



**RESOLUTION No. 12-23**

**A RESOLUTION OF THE  
NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY (NCTPA)  
ADOPTING THE FINAL METHODOLOGY FOR THE  
REGIONAL HOUSING NEEDS ALLOCATION (RHNA) FOR THE NAPA SUBREGION**

**WHEREAS**, local governments are required by state law to facilitate the improvement and development of housing needs of all economic segments of its community (California Government Code sections 65580 *et seq.*); and

**WHEREAS**, the counties and cities and towns within counties are authorized to form subregions to develop a local methodology for assessing regional housing needs and determining allocations between them consistent with the requirements of Government Code sections 65580 *et seq.*; and

**WHEREAS**, each jurisdiction of Napa County adopted a resolution naming Napa County Transportation and Planning Agency as the entity representing the Napa subregion; and

**WHEREAS**, the Napa County Transportation and Planning Agency has been performing the duties of drafting the methodology for assessing regional housing needs of the subregion and allocating those needs consistent with the requirements of Government Code sections 65580 *et seq.*; and

**WHEREAS**, the Napa County Transportation and Planning Agency issued a draft methodology on May 16<sup>th</sup> 2012 to open up a sixty day public comment period:

**NOW THEREFORE BE IT RESOLVED** by the Napa County Transportation and Planning Agency, on behalf of the Napa Subregion, that:

1. The foregoing recitals are true and correct.
2. The final methodology as shown in Exhibit A to this resolution, which is incorporated herein as though fully set forth, for the purpose of distributing housing allocations amongst members of the Napa Subregion for the Regional Housing Need Allocation cycle 2014-2022 is hereby adopted.

Passed and adopted this 18<sup>th</sup> day of July, 2012.

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Keith Caldwell, NCTPA Chair

Ayes: Garcia, Bennett,  
Dunsford, Gingles,  
Techel, Dodd, Luce,  
Britton, Dunbar, Mohler

Nays: None

Absent: Krider, White

ATTEST:



Karalyn E. Sanderlin, NCTPA Board Secretary

APPROVED:



Janice Killion, NCTPA Legal Counsel

## **Napa Subregion Sustainable Communities Strategy (SCS) and Regional Housing Needs Allocation (RHNA) Methodology**

### **1. Introduction**

#### ***a. State Law***

State law (Government Code Section 65584.03) allows the local jurisdictions within Napa County to join together to form a "subregion", a consortium that administers the State-mandated Regional Housing Needs Allocation (RHNA) program at the local level. Each member jurisdiction of the "subregion" submitted a resolution to the Association of Bay Area Governments (ABAG) and the Napa County Transportation and Planning Agency (NCTPA) requesting authority to locally administer the program by March, 2011. ABAG subsequently adopted a resolution approving the formation of the "subregion".

The subregional RHNA process determines local housing allocations for the planning period from 2014 year to 2022 for all jurisdictions within the subregion. State law then requires that each jurisdiction identify, in their next General Plan Housing Element revision, adequate sites to accommodate its housing allocation.

In general, to comply with State law, the subregion needs to follow the substantive and procedural rules and guidelines that apply to the region. The subregional process is coordinated with the regional process. By law, ABAG must perform certain ministerial actions in relation to a subregion. These actions include accepting a subregion's application to form the subregion; accepting a subregion's allocation methodology; and accepting a subregion's housing allocation, and in each case make a finding that the subregion's actions are consistent with State law. The relationship between the subregion and the region is codified in a Delegation Agreement, which was adopted by ABAG and the subregions' governing boards in

early 2012. If a subregion fails to fulfill its statutory obligations, ABAG must then determine allocations to the jurisdictions within the subregion. Similarly, if a jurisdiction within the subregion withdraws from the subregion, ABAG must then determine allocations to that jurisdiction.

***b. Napa Subregion***

The cities of American Canyon, Calistoga, Napa, St. Helena, the Town of Yountville and the County of Napa make up the Napa subregion, as allowed by state statute. All jurisdictions submitted resolutions of intent to form the subregion to ABAG by March 2011. On March 17, 2011 ABAG adopted a resolution approving the formation of the Napa subregion. The resolutions of intent designated the Napa County Transportation and Planning Agency (NCTPA) as the entity responsible for coordinating and implementing the subregional RHNA process.

