



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**  
**Political Subdivision of the State of California**

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

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## **COUNTY SERVICE AREA NO. 4**

# **MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE CHECKLIST**

December 2017



**Overseeing the**  
*logical formation and development*  
**of cities and special districts.**

**MUNICIPAL SERVICE REVIEW**

**EXECUTIVE SUMMARY**

This report represents LAFCO of Napa County’s (“Commission”) scheduled Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for County Service Area (CSA) No. 4. CSA No. 4 is a dependent special district formed in 2002 and authorized to provide a specific range of municipal services relating to the provision of public farmworker housing in Napa County. These authorized municipal services involve (a) acquiring, (b) building, (c) leasing, and (d) operating public farmworker housing. CSA No. 4 presently helps fund the operation of three farmworker housing centers with a combined capacity of 180 beds through a voter-approved special assessment on vineyards that are one acre or more in size.

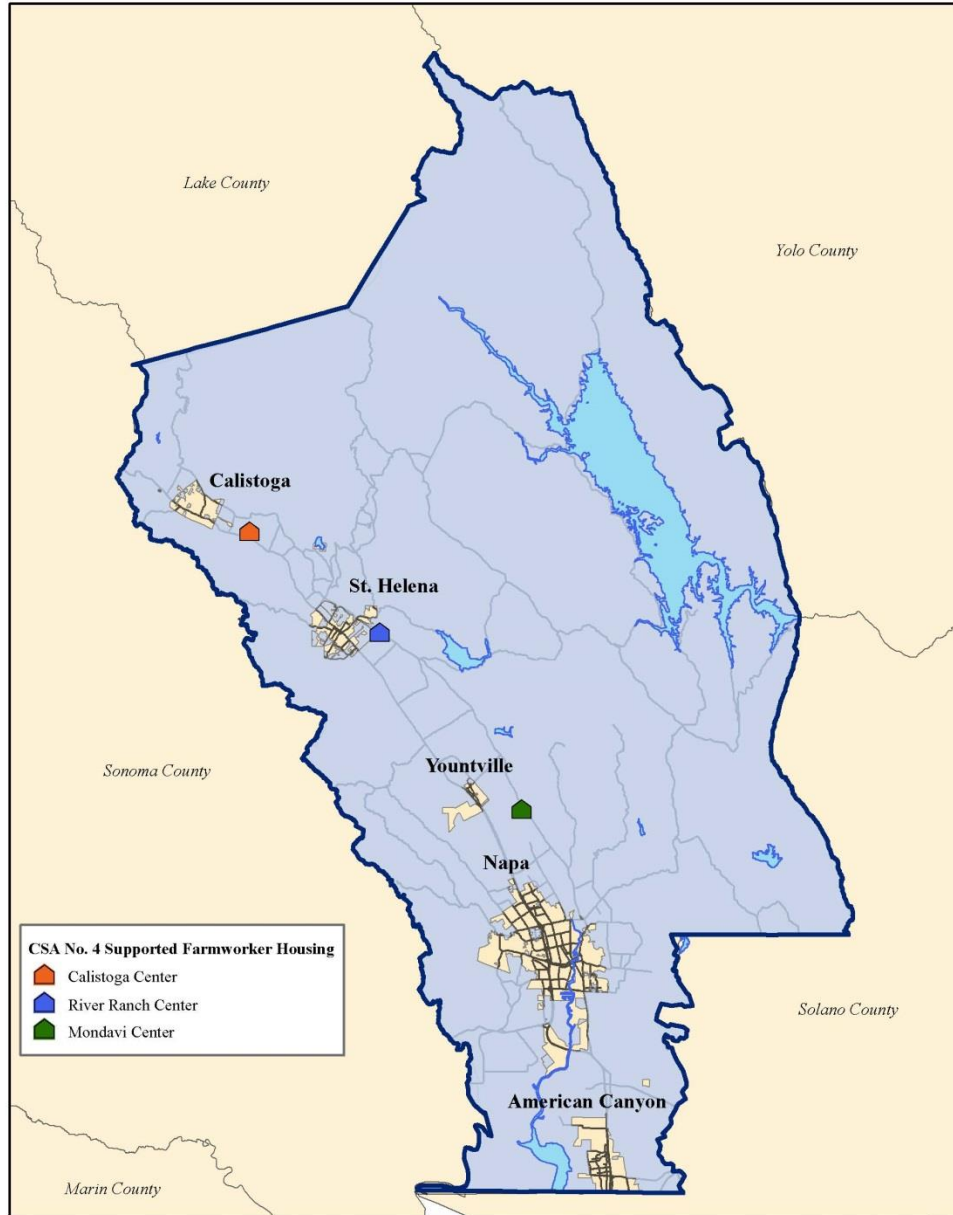
This report has been prepared using a checklist format and includes determinative statements that address the state mandated MSR and SOI Update factors pursuant to California Government Code (G.C.) Sections 56430 and 56425, respectively. The previous MSR and SOI Update for CSA No. 4 was adopted in December 2010 and is available on the Commission’s website at:

