



*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

**Agenda Item 5d (Consent/Information)**

**TO:** Local Agency Formation Commission  
**PREPARED BY:** Brendon Freeman, Executive Officer *BF*  
Dawn Mittleman Longoria, Analyst II *DML*  
**MEETING DATE:** October 3, 2022  
**SUBJECT:** Countywide Update on Housing and General Plans

**RECOMMENDATION**

Discussion item: No formal action required

**BACKGROUND**

LAFCO’s adopted strategic plan relevant guiding principles:

- Engagement with local city/town general plan updates
- Active with local agencies in managing housing growth and related issues including transportation

**SUMMARY**

***General Plan Housing Element***

Annual Progress Report:

- Local government required to submit annual report on status of General Plan Housing Element<sup>1</sup>
- Provides update of housing permits issued during planning period 2015-2021

***Regional Housing Need Allocation***

Regional Housing Need Allocation (RHNA): local government required to revise Housing Element to accommodate its portion of the region’s housing need.<sup>2</sup>

Bay Area, the "projection period": 2015-2023

<sup>1</sup> California Government Code section 65400

<sup>2</sup> California Department of Housing and Community Development (HCD) identifies the total housing need for the San Francisco Bay Area for an eight-year period. The Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) develop a methodology to distribute this need to local governments consistent with Sustainable Communities Strategies.

**Countywide RHNA and General Plan Status**

Napa County

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	51	30	32	67	180
Permits Issued (2015-2021)	10	10	54	101	175

General Plan theme: preserve agricultural lands, direct growth to urban areas  
 Current activity: update Housing and Safety elements  
 Public input: Housing Element Advisory Committee  
 LAFCO input: comment letter on County’s draft Housing Element Update (Attachment One)

City of American Canyon

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	116	54	58	164	392
Permits Issued (2015-2021)	182	109	143	144	578

Current activity: comprehensive update of General Plan<sup>3</sup>

City of Calistoga

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	3	3	2	4	15	27
Permits Issued (2015-2021)	3	20	12	8	40	83

City of Napa

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	185	106	141	403	835
Permits Issued (2015-2021)	96	128	106	1,051	1,381

Current activity: General Plan update  
 Public input: General Plan Advisory Committee and dedicated web site.<sup>4</sup>  
 Timing: City Council reviewed on September 20, 2022; final adoption in October

<sup>3</sup> The City of American Canyon General Plan update website is available online at: <https://www.cityofamericancanyon.org/government/community-development/planning-zoning/general-plan-update>.

<sup>4</sup> The City of Napa General Plan update website is available online at: <https://napa2040.com/>.

City of St. Helena

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	8	5	5	13	31
Permits Issued (2015-2019)	7	9	4	90	110

Current activity: Housing and Safety Elements update

Timing: Housing Element draft expected to be submitted to HCD in August for initial review

Town of Yountville

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2015-2023)	4	2	3	8	17
Permits Issued (2015-2021)	1	1	13	15	30

The Town is on target in meeting its regional housing needs allocation numbers, issuance of permits for lower income category units remains a goal

***Cost of Housing***

Napa County median home sale price: \$903,000<sup>5</sup>; 23% increase from previous year

Napa County median household income: \$92,219<sup>6</sup>; the high cost of housing in Napa County places significant pressure on households earning less than the median income

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<sup>5</sup> Annual Historical Data Summary <https://www.car.org/marketdata/data> published by the California Association of Realtors (March 2022)