As required by statute, ABAG will assign an aggregate (i.e. countywide) housing allocation to the Napa subregion. The subregion is responsible for completing its own RHNA process that is parallel to, but separate from, the regional RHNA process. The subregion creates its own methodology, issues draft housing allocations for each of its member jurisdictions, manages the required revision and appeal processes, and then issues final housing allocations to members of the subregion.

**2. Subregion Organization**

***a. Governing body***

The NCTPA Board is the governing board of the subregion. It is comprised of twelve members, appointed by the governing boards of each member jurisdiction and one non-voting member of the Paratransit Coordinating Council. The Board's role is to review and approve the work of the ad hoc bodies assisting with the RHNA process and to provide policy direction and take all actions required to fulfill the statutory obligations of the Subregion.

***b. Organizational assistance***

The NCTPA Board formed two ad hoc advisory bodies for the RHNA process. The Policy Advisory Body (PAB) is comprised of six members, one from each City or Town Council and the Board of Supervisors. The Policy Advisory Body's primary role is to review the work of the Technical Advisory Body and to provide for the development of recommendations for consideration by the NCTPA Board.

The Technical Advisory Body (TAB) is comprised of senior members from each jurisdiction's planning and/or governmental affairs agencies. These members are senior staff experts in the fields of housing and land use. This body's primary role is the technical development of recommendations for consideration by the Policy Advisory Body and the NCTPA Board. This includes holding public workshops to seek public input on development of the methodology and to present the draft methodology.

The City Manager's Association is provided monthly reports. The Association reviews the work of the TAB and provides input.

City and Town Councils and the Board of Supervisors will review and approve the housing need allocations developed by the Subregion prior to submitting them to the Association of Bay Area Governments on February 1, 2013. The Association of Bay Area Governments must approve the final housing shares.

**3. Methodology, RHNA Process and Schedule (2011-2013) for Determining Subregion Housing Allocations --and Corresponding ABAG Deadlines**

**a. 2011- May, 2012**

Some of the Subregion's TAB representatives have participated in the development of the ABAG RHNA methodology by ABAG's Housing Methodology Committee (HMC). The Technical

Advisory Body met 14 times to become familiar with the RHNA process and ABAG methodology; shared land use and housing information; heard results of stakeholder meetings, two public workshops and an online survey regarding factors and their priorities to consider in development of a methodology and other public input; and considered Subregional alternatives to the ABAG HMC methodology.

Although several alternatives were reviewed, no local method was considered by participating jurisdiction representatives to equitably improve upon the ABAG RHNA methodology described in Exhibit B. However, members unanimously agreed the local methodology should incorporate a mechanism to adjust local shares.

The Technical Advisory Body advised the Policy Advisory Body, and the Policy Advisory Body recommended to the Board that:

The Subregion shall assign each jurisdiction a share of the Subregion's total allocation using the ABAG RHNA methodology. That is, the Draft Allocation assigned to each jurisdiction by the Subregion shall be the jurisdiction's relative share of the Subregion's aggregate allocation based on the ABAG RHNA methodology. This share may be adjusted as described in section 3.e below.

**b. May 16, 2012**

Subregion released its Draft Methodology; assigned preliminary subregion jurisdiction Housing Allocations, and submitted the Draft Methodology to ABAG for comment.

*May 17, 2012*

*ABAG released Draft Methodology and Assigned Preliminary Subregional Allocations*

***c. May 17 through July 18, 2012***

The Subregion posted its Draft Methodology for the required sixty (60) day review period (GC 65584.04(h)). The Subregion also held a public workshop to present the Draft Methodology and seek comments on May 30, 2012. City and Town Councils and the Board of Supervisors reviewed the Draft Methodology in early June. In general, comments on the current methodology have been supportive; no major substantive concerns have been expressed. Public participants did comment on the need to get units built, particularly workforce housing for service workers, and on types of housing (i.e., existing units, dormitories) that should be "counted" (in Housing Element law) to address housing needs. While to date, Subregion staff has not heard specific concerns from member jurisdictions regarding the method or preliminary individual allocations, should concerns be expressed, staff will identify and analyze these issues as soon as practicable.