[http://www.napa.lafco.ca.gov/uploads/documents/CSA-4\\_MSR-SOI\\_Final\\_2010.pdf](http://www.napa.lafco.ca.gov/uploads/documents/CSA-4_MSR-SOI_Final_2010.pdf)

The MSR and SOI Update for CSA No. 4 adopted in 2010 includes an agency overview along with information regarding the District’s formation, development, adopted boundaries, population trends and projections, organizational structure, municipal service provision, and financial attributes. The information and determinative statements contained in the 2010 MSR and SOI Update generally remain accurate and current with one notable exception. Specifically, the 2010 MSR and SOI Update includes a recommendation that CSA No. 4 engage stakeholders to seek legislative support in increasing the special assessment rate to provide a viable option in addressing future funding gaps. This recommendation has been addressed as discussed in the “Financial Ability” section of this report. Other pertinent changes involving CSA No. 4 following the adoption of the 2010 MSR and SOI Update are also discussed in the appropriate sections of this report.

CSA No. 4’s jurisdictional boundary, SOI, and the location of each of the three public farmworker housing centers are depicted in the map on the following page.

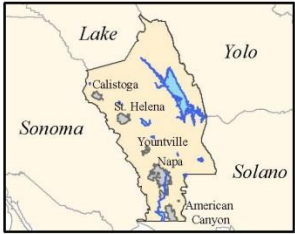
County Service Area No. 4



**CSA No. 4 Supported Farmworker Housing**  
 Calistoga Center  
 River Ranch Center  
 Mondavi Center

**Legend**

County Service Area No. 4 Jurisdictional Boundary  
 County Service Area No. 4 Sphere of Influence



Not to Scale  
 December 2017

LAFCO of Napa County  
 1030 Seminary Street, Suite B  
 Napa, California 94559  
<http://www.napa.lafco.ca.gov>

***1. GROWTH AND POPULATION***

Growth and population projections for the affected area.	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Is the agency's territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Will population changes have an impact on the subject agency's service needs and demands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Will projected growth require a change in the agency's service boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

CSA No. 4's jurisdictional boundary is generally coterminous with unincorporated Napa County with limited exceptions. All annexations to the incorporated cities/town in Napa County involve concurrent detachment from CSA No. 4. Therefore, CSA No. 4's permanent resident population is currently, and will continue to be, nearly identical to the population in unincorporated Napa County.

**Determinations:**

1. Vineyard growth serves as a key service indicator for CSA No. 4 in addressing current and future demands as it relates to its statutory-defined duties and powers. Overall vineyard growth has risen by nearly one-fourth within CSA No. 4 from 37,072 to 45,733 planted acres since formation in 2002, representing an annual increase of 1.6%.
2. Notwithstanding an overall increase, the rate of new vineyard growth in CSA No. 4 has begun measurably decelerating by averaging 0.1% annually since 2010. This trend appears to be tied to the limited amount of available land suitable for vineyard planting in Napa County and suggests near-term vineyard growth will remain minimal.
3. CSA No. 4's resident population parallels growth projections for the unincorporated area of Napa County and has slightly decreased since the District's formation from an estimated 28,071 to 27,004. This decrease in resident population measures 0.3% annually and is attributed to the low rate of residential development in the unincorporated areas of Napa County coupled with the annexation of inhabited lands to the Cities of American Canyon and Napa since 2002. A review of planned development projects in unincorporated Napa County paired with anticipated annexation proposals suggests CSA No. 4's future population will remain relatively unchanged within the timeframe of this review.

**2. DISADVANTAGED UNINCORPORATED COMMUNITIES**

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

	YES	MAYBE	NO
a) Are there any disadvantaged unincorporated communities within or contiguous to the sphere of influence?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

A disadvantaged unincorporated community is defined under G.C. Section 56033.5 as territory with 12 or more registered voters, or as determined by Commission policy, that constitutes all or a portion of a “disadvantaged community” as defined by Section 79505.5 of the Water Code. Section 79505.5 of the Water Code defines a “disadvantaged community” as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. According to the United States Census Bureau, the current statewide annual median household income totals \$61,818 and a disadvantaged community would therefore have a median household income of less than \$49,454. Based on available Census Bureau data, no territory in Napa County meets the definition of a disadvantaged unincorporated community.

