



PLANNING COMMISSION AGENDA

JANUARY 27, 2022

STAFF REPORT

PUBLIC HEARING

ITEM NUMBER:

TITLE

2021 Housing Element Annual Progress Report

RECOMMENDATION

Receive and file annual 2021 Calendar Year Housing Element Progress Report

CONTACT

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BACKGROUND & ANALYSIS

On March 17, 2015, the City Council approved the most recent Housing Element. This Housing Element provides housing policy for the years 2015 – 2023. State law requires an Annual Housing Element Progress Report (APR) to highlight work that has been accomplished on the General Plan Housing Element. Each jurisdiction's APR must be submitted to California Housing and Community Development Department (HCD) and the Governor's Office of Planning and Research (OPR) by April 1 each year (covering the previous calendar year). The 2021 Annual Housing Element Progress Report is attached as Attachment 1.

AB 879 and SB 35 of the 2017 State-wide Housing legislation package added new data requirements for the Housing Element Annual Progress Reports (APRs) to encourage housing development and increase transparent reporting. The HCD mandated a few changes that started with the 2018 report. Current requirements include tracking housing units in all its approval stages:

- entitlement,
- building permit issuance, and
- certificate of occupancy.

The report also requires an accounting of affordable housing funds pursuant to Senate Bill 35. Tracking progress can be seen in Table #A2 of the report. In 2021, there were no projects that were conducted through SB35.

To address housing needs in California, State law requires each jurisdiction adopt a Housing Element as a chapter of its General Plan. The Housing Element includes the City's housing strategy to plan for existing and projected housing demand. Key to this strategy is the Housing Element identifies adequate sites to accommodate the City's share of regional housing needs. The Housing Element also includes an evaluation that helps remove local policies, regulations, and requirements that may

constrain housing development for all income levels.

The City's Regional Housing Needs Allocation (RHNA) is assigned by the Association of Bay Area Governments (ABAG). This allocation is intended to accommodate American Canyon's "fair share" of the regional housing demand in the Bay Area. Our RHNA allocation for the period between 2015 – 2023 is 392 dwelling units allocated among these income groups:

- 116 very low-income dwelling units;
- 54 low income dwelling units;
- 58 moderate income dwelling units; and
- 164 above moderate dwelling units.

The RHNA allocation does not require the City to build these homes. It requires the City to identify land with residential zoning that can accommodate a variety of housing densities to achieve the RHNA allocation. The City is also required to adopt policies that facilitate housing for all incomes and special needs groups.

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Housing Element law requires that cities provide an Annual Housing Element report on progress toward meeting the RHNA allocation and Housing Element policy implementation. After review by the Planning Commission and City Council, the attached report will be submitted to the California Housing and Community Development Department (HCD) and the Governor's Office of Planning and Research as required by Title 25 of the California Code of Regulations.

It is worth noting that before the 2018 Annual Report, the RHNA allocation period was from 2014 – 2021. Since 2018, the realigned period changed to 2015 – 2023, which corresponds to the City's Housing Element that was adopted in March 2015. There were no credits lost as the City did not issue any housing units in 2014.

City RHNA Status

The annual Housing Element Progress Report forms provided by HCD must be used to report building permits issued. In 2021, the City issued construction permits for 192 units, which consisted of multifamily apartment units and accessory dwelling units (ADUs). For ADUs, the applicants identified the proposed monthly rent will be within the low-income parameters. The Building Division also received applications for single-family homes within the Watson Ranch Specific Plan area, which are in review and scheduled for issuance in 2022.

As shown on Table 1 below, the RHNA is disaggregated into income category groups. The City achieved 98% (385 of 392) of the RHNA requirement in 2020, and 100% (577 of 392) in 2021. The

City has 21 above-moderate income units to complete within this Housing Element cycle, but is on schedule to complete them in 2022 with the Watson Ranch subdivisions.

Table 1
2015-2023 RHNA Allocation Status

Income Level	Area Median Income in Napa County (AMI)	2015-2023 RHNA Dwelling Units	Dwelling Units Issued 2015-2020	2021 Dwelling Units Issued	Remaining RHNA Units
Very Low Income	(0-50% of AMI)	116	58	124	Completed
Low Income	(51-80% of AMI)	54	43	66	Completed
Moderate Income	(81-120% of AMI)	58	141	2	Completed
Above Moderate Income	(over 120% of AMI)	164	143	0	21
	Total	392	385	192	21

Currently, the City has six large housing projects under review:

Watson Ranch Lots 14 and 15: The project consists of 98 single-family homes on 11.97 acres north of Vintage Ranch. The Planning Commission and City Council approved the Tentative Subdivision Map and Design Permit at the end of 2020. The applicant anticipates beginning grading and construction this spring of 2022.