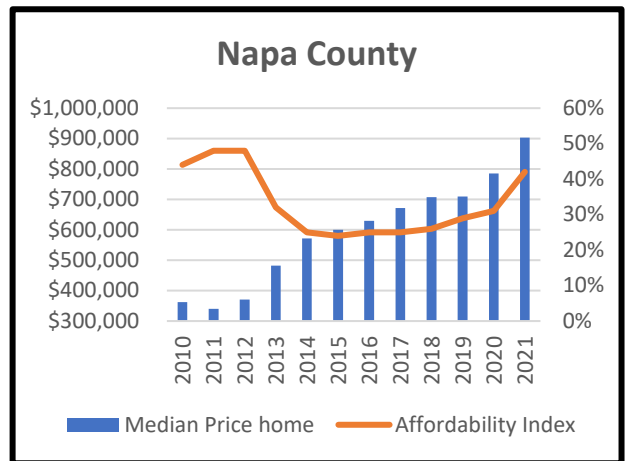
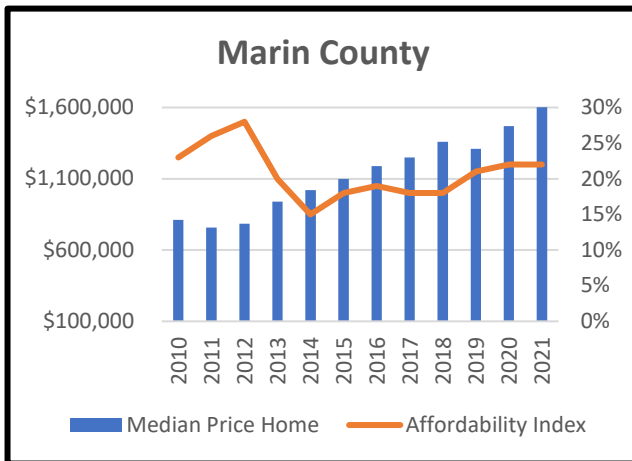
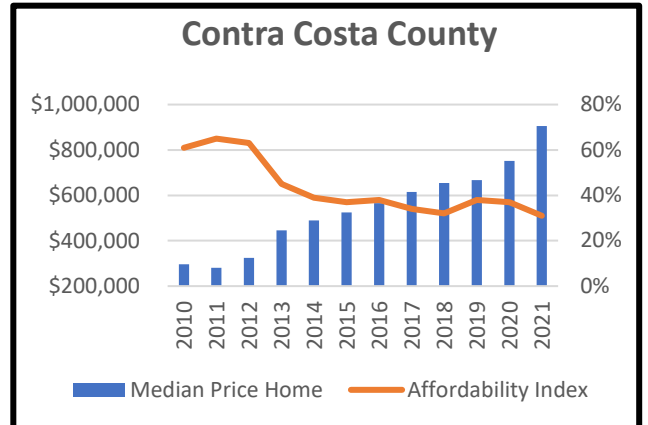
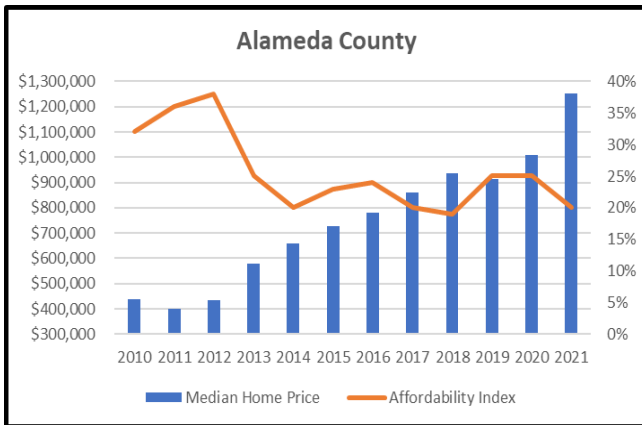
<sup>6</sup> United States Census Bureau American Community Survey reports the annual median household income based on five-year estimates from 2016 to 2020.

