



TITLE

2025 Calendar Year Housing Element Progress Report

RECOMMENDATION

Receive and file the annual 2025 Calendar Year Housing Element Progress Report

CONTACT

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BACKGROUND & ANALYSIS

Overview

California law requires every jurisdiction to adopt a Housing Element as part of its General Plan. This document serves as the City's blueprint for meeting current and future housing demands, identifying development sites, and removing barriers to housing for all income levels.

On January 31, 2023, the City Council approved the 6th Cycle Housing Element (2023–2031), which was certified by the Department of Housing and Community Development (HCD) on June 30, 2023. We are currently in the third year of this cycle.

Reporting Requirements

The City must submit an Annual Progress Report (APR) by April 1 each year to HCD and the Governor's Office of Land Use and Climate Innovation (LCI). The APR tracks housing units across three milestones:

1. Entitlement: Land use or design approval.
2. Building Permit: Authorization to begin construction.
3. Certificate of Occupancy: Completion and readiness for residency.

The 2025 report includes new state-mandated metrics, such as tracking ministerial versus discretionary approvals (AB 1743) and usage of streamlining provisions (SB 6 and AB 2011). A copy of the report is included as Attachment 1.

2025 Housing Production Summary

In 2025, the City reached the following production totals:

- Entitled (104 Units): Includes 100 multi-family units for the Crawford Way project and 4

Accessory Dwelling Units (ADUs).

- Permitted (156 Units): Includes 102 units at Domaine, 36 units at Harvest (Watson Ranch Lot 10), 5 units at Watson Ranch Lot 8, 1 unit at Enclave at Canyon Estates, and 6 ADU permits.
- Completed (78 Units): Includes 70 homes in the Harvest Subdivision and 8 ADUs.

The Housing Element reporting tables look at all three stages of production: entitled, permitted, and completed. As shown in the table below, housing units permitted (i.e.: issued) count toward the City’s RHNA allocation.

RHNA Progress Status

The Regional Housing Needs Allocation (RHNA) is the "fair share" of housing units the City must plan for, as assigned by the Association of Bay Area Governments (ABAG). Progress is measured by the number of building permits issued per income category. Income levels are categorized by the percentage of Napa County Area Median Income (AMI) for a family of four. Currently, the Napa County AMI is \$146,700. Units reported on Table 1 below represent homes with issued building permits.

Table 1: 2023-2031 RHNA Allocation Status for Permits Issued

Income Level	Napa County (AMI)	2023-2031 RHNA Units	Projection Period (6/30/22-1/30/23)	2025 Dwelling Units Issued	Total Units to Date for 6th Cycle	Total Remaining for RHNA	Percent Complete
Very Low Income	0-50% AMI	169	1	5	12	157	7%
Low Income	51-80% AMI	109	0	1	5	104	4%
Moderate Income	81-120% AMI	95	0	0	2	93	2%
Above Moderate Income	120% AMI	249	88	150	575	Exceeded	231%
Total		622	89	156	594	354	95%

As shown on Table 1, although the City has achieved 95% of the total RHNA allocation, the lower and moderate-income units fall well below State requirements. To put these figures in context, the amount of rent that is affordable to each of the income categories is displayed in Attachment 2.

Housing Element Policy Implementation

Policy Implementation Highlights

Beyond unit production, the City implements specific programs to facilitate housing:

- Program F (ADUs): The City has issued 17 affordable ADU permits, surpassing the 7-year goal of 16 units in just three years.
- Program P (Density Bonus): The Crawford Way project utilized the State Density Bonus Law to

increase its density by 15% (from 87 to 100 units).

- Program II (Staffing & Software): In September 2025, the City deployed OpenGov – a new permitting software to decrease processing times and increase transparency.
- Program JJ (Sustainability): The 2040 General Plan was updated in November 2025 to include over 200 "green-leaf" sustainability policies. The City is also participating in the Napa County Regional Climate Action and Adaptation Plan (RCAAP), which is expected to be completed in Calendar Year 2026

A complete review of the status of all Housing Element implementation measures is included as Attachment 3.

Upcoming Development Projects for 2026

Several key developments are moving toward construction or completion in 2026:

- **Domaine Apartments:** 291 units. Parcel B buildings received temporary occupancy in 2026; Parcel A construction continues. This is a market-rate apartment project.
- **Sun Square Mixed-Use:** Originally 20 units; a revision is pending to increase the project to 30 units at 100% affordability. Construction is not expected in 2026.
- **Enclave at Canyon Estates:** 35 single-family homes; Richmond American Homes purchased 33 of the lots and has begun construction of a model home in November of 2025. Construction will continue in 2026.
- **Serrano Subdivision (Watson Ranch Lot 7):** 136 single-family units; Developer anticipates model homes in early 2026.
- **Sorrel Subdivision (Watson Ranch Lot 8):** 25 units; 5 units began construction in 2025. This is a market-rate single-family residential project.
- **Harvest Subdivision (Watson Ranch Lot 10):** 180 of 219 homes are complete. KB Homes will take over development of the final 39 units. This is a market-rate single-family residential project.
- **Crawford Way:** 100 townhomes. The project is subject to the inclusionary ordinance. The amount of inclusionary units will depend on whether the project is constructed as apartments or condominiums. Construction is expected to start in 2026.

Next Steps:

The City Council will review the Housing Element Annual Report at the March 17, 2026 meeting. Following that review, staff will transmit the report to the California Department of Housing and Community Development (HCD) and Governor's Office of Land Use and Climate Innovation (LCI) by April 1, 2026.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Economic Development and Vitality: "Attract and expand diverse business and employment opportunities."

FISCAL IMPACT

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

ENVIRONMENTAL REVIEW

The annual Housing Element Progress Report is not a project in for purposes of complying with the California Environmental Quality Act in accordance with CEQA Guidelines Section 15378(b)(5) - organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

COMMUNICATION

Level 0: No Further Public Communication Needed

ATTACHMENTS:

1. [Housing Element Annual Progress Report 2025](#)
2. [2025 Napa County AMI Rent Limit Chart](#)
3. [Housing Element Implementation Program](#)