac historical monthly Primary Mortgage Market Survey data tables. Ten-year average.
Term of mortgage (years)	30	
Percent of sale price as down payment	20%	
(c) Initial property tax (annual)	1.1136%	Napa County Assessor's Office
(d) Mortgage Insurance as percent of loan amount	0.00%	Only included if down payment is less than 20%.
(e) Annual homeowner's insurance rate as percent of sale price	0.21%	CA Dept. of Insurance website, based on average of all quotes, assuming $400,000 of coverage.
(f) PITI = Principal, Interest, Taxes, and Insurance		
Percent of household income available for PITI	30.0%	

Sources: U.S. Dept. of Housing and Urban Development, 2014; Freddie Mac, 2014; Napa County Assessor's Office, 2014; CA Dept. of Insurance, 2014; BAE, 2014.

Table A.2: Maximum Affordable Sales Price for Condominiums, City of Napa, 2014

	Household Income (a)	Sale Price	Down Payment (b)	Total Mortgage (b)	Monthly Payment	Monthly Property Tax (c)	Mortgage Insurance (d)	Homeowner's Insurance (e)	Homeowner's Association Fee (f)	Total Monthly PITI (g)
Extremely Low Income (30% AMI)										
4 Person HH	$24,700	$43,782	$8,756	$35,025	$193.00	$40.63	$0.00	$16.87	$367.00	$617.50
Very Low Income (50% AMI)										
4 Person HH	$41,200	$115,878	$23,176	$92,702	$510.81	$107.53	$0.00	$44.65	$367.00	$1,030.00
Low Income (80% AMI)										
4 Person HH	$65,900	$223,803	$44,761	$179,042	$986.57	$207.69	$0.00	$86.24	$367.00	$1,647.50

Notes:

(a) Income limits published by U.S. Dept. of Housing and Urban Development for a four-person household in Napa County, 2014.

(b) Mortgage terms:

Annual Interest Rate (fixed)	5.23%	Freddie Mac historical monthly Primary Mortgage Market Survey data tables. Ten-year average.
Term of mortgage (years)	30	
Percent of sale price as down payment	20%	
(c) Initial property tax (annual)	1.1136%	Napa County Assessor's Office
(d) Mortgage Insurance as percent of loan amount	0.00%	Only included if down payment is less than 20%.
(e) Annual homeowner's insurance rate as percent of sale price	0.46%	CA Dept. of Insurance website, based on average of all quotes, assuming $100,000 of coverage.
(f) Homeowners Association Fee (monthly)	$367	Average taken from survey of currently selling condos.
(g) PITI = Principal, Interest, Taxes, and Insurance		
Percent of household income available for PITI	30%	

Sources: U.S. Dept. of Housing and Urban Development, 2014; Freddie Mac, 2014; Napa County Assessor's Office, 2014; CA Dept. of Insurance, 2014; BAE, 2014.

APPENDIX B: COMMUNITY OUTREACH

BAE interviewed representatives from the following local service organizations to provide input for this document:

- Disability Services and Legal Center
- Fair Housing Napa Valley
- Housing and Economic Rights Advocates
- Napa Valley Community Housing
- Becoming Independent
- North Bay Housing Coalition
- California Apartment Association, Napa, Solano, and Contra Costa Counties Chapter

APPENDIX C: BACKGROUND INFORMATION ON FAIR HOUSING

The following are descriptions of the various laws and Executive Orders that mandate fair housing compliance. This information is taken directly from http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws.

Federal Fair Housing Laws

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act)

The Fair Housing Act, as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

Title VI of the Civil Rights Act of 1964

Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Section 504 of the Rehabilitation Act of 1973

Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 109 of Title I of the Housing and Community Development Act of 1974

Section 109 prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

Title II of the Americans with Disabilities Act of 1990

Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance, and housing referrals.

Architectural Barriers Act of 1968

The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.