*June 6, 2012*

*ABAG Regional Planning Committee Public held a hearing on draft method and preliminary subregional shares*

***d. July 18, 2012***

The Subregion will hold a public hearing (GC 65584.04(h)), adopt its final methodology, formally release Draft Allocations, and send its final methodology to ABAG and State HCD for review.

*July 19-20, 2012*

*ABAG will adopt its final method and formally release draft allocations for all jurisdictions within the region, including allocations for each of the local governments that are members of the Subregion. Should any member jurisdiction opt out of the subregion, ABAG Draft Allocations will apply to that jurisdiction. ABAG Draft Allocations are expected to be the same as the subregion's Draft Allocations, but in any case will be the Default Draft Allocation to a jurisdiction, if that jurisdiction withdraws from the Subregion.*

***e. July 19, 2012-December 12, 2012***

During this period of time, through facilitated dialogue among member jurisdictions, the Subregion may make adjustments to the Draft Allocations to effect a distribution that corrects data errors and/or better addresses factor priorities identified by the subregion while also meeting statutory objectives and requirements as follows.

Adjustments are permitted to:

- Correct a data error identified by a local government that has resulted in a markedly disproportionate allocation to a jurisdiction to improve equity.
- Better address the highest priority factors identified in the local outreach process (Exhibit A) while maintaining an overall equitable balance for all member jurisdictions.

Any negotiated trade adjustments are voluntary among willing jurisdictions and must occur prior to ABAG's adoption of final housing need allocations, as specific legislation applies to trades occurring after this time. Total housing allocations and income distribution must be maintained among all transfer parties.

Any trade adjustments must continue to meet the legislative objectives of Housing Element law (Government Code Section 65584), which are to:

- Increase the region's housing supply and mix of housing types, tenure and affordability in all cities and counties in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low and very low income households.
- Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
- Promote an improved intraregional jobs/housing relationship
- Allocate a lower proportion of housing need for an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent census. In other words, where a city already has a higher than average share of low income households, allocate a lower proportion of such housing to it.

In addition to the above objectives, the provisions of State law that implement the Sustainable Communities Strategy (SCS) to reduce energy consumption and production of greenhouse gases, are incorporated into Housing Element law. Great care is being taken in the

development of the regional RHNA Methodology to assure that the resulting allocation will be consistent with the SCS. The Subregion has an independent obligation for consistency. In general, the Subregion will proceed on the assumption that a Subregional Methodology that resembles, is strongly influenced by, or bears a close relationship to a conforming Regional Methodology that will itself conform to State Requirements. Nonetheless, the Subregion must make reasonable findings of conformity and gain explicit concurrence from ABAG and tacit concurrence from the State Department of Housing and Community Development.

If the subregion approves a requested trade adjustment, the revision will be incorporated into the Final Allocations. If the Subregion does not approve the request, the jurisdiction may file an appeal. (See Appeals section h).

**f. September 17, 2012**

Subregion deadline for local requests for revisions to Draft Allocations.

*September 18, 2012*

*ABAG deadline for requests for revisions to draft allocations. If a jurisdiction notifies ABAG in writing that it is withdrawing from the subregion by this time, the withdrawing member will participate in the RHNA using its Draft ABAG Allocations subject to the timeline and procedures applicable to other jurisdictions in the region.*

**g. October 17, 2012**

Subregion responds to local revision requests at the NCTPA Board meeting.

**h. November 1, 2012**

Deadline for Subregion appeals to Draft Allocation<sup>1</sup>. If the Subregion does not approve the requested adjustment trade, the petitioning jurisdictions may appeal to ABAG in accordance with procedures in the ABAG RHNA methodology, as their rights of appeal remain legally intact even though they are members of the Subregion. While technically, each member jurisdiction

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<sup>1</sup> A hearing must take place no earlier than 40 days and more more than 45 days after the deadline to file appeals (GC-65584.05(f))

is legally entitled to request a unilateral revision (i.e. a revision that does not involve a trade) and is entitled to be heard on this request at a public hearing conducted by the Subregion Board, procedures established by the Subregion seek a collaborative approach by encouraging trade adjustments among willing partners.

**i. December 12, 2012**

Subregion conducts a public hearing at NCTPA Board meeting on the Subregion's response to revision requests, and adopts Final Allocations.