**Affordability Index**

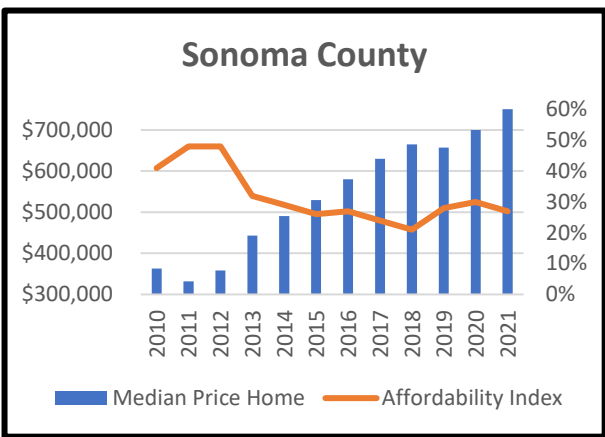
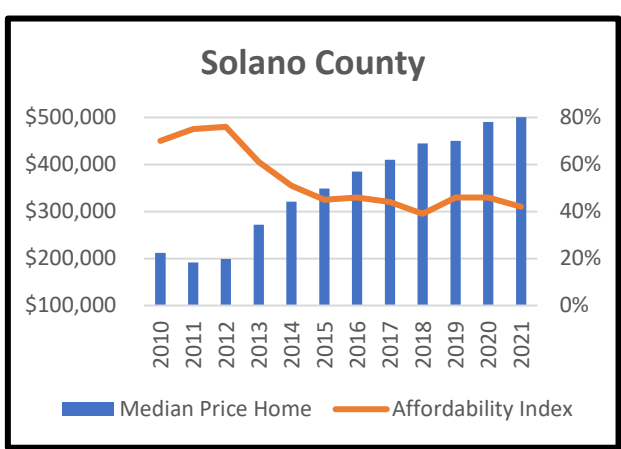
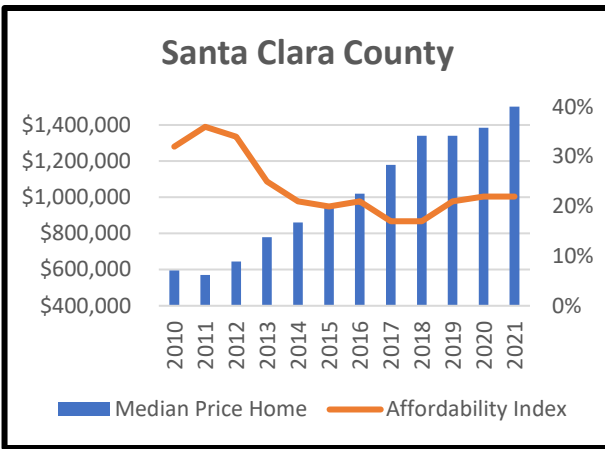
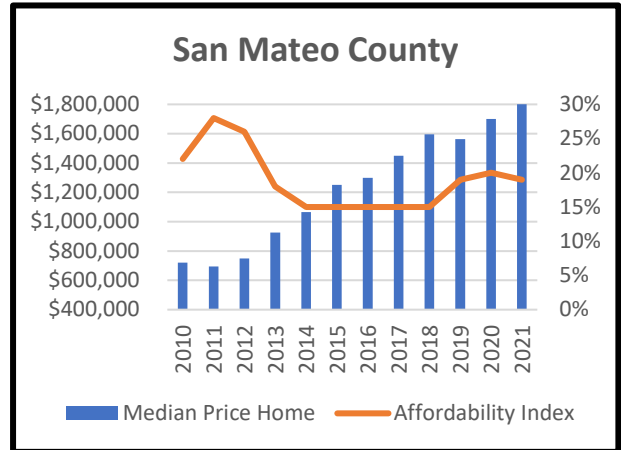
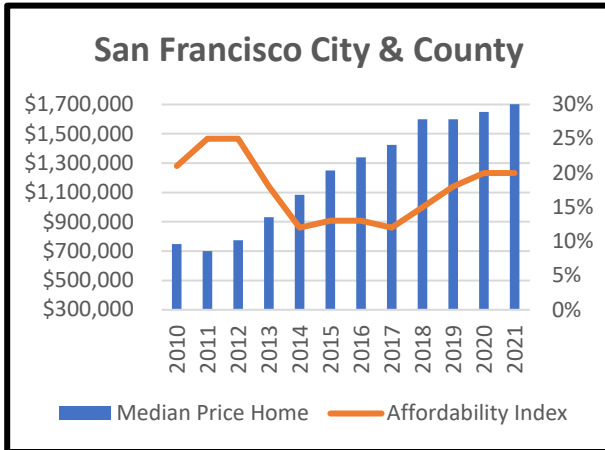
Developed by the California Association of Realtors<sup>7</sup>