Age Discrimination Act of 1975

The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

Title IX of the Education Amendments Act of 1972

Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

Presidential Executive Orders

Executive Order 11063

Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

Executive Order 12892

Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.

Executive Order 12898

Executive Order 12898 requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.

Executive Order 13166

Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.

Executive Order 13217

Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

Other Relevant Federal Legislation

Two other federal acts govern the actions of lending institutions in relation to mortgage lending. They are the Community Reinvestment Act of 1977 (CRA) and the Home Mortgage Disclosure Act, 1975, (HMDA).

The Community Reinvestment Act (CRA)

The Community Reinvestment Act (CRA) states that "regulated financial institutions have continuing and affirmative obligations to help meet the credit needs of the local communities in which they are chartered." CRA establishes federal regulatory procedures for monitoring the level of lending, investments, and services in low- and moderate-income neighborhoods defined as underserved by lending institutions.

The Home Mortgage Disclosure Act (HMDA)

The Home Mortgage Disclosure Act (HMDA) requires banks, savings and loan associations, and other financial institutions to publicly report detailed data on their home lending activity. Under HMDA, lenders are required to publicly disclose the number of loan applications by census tract, income, race, and gender of the borrower, the type of loan and the number and dollar amount of loans made. Starting in 1993, independent mortgage companies were also required to report HMDA data.

CRA creates an obligation for depository institutions to serve the entire community, from which its deposits are garnered, including low and moderate income neighborhoods. HMDA creates a significant and publicly available tool by which mortgage lending activity in communities can be assessed. HMDA data can be analyzed to determine bank performance and borrower choices.

APPENDIX D: DEFINITIONS

Definitions of frequently used terms are grouped by subject area rather than alphabetically for ease of reading.

Bay Area Region. This is a nine-county area including Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties. This is the region covered by ABAG, the Association of Bay Area Governments.

City of Napa. In most cases, data regarding the City of Napa were derived from Census data coterminous with the City boundaries, excluding portions of Census tracts and block groups that were not within city limits at the time of Census 2010. For a few data points (e.g., HMDA) the data was not available for just portions of tracts or block groups within the City, so the data was inclusive of some areas outside the City.

Household. A household includes all people who occupy a housing unit. Occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living quarters. A non-family household would include a person living alone and unrelated people who are making their home together in a single residence. People not living in households are classified as living in group quarters.

In Group Quarters. Census reports of persons who were classified as living "In-Group Quarters" were excluded from the analysis unless otherwise specified. This would include persons who resided in jails, mental health facilities, homeless shelters, college dormitories, and some farmworker housing,

Housing Element. The Housing Element is one of seven State-mandated elements of a jurisdiction's general plan and establishes a comprehensive, long-term plan to address housing needs. Updated every five to seven years, the Housing Element is a jurisdiction's primary policy document regarding the development, rehabilitation, and preservation of housing for all economic segments of the population. The most recent adopted housing element was completed in June 2009. The City recently released the Public Review Draft of a new Housing Element; for several items, this was a source for information in this *AI*.

Housing Unit. A housing unit is a house, an apartment, a mobile home, a group of rooms or a single room occupied or intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building. Separate living units have direct access from outside the building or through a common hall. Boats, recreational vehicles (RVs), vans, tents, and the like are housing units only if they are occupied as someone's usual place of residence.

Family. The U.S. Census defines a family as a householder and one or more other people living in the same household and related to the householder by birth, marriage, or adoption. All household

members related to the householder are regarded as members of his or her family. A family household may contain people unrelated to the householder, but those people are not included in Census tabulations as part of the householder's family. Thus, the number of family households is equal to the number of families in Census counts, but family households may include more members than do families, and may contain additional persons related to each other but not to the householder. A household can contain only one family for purposes of Census tabulations. Not all households contain families, since a household may be comprised of a group of unrelated people or of one person living alone.