**j. December 13, 2012 – January 31, 2013**

Subregion submits Final Allocations to City and Town Councils and Board of Supervisors for approval.

*January 11, 2013 Deadline for ABAG appeals. If a jurisdiction notifies ABAG in writing that it wishes to withdraw from the Subregion by this time, then the withdrawing member will participate in the RHNA using their Draft ABAG Allocations subject to the timelines and procedures applicable to the other jurisdictions in the region. Members of a subregion may not withdraw from the subregion after ABAG's deadline for appeals.*

**k. February 1, 2013**

Deadline for Subregion to submit its Final Allocations and resolution of consistency with state objectives and the SCS to ABAG for Review and possible consultation.

*April 12, 2013*

*ABAG issues Final Allocation*

## EXHIBIT A

### **Factors – #1-6 are the top factor priorities from public workshops**

1. Opportunities and constraints to development, including sewer and water capacity, suitable residential land availability, etc. Each jurisdiction's housing element and general plan identifies infrastructure and land constraints. (GC Factor 2a, b)
- 2-3. Policies to protected Agricultural land, and open space and environmentally sensitive lands preserved or protected under federal and state programs. (GC Factor 2c, d)
4. Infill locations near jobs and services (Subregion-identified factor closely related to Sustainable Community Strategy)
5. Existing agreements between a county and cities to direct growth towards incorporated areas. (GC Factor 5)
6. Community character (Subregion-identified factor closely related to GC Factor 2)

***Other factors listed in Gov. Code 65584.04(d) to be considered, to the extent sufficient data is available. Such information should be regionally comparable and readily available***

Existing and projected jobs and housing relationship (GC Factor 1- closely related to SCS)

Distribution of household growth assumed in regional transportation plan for 8 year period (Sustainable Community Strategy/Jobs Housing Connection Scenario; GC factor 3)

Market demand for housing (GC Factor 4)

Loss of assisted low income housing units i.e., publicly assisted low income developments (GC Factor 6)

High cost housing burdens (GC Factor 7)

Housing needs of farm workers (GC Factor 8)

Impact of private universities, UC and Cal State colleges (GC Factor 9)

Any other factors adopted by ABAG --or the subregion (GC Factor 10)

## EXHIBIT B

### **ABAG's Sustainable Communities Strategy and Regional Housing Needs Methodology**

ABAG's May 2012 draft *Bay Area Plan "Jobs Housing Connection (JHC) Scenario"* report describes the general basis for this preferred Scenario's 2010-2040 growth projections and distribution. The *Bay Area Plan JHC Scenario* builds upon a decade of inter-jurisdictional work to encourage growth of jobs and production of housing in areas supported by amenities and infrastructure. The report states that a main task today is to grow the economy by maximizing urban infrastructure investments that have already been made to date, and where and when new investments are needed to make this infrastructure as efficient as possible. The *Bay Area Plan JHC Scenario* envisions a pattern of growth and investment tailored to communities where transit, jobs, schools, services and recreation are conveniently located near people's homes, and seeks to provide varied housing types and transportation choices. The *Bay Area Plan JHC Scenario* report states that the "region's greenbelt of agricultural, natural resource and open space lands is a treasured asset", and encourages the retention of agricultural and open space lands by directing nearly all non-agricultural development within the urban footprint. The *Bay Area Plan JHC Scenario* places most projected growth in *locally identified "Priority Development Areas"* (PDAs), which are key infill, transit-oriented neighborhoods. Growth in PDAs accounts for more than 2/3 of all regional growth by 2040. The document further describes employment type and location trends nationally and within the region.

State legislation requires each community to plan for its share of the state's housing need for people at all income levels. Since 1980, it has been ABAG's responsibility to distribute the regional need to all local governments. With the passage of SB 375, the housing allocation plan must allocate units within the region consistent with the development pattern included in a Sustainable Communities Strategy. Thus, the housing distribution methodology developed by ABAG's inter-jurisdictional Housing Methodology Committee must be integrated with the Sustainable Communities Strategy.