Watson Ranch Lot 10: The project consists of 219 single-family homes on 21.17 acres north of Vintage Ranch. The Planning Commission and City Council approved the Subdivision Map and Design Permit in September 2021. The applicant anticipates grading and construction in spring 2022.

Lemos Pointe Apartments: This project consists of 186 apartments affordable to lower income residents. Located at the northwest corner of future Rio Del Mar East and Marcus Road in Watson Ranch, the Design Permit application was approved by the Planning Commission in May 2021. The applicant had their building permits issued in November of 2021 and anticipates construction to begin early 2022.

Napa Cove Apartments: This project consists of 66 apartments affordable to lower income residents. Located north of the Melvin Tennis Courts and the Mosquito Abatement facility, the Design Permit was approved by the Planning Commission in December 2021. The applicant submitted their construction permits for review in January 2022, and anticipates to start construction this Spring.

Canyon Estates: This project consists of 35 single-family custom homes east of Vintage Ranch. The site grading activities began in March 2021, and the building pad and road grading is complete. The

applicant is installing underground utilities and anticipates submitting building permit applications this year.

Oat Hill Multifamily Apartments: This project consists of 291 apartment units on approximately 20 acres of Oat Hill. The project requires approval of a General Plan Amendment, Zone Change, Tentative Subdivision Map, Lot Line Adjustment and Design Permit. Although the applicant intends to rent the dwelling units initially, the subdivision map will allow the units to be sold as condominiums in the future. The Planning Commission and City Council approved the project in September 2021.

Accessory Dwelling Units in 2021: The City received a steady stream of ADU activity in 2021. The City received 4 new ADU applications and issued 6 ADU permits. Two ADU projects were finalized this year. The City expects to see a similar amount of ADUs in 2022.

Housing Element Policy Implementation

Table D of the Progress report lists Housing Element policies and explains the status of City implementation of each policy during 2021. This year's standouts include:

Program 1.2.4: Incentives for Second Units (Accessory Dwelling Units)

The City partnered with the Napa-Sonoma Accessory Dwelling Unit (ADU) coalition to develop ADU outreach materials and fee estimating software in March 2019. In August 2020, the City revised the ADU ordinance to comply with new State laws. In October 2021, the ADU coalition prepared standard ADU plans that will be implemented in 2022.

Program 1.2.10: Affordable Housing Fund

The City received \$8,521.61 in Affordable Housing Nexus fees in 2021. These fees were generated from assessments on new non-residential building permits.

Program 1.2.12: Density Bonus Program

The City approved two projects, the Lemos Pointe Apartments and the Napa Cove Apartments, which both utilized the Density Bonus program and requested concessions to design standards. The Lemos Pointe project consists of 186 affordable units and the Napa Cove project consists of 66 affordable units.

Program 1.2.22: Rental Assistance Program

Napa City Housing Authority helped the City administer 142 vouchers in 2021. This includes 34 project-based vouchers at the Valley View Senior Apartments.

Housing in 2022

Looking ahead to 2022, there are several housing projects that may be submitted.

Residences at Napa Junction: This project is proposed at the parcel north of the Canyon Ridge

Apartments in the Business Park District. The project consists of 452 dwelling units on a 15.05-acre parcel, with 46 units proposed as affordable housing. The applicant submitted a pre-application in August 2021 and received comments in September 2021. The applicant mentioned a formal submittal in the first quarter 2022.

Sun Square Mixed-Use Building: This project consists of 20 one-bedroom units on an office and training center north of the Walmart shopping center. The project was submitted in August 2021, and staff provided comments in September 2021. The applicant anticipates a resubmittal prior to April 2022.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Community and Sense of Place: "Build on the strength of our local community to develop a clear 'sense of place' and establish our unique identity."

FISCAL IMPACT

The City is required to complete the annual Housing Element Progress Report to comply with State Law. The completion of the annual report also enables the City to participate in many housing-related grant programs.

ENVIRONMENTAL REVIEW

15378(b) - The action is not a "Project" subject to the California Environmental Quality Act ("CEQA") because it does not qualify as a "Project" under Public Resources Code Sections 21065 and 21080 and in Section 15378(b) of Title 14 of the California Code of Regulations.

ATTACHMENTS:

1. [2021 Housing Element Report](#)