Purpose: determine percentage of households that can afford to purchase a median-priced home

Charts: provide comparison of Napa County to other Bay Area counties; maximum home price varies by county



<sup>7</sup> The methodology to determine the “affordability index” includes factors such as median home price, down payment, interest rate, monthly payment (principal, interest, taxes and insurance), and income distribution.



### ***Housing Crisis***

The Governor emphasized housing crisis as focus of current administration.

Contributing factors: undersupply of housing, loss of homes due to wildfire, increased cost of housing and building materials

Legislative bills: various bill to increase housing stock, allow for Accessory Dwelling Units, allow increased multifamily units, building on surplus State lands

### ***ABAG and MTC***

ABAG and MTC initiative: “[Horizon](#)”, to explore the pressing issues and possible challenges Bay Area residents may face through 2050

Initiative includes: “CASA – the Committee to House the Bay Area”; recommended policies to address the housing crisis

Local Government Working Group: local government officials advise on housing-related bills; <https://mtc.ca.gov/planning/housing/committee-house-bay-area-casa>

### ***Senate Bill 35***

Streamlined approval process for infill in areas that have failed to meet RHNA numbers.<sup>8</sup> HCD provides an [interactive map](#) to determine which jurisdictions are subject to SB 35.

## **ATTACHMENTS**

- 1) LAFCO Comments on County Draft Housing Element Update

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<sup>8</sup> When jurisdictions have insufficient progress toward their Above Moderate income RHNA and/or have not submitted the most recent Annual Progress Report, these jurisdictions are subject to SB 35 streamlining for proposed developments with at least 10% affordability (does not apply to any local jurisdictions according to HCD). When jurisdictions have insufficient progress toward their Very Low and Low income RHNA, but have made sufficient progress toward their Above Moderate income RHNA, these jurisdictions are subject to SB 35 streamlining for proposed developments with at least 50% affordability (applies to Napa County, City of Napa, City of St. Helena, and Town of Yountville according to HCD).



**Local Agency Formation Commission of Napa County**  
 Subdivision of the State of California

1754 Second Street, Suite C  
 Napa, California 94559  
 Phone: (707) 259-8645  
[www.napa.lafco.ca.gov](http://www.napa.lafco.ca.gov)

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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

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July 11, 2022

**DELIVERED BY E-MAIL**

Mr. Trevor Hawkes, Project Planner  
 Napa County Planning, Building and Environmental Services Department  
 1195 Third Street, 2<sup>nd</sup> Floor, Suite 210  
 Napa, CA 94559  
[trevor.hawkes@countyofnapa.org](mailto:trevor.hawkes@countyofnapa.org)

**SUBJECT: Comments on Draft Napa County Housing Element Update**

Mr. Hawkes:

The Local Agency Formation Commission (LAFCO) of Napa County appreciates the opportunity to comment on the Draft Napa County Housing Element Update. The following comments are offered based on LAFCO's regulatory and planning responsibilities under the authority of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. These duties include, but are not limited to, regulating governmental boundary changes through annexations or detachments, approving new or extended governmental services, preserving agricultural and open space lands, and forming, consolidating, or dissolving special districts.

**Housing Sites Inventory**

The Draft Housing Element Update identifies six sites for potential housing development in the 2023-2031 planning period. Any future housing development within any of the sites will require public water and wastewater service.

Site 1 is located within the jurisdictional boundary of the Spanish Flat Water District (SFWD), which provides both water and wastewater services throughout its boundary. However, SFWD has informed LAFCO that the District lacks the available wastewater system capacity to serve the 100 new housing units that are contemplated for Site 1.

