

City of Calistoga Staff Report

TO: Honorable Mayor and City Council
FROM: Lynn Goldberg, Planning & Building Director
DATE: September 20, 2016
SUBJECT: Authorization for Use of Unused Growth Management Allocations

APPROVAL FOR FORWARDING



Dylan Feik, City Manager

1 **ISSUE:** Consideration of whether to authorize the use of unused residential allocations
 2 from previous growth management cycles

3 **RECOMMENDATION:** Adopt attached resolution authorizing the use of unused
 4 residential allocations from previous growth management cycles

5 **BACKGROUND:** On July 19th, the City Council received an annual report on the
 6 allocations available during the current five-year Growth Management System Program
 7 cycle (2015–2019). Four residential allocations have been granted since the beginning
 8 of 2015. Under the Program, another 129 units could receive allocations through 2019.

9 If currently-anticipated residential construction occurs, only 75 additional units could
 10 receive an allocation through 2019. This represents a considerable constraint on the
 11 city's ability to promote housing development and work towards a jobs-housing balance,
 12 consistent with the City Council's objective of expanding housing opportunities,
 13 including workforce housing.

14 Providing housing within the city limits allows current residents to move to more
 15 desirable housing, minimizes traffic associated with employees commuting to local jobs
 16 and increases support for local-serving businesses. Furthermore, housing growth within
 17 Napa County is limited to its cities, as it is not permitted in the unincorporated
 18 agricultural areas.

19 Staff has experienced a noticeable increase in inquiries from housing developers. Aside
 20 from water and wastewater connection fees, the potential limitations posed by the
 21 Growth Management System have been identified as the greatest constraint on the

22 feasibility of housing development. The uncertainty of whether an allocation will be
23 awarded for a particular project negatively affects the ability of a developer to obtain
24 financing. Additionally, it is generally infeasible to phase multi-family projects (if
25 allocations over multiple years are required), which is the type of housing most likely to
26 be affordable to the general workforce.

27 The Growth Management System allows the City Council, by resolution, to increase the
28 number of available allocations by drawing from unused allocations in previous five-year
29 cycles, provided that the combined allocations do not result in a population growth rate
30 of more than 1.35 percent¹.

31 Adding the 237 allocations that have not been used since 2005 to the 75 available
32 through the remainder of the current cycle would allow for approximately 312 total units
33 – an amount that could readily accommodate numerous housing projects.

34 Therefore, staff recommended that the Council consider directing the preparation of a
35 resolution that would increase the number of available residential allocations during the
36 2015-2019 growth management cycle. On July 19th, the Council directed staff to do so.

37 **DISCUSSION:** CMC 19.02.070, *General development objectives for awarding*
38 *allocations*, provides that preference for residential allocations shall generally be given
39 to projects that include one or more of the following:

- 40 1. Construction of deed restricted residential units that the majority of units go
41 towards the goal of fulfilling the City's remaining regional housing need in the
42 very low-, low- and/or moderate-income housing categories.
- 43 2. Construction of residential units that will be available to households of moderate
44 income.
- 45 3. Construction of residential units that are proposed as part of a mixed-use
46 development project.
- 47 4. Construction of residential units on vacant, underdeveloped or redeveloped land
48 with necessary public infrastructure in place.
- 49 5. Construction of residential units that will be available to special need housing
50 groups or population as defined by the General Plan.

51 Between 2006 and 2008, when there was competition for residential allocations, the
52 City Council annually established a list of development objectives for residential
53 development by order of priority for the upcoming year. These were generally consistent
54 with CMC 19.02.070's priorities, but eliminated the objective of providing special needs
55 housing, and focused on in-fill development on existing lots of record and minor infill
56 subdivisions of four or fewer lots, rather than construction on "land with necessary
57 public infrastructure in place."

58 The practice of establishing annual development objectives for residential development
59 was suspended in 2009 when the demand of allocations was less than the number
60 available. However, the Council could consider adopting similar objectives giving priority
61 to housing projects that meet the needs of households at certain income levels. Without
62 these controls, the allocations could be significantly depleted by housing projects
63 targeted to high-income households.

¹ CMC 19.02.060 (F)

ATTACHMENT

1. Draft resolution

RESOLUTION NO. 2016-XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA AUTHORIZING ALLOCATIONS TO BE DRAWN FROM UNUSED ALLOCATIONS IN PREVIOUS GROWTH MANAGEMENT SYSTEM CYCLES

1 **WHEREAS**, on July 19, 2016, the City Council received an annual report on the
2 allocations available during the current five-year Growth Management System cycle
3 (2015–2019); and

4 **WHEREAS**, the Council was advised that if currently-anticipated residential
5 construction occurs, only 75 additional units could receive an allocation through 2019;
6 and

7 **WHEREAS**, this limitation on available allocations represents a considerable
8 constraint on the city’s ability to promote housing development and work towards a jobs-
9 housing balance, consistent with the Council’s objective of expanding housing
10 opportunities, including workforce housing; and

11 **WHEREAS**, the uncertainty of whether an allocation will be awarded for a
12 particular project negatively affects the ability of a developer to obtain financing.
13 Furthermore, it is generally infeasible to phase multi-family projects (if allocations over
14 multiple years are required), which is the type of housing most likely to be affordable to
15 the general workforce; and

16 **WHEREAS**, every year since the Growth Management System was adopted,
17 residential allocations have gone unused and now total 237 units; and

18 **WHEREAS**, CMC 19.02.060 (F) allows the City Council, by resolution, to
19 increase the number of available allocations by drawing from unused allocations in
20 previous five-year cycles, provided that the combined allocations do not result in a
21 population growth rate of more than 1.35 percent; and

22 **WHEREAS**, a duly and properly-noticed public hearing on this matter was
23 conducted by the City Council on September 20, 2016.

24 **NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of
25 Calistoga as follows:

26 **SECTION ONE**

27 **Findings.** The above recitals are incorporated herein as if set forth herein in full
28 and each is relied upon independently by the City Council for its adoption of this
29 resolution.

30 **SECTION TWO**

31 The City Council hereby authorizes allocations to be drawn from unused
32 allocations in previous five-year cycles in an amount that do not result in a population
33 growth rate of more than 1.35 percent and made available for residential development.

34 **PASSED AND ADOPTED** by the City Council at a duly noticed regular meeting
35 held the **20th day of September, 2016**, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

CHRIS CANNING, Mayor

ATTEST:

KATHY FLAMSON, City Clerk