Householder. In most cases, the householder is the person, or one of the people, in whose name the home is owned or rented. If there is no such person in the household, any adult household member 15 years old and over could be designated as the householder.

Hispanic. "Hispanic or Latino" refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race.

Non-Hispanic. For most tabulations in this analysis, the population has been divided by race for the Non-Hispanic population, with all persons of Hispanic origin grouped together regardless of race.

Black or African American. As defined for Census 2010, "Black or African American" refers to a person having origins in any of the Black racial groups of Africa. The Black racial category includes people who marked the "Black, African Am., or Negro" checkbox on the Census form. It also includes respondents who reported entries such as African American; Sub-Saharan African entries, such as Kenyan and Nigerian; and Afro-Caribbean entries, such as Haitian and Jamaican. Sub-Saharan African entries are classified as Black or African American with the exception of Sudanese and Cape Verdean because of their complex, historical heritage. North African entries are classified as White, as OMB defines White as a person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Asian. As defined for Census 2010, "Asian" refers to a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
The Asian population includes people who indicated their race(s) as "Asian" or reported entries such as "Asian Indian," "Chinese," "Filipino," "Korean," "Japanese," and "Vietnamese" or provided other detailed Asian responses.

White: As defined for Census 2010, a person having origins in any of the original peoples of Europe, the Middle East, or North Africa. This group includes people who indicate their race as White or report entries such as Irish, German, Italian, Lebanese, Near Easterner, Arab, or Polish.

American Indian or Alaska Native. As defined for Census 2010, this refers to a person having origins in any of the original peoples of North and South America (including Central America) and who

maintains tribal affiliation or community attachment. This category includes people who indicated their race(s) as "American Indian or Alaska Native" or reported their enrolled or principal tribe, such as Navajo, Blackfeet, Inupiat, Yup'ik, or Central American Indian groups or South American Indian groups.

Native Hawaiian or Other Pacific Islander. As defined for Census 2010, this refers to a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands. It includes people who indicated their race(s) as "Pacific Islander" or reported entries such as "Native Hawaiian," "Guamanian or Chamorro," "Samoan," and "Other Pacific Islander" or provided other detailed Pacific Islander responses.

Some Other Race. As defined for Census 2010, this includes all other responses not included in the White, Black or African American, American Indian or Alaska Native, Asian, and Native Hawaiian or Other Pacific Islander race categories described above. Respondents reporting entries such as multiracial, mixed, interracial, or a Hispanic or Latino group (for example, Mexican, Puerto Rican, Cuban, or Spanish) in response to the race question are included in this category.