Sites 2, 3, 4, 5, and 6 do not currently have access to public water or wastewater services. The nearest providers of public water and wastewater services for these sites are the City of Napa ("City") and the Napa Sanitation District (NSD), respectively. Sites 2, 3, 4, and 5 are located outside the jurisdictional boundaries and spheres of influence of the City and NSD. Site 6 is located within the spheres of the City and NSD, but outside their jurisdictional boundaries.

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Margie Mohler, Chair  
 Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner  
 Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner  
 Councilmember, City of Napa

Brad Wagenknecht, Vice Chair  
 County of Napa Supervisor, 1st District

Diane Dillon, Commissioner  
 County of Napa Supervisor, 3rd District

Ryan Gregory, Alternate Commissioner  
 County of Napa Supervisor, 2nd District

Kenneth Leary, Commissioner  
 Representative of the General Public

Eve Kahn, Alternate Commissioner  
 Representative of the General Public

Brendon Freeman  
 Executive Officer

The Draft Housing Element Update states Sites 2, 3, and 4 are located within the City's Water Service area, where City water may be provided upon approval of the City Council. However, this is misleading given the City may only provide water to these sites if LAFCO first approves a separate action. Specifically, water or wastewater provision would first require LAFCO approval of either of the following alternative actions: (1) sphere of influence amendments and annexations; or (2) outside service agreements. These alternatives and discussion of key LAFCO considerations are summarized below.

1) Sphere Amendments and Annexations:

Annexation of Sites 2, 3, 4, 5, and 6 to the City and NSD would enable the agencies to provide public services to the sites. A prerequisite to annexation is consistency with the affected agency's sphere. Site 6 is already located within the spheres of the City and NSD and therefore eligible for annexation to each agency. Sphere amendments would be required for Sites 2, 3, 4, and 5 before they could be annexed.

State law provides LAFCO with sole discretion in designating local agency spheres, including consideration of sphere amendment requests. LAFCO's sphere policies are oriented towards facilitation of orderly growth and development, prevention of urban sprawl, and preservation of agricultural and open space lands. Sphere amendments for purposes of urban development are strongly discouraged for any territory designated for an agricultural or open space land use under the County General Plan.

Notably, Sites 2 and 3 are non-contiguous to the City's boundary and sphere, which suggests their inclusion within the sphere would not facilitate the orderly growth and development of the City. In addition, NSD's existing sewer line in this area was intentionally undersized to limit growth inducing impacts. NSD's sewer line in this area lacks additional capacity, which suggests NSD would be unable to serve the 158 maximum new housing units that are contemplated for Sites 2 and 3.

2) Outside service agreements:

Local agencies may provide public services outside their jurisdictional boundaries under limited circumstances if they first request and receive approval from LAFCO.

This alternative is problematic for Sites 2, 3, 4, and 5 under LAFCO law (California Government Code Section 56133). Specifically, outside service agreements for territory that is located outside the service providing agency's sphere are limited to situations in which the service will remedy a threat to public health or safety. Based on present land uses, it appears unlikely a determination can be made that any of these sites are subject to a threat to public health or safety involving a need for public water or wastewater service.

This alternative appears feasible for Site 6 given its location within the spheres of the City and NSD. Outside service agreements for territory that is located within the service providing agency's sphere may be approved by LAFCO in anticipation of a later annexation. Site 6's inclusion within the spheres of the City and NSD suggests annexation to each agency in the future is anticipated by LAFCO.



*Comments on the Draft Napa County Housing Element Update*

*July 11, 2022*

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These comments are intended to convey LAFCO's role in the process and associated challenges with respect to the provision of public water and wastewater services to the sites identified in the Draft Housing Element Update. Please contact me with any questions by telephone at (707) 259-8645 or by e-mail at [bfreeman@napa.lafco.ca.gov](mailto:bfreeman@napa.lafco.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Brendon Freeman".

Brendon Freeman  
Executive Officer

cc: Margie Mohler, LAFCO Chair  
Vin Smith, City of Napa Community Development Director  
Phil Brun, City of Napa Utilities Director  
Tim Healy, Napa Sanitation District General Manager