The RHNA housing distribution method is based on the following four elements as described by ABAG staff<sup>2</sup> identifying various factors that the methodology addresses:

- 1. Sustainability component. The Jobs-Housing Connection Scenario focuses most job growth in PDAs identified by local governments.** The Jobs Housing Connection Scenario is based on 2010-2040 economic and demographic analysis that the region is predicted to add 1.1 million jobs and 660,000 housing units. These projections take into account changes due to the recent recession, vacancy rates, trends, and household size, and assume major

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<sup>2</sup> March 8, 2012 Overview of Regional Housing Needs Determination Methodology by Ken Kirkey

investments and policy changes relating to affordable housing and infrastructure development. The methodology proposes a 70% upper limit for PDA growth, and 30% non PDA growth. (Addresses SB 375 and Housing Element objectives)

2. **Fair Share Components.** *Housing element law identifies various factors to be considered in the distribution of housing to jurisdictions within the region.* The ABAG Methodology includes:

- **Upper housing threshold:** If growth within a jurisdiction's PDA(s) meets or exceeds 110% of the jurisdiction's household formation growth based on the sustainability component, that jurisdiction is not assigned added growth based on the Fair Share Components. This upper threshold is to ensure that cities that contain amenities to support growth (such as PDAs and areas with transit and employment opportunities) are not overburdened by being allocated growth beyond their infrastructure capacity. (Gov. Code 65584 .04(d) factor 2a)
- **Minimum housing floor.** Each City or town is assigned housing units to meet at least 40% of its household formation growth, which is housing need largely generated by the people within that jurisdiction. This factor encourages jurisdictions to plan to meet a *portion* of total housing need. (State housing objective). It also ensures that, along with mechanisms for promoting infill development in transit rich areas, less-intensely developed areas with a need for worker and farm worker housing are still required to plan new housing. (GC factor 8)
- **Other Fair Share criteria:** Other specific factors identified as being important by the HMC include: **Past RHNA performance 1999-2006, employment growth and transit access, equally weighted.** This part of the distribution formula assigns higher numbers to communities that did *not* produce lower income housing within the last RHNA cycle; have large numbers of projected jobs; and have good access to transit. Conversely, communities that did build lower income housing have small numbers of projected jobs and limited transit access, receive fewer units.
- **Past RHNA Performance, i.e.,** total low-and very-low income units permitted, relates to State -identified factors in that the number of units permitted is likely to be related to the market demand for housing. For example, in cities with inclusionary housing ordinances or developer impact fees to fund affordable housing, a strong housing market will produce larger numbers of permits for affordable housing (GC factor 4).

Further, jurisdictions with insufficient past RHNA performance likely also have high housing costs. (GC factor 7)

- *Non-PDA numbers of jobs*: Allocating housing near employment opportunities encourages a balanced relationship between jobs and housing. (GC factor 1)
- *Transit frequency and coverage*: Considering both the coverage and frequency of available transit throughout a jurisdiction is to maximize use of existing public transit infrastructure. (GC factor 3)

Household growth is influenced by local land use plans and policies, including planned and protected agricultural lands (GC factor 2d), open space and parks (GC factor 2c), city centered growth policies, urban growth boundaries (GC factor 5) and any physical or geological constraints. Incorporating these factors into the housing allocation ensures that it is not based solely on existing amenities but also planned or projected growth.

3. **Income Allocation**: The method to distribute housing need throughout the region, also used in the last RHNA cycle, is based on a comparison between a jurisdiction's household income distribution and the regional household income distribution. Each jurisdiction is given units based on 175% of the difference between their household income distribution and the region-wide household income distribution. This income allocation method gives jurisdictions with a higher than average proportion of households in a certain income category a smaller allocation of housing units in that same income category. In jurisdictions which have a higher share of very low and low income households compared to the regional average, this method will decrease their responsibility for the provision of affordable housing on a percentage basis towards the regional average (State housing objective, GC factor 6).
4. **Sphere of Influence**. State law also requires local jurisdictions with the land-use permitting authority in a "Sphere of Influence" to plan for the housing needed to accommodate housing growth, existing employment and employment growth in such Sphere of Influence. ABAG's methodology allocates housing and employment growth in "Spheres of Influence" in the Napa Subregion to the cities, consistent with local policies. Some lands within City "Spheres of Influence" are planned for future growth but such growth is not permitted until after annexation to the respective city occurs.