**Determinations:**

1. There are no disadvantaged unincorporated communities within or contiguous to CSA No. 4’s SOL.

**3. CAPACITY AND ADEQUACY OF FACILITIES AND SERVICES**

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Are there any deficiencies in agency capacity to meet service needs within its existing territory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

According to the 2012 Napa County Farmworker Housing Needs Assessment, immigration concerns and increased demand for year-round farm labor has resulted in a higher number of farmworkers choosing to reside in Napa County on a permanent or semi-permanent basis. This increases the need for local, affordable farmworker housing and has resulted in a trend of farmworkers seeking family housing and all the services and amenities associated with raising families. Approximately half of local farmworkers either live in other counties or are migrant workers with no permanent residence.

Only unaccompanied men are eligible to reside in one of the three public farmworker housing centers that receive funding from CSA No. 4. The three public farmworker housing centers as described in the 2010 MSR and SOI Update for CSA No. 4 remain unchanged. It is important to note the southern and eastern portions of Napa County have few licensed employer-provided housing facilities and do not have a public farmworker housing center.

There are no changes in state regulations on the horizon that will require facility upgrades. In contrast, state legislation was recently passed that will result in increased funding for farmworker housing in Napa County. This additional funding will help ensure upgrades to the three public farmworker housing centers occur when they are needed.

**Determinations:**

1. The three public farmworker housing centers receiving funding from CSA No. 4 are collectively capable of accommodating up to 180 daily occupants. Based on Napa County Farmworker Housing Occupancy Reports, the average daily demand has totaled approximately 139 occupants since 2012. Current farmworker housing center capacity appears to be adequate to meet projected demands within the timeframe of this review. However, there is a trend of farmworkers seeking permanent family housing and all the services and amenities associated with raising families.
2. The southern and eastern portions of Napa County have few licensed employer-provided housing facilities and do not have a public farmworker housing center.

**4. FINANCIAL ABILITY**

Financial ability of agencies to provide services.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is improvement needed in the organization's financial policies to ensure its continued financial accountability and stability?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is the organization's debt at an unmanageable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

The MSR and SOI Update for CSA No. 4 adopted in 2010 includes a recommendation for the District to engage stakeholders to seek legislative support in increasing the special assessment rate to provide a viable option in addressing future funding gaps. This recommendation has been addressed with the recent passage of Assembly Bill 317 (Aguiar-Curry) and Senate Bill 240 (Dodd). Assembly Bill 317 annually awards \$250,000 in matching funds to the Napa County Housing Authority to support local farmworker housing. Senate Bill 240 increases the limit on the amount of the annual benefit assessment from \$10 to \$15 per planted vineyard acre effective fiscal year 2018-2019. Additionally, the single night rental rate has increased from \$12 to \$14 since the 2010 MSR and SOI Update.

**Determinations:**

1. CSA No. 4 has developed effective administrative controls to help ensure the District remains solvent. Markedly, CSA No. 4 has no long-term liabilities and sufficient cash reserves to cover over one-fourth of its adopted budget expenditures.



2. Revenues from CSA No. 4's special assessment currently generate funding sufficient to cover approximately one-third of the current annual operating costs supporting public farmworker housing services. The remaining amount is covered by the \$14 per night farmworker rent and other contributions. Recent legislation will increase the limit on the amount of the annual benefit assessment from \$10 to \$15 per planted vineyard acre.
3. Reliance on rent to substantially support public farmworker housing services within CSA No. 4 highlights a key challenge underlying the role of the District given the need to remain competitive with private housing options.
4. It is reasonable to assume demand for the three public farmworker housing centers receiving funding from CSA No. 4 is primarily tied to the current daily room charge; raising the rate will decrease demand while lowering the rate will increase demand.
5. The practice of the Board of Supervisors to operate CSA No. 4 as an administrative unit of the County of Napa underlies the District's lack of capital assets in land, buildings, and equipment.

**5. SHARED SERVICES AND FACILITIES**

Status of, and opportunities for, shared facilities.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

CSA No. 4 operates as an extended unit of the County of Napa. The Board of Supervisors conducts business for CSA No. 4 as needed during regular meetings. CSA No. 4’s administration is the principal responsibility of the County’s Housing and Intergovernmental Affairs Division of the County Executive Office. Additional details on CSA No. 4’s shared services and resources with the County are included in the 2010 MSR and SOI Update.

**Determinations:**

1. CSA No. 4 represents a creative cross-sectoral partnership between public and private stakeholders to pool resources for purposes of coordinating and providing public farmworker housing services in Napa County. Importantly, this partnership has been effective in developing cost-efficiencies through pursuing shared priorities and objectives in making available safe and clean housing alternatives for migrant workers necessary to support the local economy.

