



CITY of NAPA

Housing Strategic Plan

2009 – 2015

Adopted September 8, 2009

City of Napa

2009-2015 Housing Strategic Plan

Introduction

This Housing Strategic Plan is the result of two workshops with the Napa City Council, stakeholders, staff, and consulting housing specialists. It is a response to a variety of factors present at the time of its adoption.

- The City of Napa adopted a new Housing Element on July 7, 2009, that sets out a plan for meeting the city's housing needs and contributing its fair share of the region's housing needs.
- The City had been approaching affordable housing production by evaluating proposals brought by others as they were made. There is consensus among the City's decision makers that a more purposeful approach would yield better results. This will provide important information to developers interested in building affordable housing in Napa.
- The City has begun an update of its Inclusionary Zoning Ordinance, which is an important component of the City's efforts to provide affordable housing.
- The City is embarking on the plan set out in the Housing Element in the midst of a global economic crisis. Homeowners are facing greatly diminished home values, loss of equity in their homes, and mortgages that cannot be sustained. Credit is difficult to obtain. Some long relied upon government funding programs have been impaired, such as the low-income housing tax credit program which has been adversely impacted due to the liquidity crisis and the State's Proposition 1C funded programs, which are running out of money. Meanwhile, Federal programs are emerging to provide a stimulus to the economy. City efforts will be focused on balancing a response to these immediate challenges while moving forward and meeting established long term housing goals.
- The cost of meeting the City's housing goals outstrips projected discretionary funds for affordable housing, necessitating priority setting, choosing between housing activities, finding new sources of revenue and taking creative approaches that address the need.

This document is meant to provide guidelines to consider in choosing and enacting programs, and to establish general direction for the use of the City's discretionary funds for affordable housing.

Available Resources

The table below illustrates the projected discretionary resources that will be available over the course of the Housing Element planning period.

Resources	Now	2010	2011	2012	2013	2014	2015
Redevelopment	216,000	600,000	700,000	800,000	800,000	700,000	700,000
Inclusionary	2,604,000	1,225,000	500,000	500,000	150,000	150,000	150,000
Cumulative Funding Total	2,820,000	4,645,000	5,845,000	7,145,000	8,095,000	8,945,000	9,795,000

The table below estimates the costs associated with meeting the goals set out in the City's Housing Element.

Housing Element Goals Requiring Public Financing	Housing Element Program	Total Units	Average Cost Per	Total Subsidy Required
New Rental Housing	H2.B	300	\$ 35,000	\$ 10,500,000
New Affordable Ownership Units	H2.C	15	\$ 48,000	\$ 720,000
Land Bank 3 to 4 Sites	H2.E	7	\$ 900,000	\$ 6,300,000
Rental Acquisition / Rehab	H3.P	75	\$ 20,000	\$ 1,500,000
Permanent Supportive Housing	H4.B	30	\$ 64,000	\$ 1,920,000
New SRO Housing	H4.F	20	\$ 64,000	\$ 1,280,000
Rehab Existing SRO Housing	H4.G	20	\$ 48,000	\$ 960,000
Total Local Public Financing Need		467		\$ 23,180,000

The projected gap in local housing discretionary resources available to meet the goals established in the Housing Element is \$13,385,000. This Plan will set priorities for the use of its funds and be strategic in their delivery to insure that the funding provided will deliver the greatest number of units in an effective manner.

Guiding Principles

The following principles guided the development of this Housing Strategic Plan, and will continue to inform its enactment.

- Respond to economic cycles
 - New rental development is difficult in current capital market, but not impossible.
 - The market correction in the residential real estate market may mean more renters in the near and long term.

- Build in flexibility to respond to opportunities. Prices for land have decreased, though not greatly. Entitled, stalled projects are available.
 - Build in flexibility to deal with emergencies created by the downturn in the economy.
 - Restructure the City's Inclusionary Zoning Ordinance to better adapt to market fluctuations.
- Consider primary and secondary benefits
 - Neighborhood revitalization / blight prevention
 - Job creation
 - Community building through collaborative leveraging with the County of Napa on mutually beneficial projects, providing opportunities for public participation and volunteerism, and strengthening local partnerships and organizations.
- Analyze the costs and benefits
 - Consider how many households will be assisted in choosing between options
 - Ensure that the City's regional fair share obligations are being met
 - Choose programs that are appropriate to the local community.

Allocation of Resources

The goal of this Housing Strategic Plan is to balance effective direction for future use of funds with enough flexibility to respond to the fluid economic environment of the plan period. The table below establishes priorities for the use of funds both in the portion of funds devoted to each activity and the chronological order in which these activities will be approached.

Housing Element Goals Requiring Public Financing	% of Resources	Estimated Production	Timing of Resources
New Rental Housing	57%	154 Units	#1
New Affordable Ownership Units			
Land Bank	20%	2 acres	#4
Rental Acquisition / Rehab	8%	40 units	#5
Permanent Supportive Housing	7%	24 units	#3
New SRO Housing			
Rehab Existing SRO Housing			
Immediate Housing Needs	8%	N/A	#2
Total	100%		

The category of “Immediate Housing Needs” has been added to the activities outlined in the Housing Element. It will enable the City to be responsive to the current economic crisis or other housing situations that arise which the City deems critical, yet were unforeseen.

These priorities will allow the City to provide affordable housing to the greatest number of people, respond to current critical projects, and create jobs in the near term.

Work Plan

In order to move the Housing Strategy Plan forward, the following activities will be undertaken:

1. Activity: Develop a NOFA and RFQ/RFP to solicit affordable housing projects.
Goal: Enable the City to obtain the best possible project in terms of affordability, leveraging, and experience of development team.
Timeline: January, 2010
2. Activity: Develop underwriting guidelines.
Goal: Provide a means for the City to evaluate the soundness of projects and developers seeking City funding.
Timeline: January, 2010
3. Activity: Create incentives for assisting first-time homebuyers that will encourage the purchase of foreclosed homes.
Goal: Diminish the number of vacant, foreclosed homes that can contribute to neighborhood decline.
Timeline: December, 2009
4. Activity: Update the City’s Inclusionary Zoning Ordinance
Goal: Build in flexibility to allow for best options for affordable housing given the current economic realities. We will be better utilizing this tool to obtain affordable housing units, be they on-site, off-site, or funded by in-lieu fees.
Timeline: April, 2010
5. Activity: Investigate policies that encourage local hiring when using City funds, and propose a policy appropriate for the City of Napa to the City Council.
Goal: Create jobs locally and support Napa’s building industry.
Timeline: January, 2010

6. Activity: Develop recommendations for meeting immediate needs for housing related services and present to Council.
Goal: Enhance the local community response to critical housing needs.
Timeline: November, 2009

7. Activity: Provide report to Council on the progress made toward meeting the goals established in the plan.
Goal: To provide updated information on progress toward meeting goals and changing conditions.
Timeline: November, 2010 and annually thereafter.

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