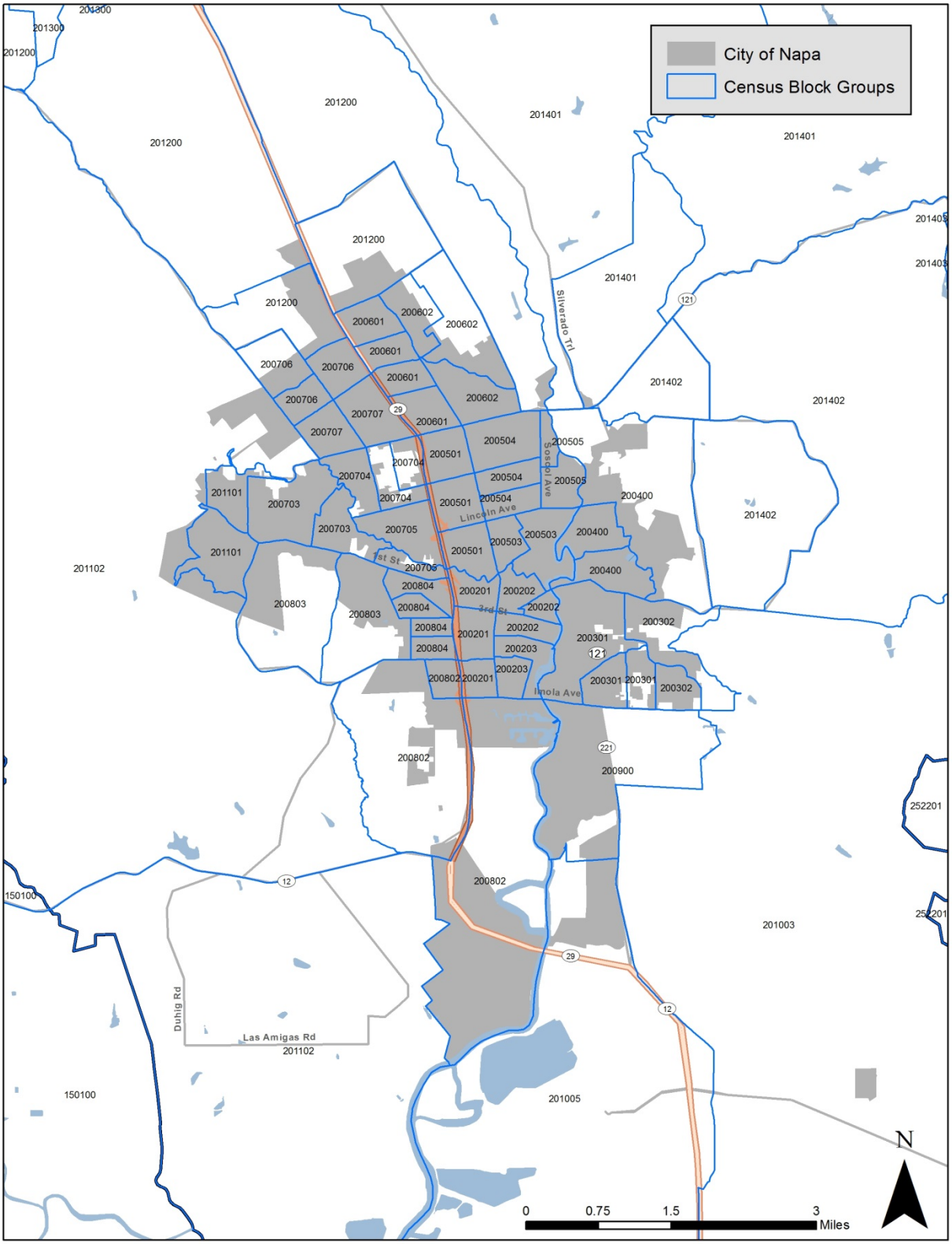
More than One Race. Beginning with Census 2000, respondents were permitted to list more than one race.

Origination. An approved and closed home mortgage loan application that creates an existing loan.

Subprime Lending: Lending generally at a higher interest rate and with additional fees to individuals with blemished credit, inconsistent employment histories, and/or other negative factors. This is sometimes referred to as "risk based" lending. Information on subprime lending was based on the number of mortgage applications and originations through the Home Mortgage Disclosure Act (HMDA). Subprime loans are not necessarily predatory, although they may contain onerous terms. However, subprime lenders are often closely associated with predatory lending practices.

Predatory Lending: Predatory lending includes loans with onerous terms, including high interest rates, exorbitant penalties for early payoff, an array of overly high closing fees, and inflated appraisals to obtain a larger payout. While the interest rate may reflect the market, some market rate loans are considered predatory because of other onerous terms of the loan and/or because of deceptive broker/lender practices at the time of its origination.

Such loans are often made without regard to the borrower's ability to repay the loan and sometimes falsify income information to qualify the borrower. In other circumstances, the borrower is misled by a lender or broker into accepting a loan with much less favorable terms than a loan that the borrower could otherwise secure.

In many cases the borrower is deceived regarding the actual terms and conditions of the loan or only informed regarding those terms and conditions just prior to closing, when it may be too late to renegotiate the home purchase and payoff commitments.

APPENDIX E: CENSUS BLOCK GROUPS IN NAPA