**6. ACCOUNTABILITY, STRUCTURE, AND EFFICIENCIES**

Accountability for community service needs, including governmental structure and operational efficiencies.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is there a lack of regular audits, adopted budgets and public access to these documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Is the agency involved in any Joint Powers Agreements/Authorities (JPAs)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

CSA No. 4's accountability, structure, and efficiencies remain unchanged since the 2010 MSR and SOI Update was adopted.

**Determinations:**

1. CSA No. 4's organizational structure as a dependent special district governed by the County of Napa Board of Supervisors is appropriate given the District's function to sponsor a special assessment for purposes of funding farmworker housing services, which primarily support the unincorporated area.

2. The County of Napa's Housing and Intergovernmental Affairs Division effectively administers CSA No. 4 at minimal costs to the District. The savings attributed to the low administrative overhead, which currently account for 0.7% of total expenses, economizes funding resources supporting the actual delivery of farmworker housing services.
3. CSA No. 4 is accountable to landowners within the District's jurisdictional boundary owning one acre or more of planted vineyards. These constituents directly influence service levels consistent with their needs by choosing whether to approve extensions on CSA No. 4's special assessment.
4. CSA No. 4 is also accountable to citizens utilizing the farmworker housing services funded by the District. These constituents indirectly influence service levels consistent with their needs by choosing whether to patronize the facilities.
5. Opportunities exist for CSA No. 4 to establish more direct methods of communication with its farmworker constituents to help ensure services funded by the District adequately reflect current and future needs in a timely manner.

**7. OTHER ISSUES**

Any other matter related to effective or efficient service delivery, as required by Commission policy.

	<b>YES</b>	<b>MAYBE</b>	<b>NO</b>
a) Are there any issues that can be resolved by the MSR/SOI process?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Discussion:**

Pursuant to the Commission’s adopted Policy on MSRs, the Commission will make determinations with respect to the relationship with regional growth goals and policies. CSA No. 4’s jurisdictional boundary is coterminous with unincorporated Napa County and is not expected to change within the timeframe of this review.

**Determinations:**

1. The present and planned land uses within CSA No. 4’s jurisdictional boundary are outlined in the County of Napa General Plan. The exercise of CSA No. 4’s service powers relating to the provision of public farmworker housing supports the predominant policy orientation of the County of Napa with regard to protecting and promoting agriculture as the community’s principal commerce.
2. CSA No. 4 serves a unique and pertinent role in supporting the agricultural land use policies that are prevalent throughout Napa County by contributing to the delivery of safe and clean public farmworker housing services.

**SPHERE OF INFLUENCE UPDATE**

No changes to CSA No. 4's SOI appear warranted. This affirmation confirms the current SOI demarks CSA No. 4's appropriate service boundary consistent with its available and planned capacities. This determination is supported by the following statements addressing the factors prescribed for consideration as part of the SOI Update process pursuant to G.C. Section 56425.

**1. The present and planned land uses in the area, including agricultural and open-space lands.**

The present and planned land uses within CSA No. 4's SOI are outlined in the general plans prepared and adopted by the six overlapping land use authorities: the County of Napa, the City of American Canyon, the City of Calistoga, the City of Napa, the City of St. Helena, and the Town of Yountville. The exercise of CSA No. 4's service powers relating to the provision of public farmworker housing supports the predominant policy orientations of these six land use authorities with regard to protecting and promoting agriculture as the community's principal commerce.

**2. The present and probable need for public facilities and services in the area.**

CSA No. 4's provision of public farmworker housing services within the SOI is an integral component in supporting the local economy.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The Commission has confirmed through the MSR process that CSA No. 4 has adequate controls and capacities to provide an appropriate level of public farmworker housing services in the SOI based on local needs and conditions.

**4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

As previously declared by the Legislature, the growing of wine grapes represents the principal agricultural crop in Napa County. It is vital to public interest for a governmental agency to own and maintain farmworker resident centers to assure the availability of safe and clean housing to support Napa County's principal crop.

**5. The present and probable need for public services for disadvantaged unincorporated communities.**

There are no disadvantaged unincorporated communities within or contiguous to CSA No. 4's SOI.

**SOURCES**

**Agency Contacts**

- Nancy Johnson, Housing and Community Development Program Manager, Housing and Intergovernmental Affairs Division, County of Napa

**Documents**

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- BAE Urban Economics, “2012 Napa County Farmworker Needs Assessment”, 2013
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- Napa County Housing Authority, Adopted Bylaws, January 2009

### Websites

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<http://www.dof.ca.gov/Forecasting/Demographics/>
- California Legislative Information:  
<http://leginfo.legislature.ca.gov/>
- United States Census Bureau:  
<https://www.census.gov/>