

# CITY OF CALISTOGA

## STAFF REPORT

**TO:** CHAIRMAN MANFREDI AND MEMBERS OF THE  
PLANNING COMMISSION

**FROM:** KEN MACNAB, SENIOR PLANNER

**MEETING DATE:** DECEMBER 10, 2008

**SUBJECT:** AFFORDABLE HOUSING LOCAL PREFERENCE POLICY

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1 **REQUEST**

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3 Policy (P 2008-04): Consideration of staff recommendations to the City Council  
4 for establishing affordable housing preferences for income eligible households  
5 meeting specified criteria.

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7 **BACKGROUND**

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9 Municipalities located in Napa County are facing a jobs-housing imbalance. The  
10 tourist and service industries have continued to grow and provide job opportunities  
11 for area residents. At the same time housing costs have increased significantly,  
12 making much of the housing in the Napa Valley unaffordable to the workers in the  
13 community. In addition to the lack of housing affordable to a large segment of the  
14 workforce in the County, the County also faces the adverse consequences of  
15 workers commuting to jobs within the Valley on roads designed for more limited  
16 traffic. The lack of housing affordable to the workforce in the various  
17 municipalities is impacting the ability of revenue generating businesses to attract  
18 employees.

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20 In an effort to provide housing opportunities for all segments of the community  
21 near job opportunities, the Napa Valley Housing Authority (NVHA) researched the  
22 possibility of its member constituencies, including the City of Calistoga, adopting  
23 local preference policies for new affordable housing developments that would  
24 allow a preference for people living and/or working in the local jurisdiction in a  
25 manner that does not violate fair housing laws and ensures a fair and open  
26 selection process. To that end, the NVHA commissioned a demographic study of  
27 all Napa County jurisdictions (Attachment 3) to determine the demographic  
28 characteristics of each community, as well as the region, that could be used to  
29 show that the imposition of local preferences in selecting applicants for affordable  
30 housing units would not cause a disparate impact on protected classes under the  
31 Fair Housing Act. The demographic study concluded that it is possible for Napa

32 County jurisdictions to adopt a local preference and priority system for people who  
33 live or work in Napa County that is consistent with the Fair Housing Act.

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35 **DISCUSSION**

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37 Purpose

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39 Goal H-3 of the Housing Element in the City's General Plan calls for the provision  
40 of housing to meet the needs of very-low income, low income and moderate  
41 income households, particularly those who work in Calistoga. To further this goal  
42 and other housing-related objectives, staff is recommending that the City Council  
43 adopt an affordable housing Local Preference Policy (see Attachment 1). The  
44 draft policy, which has been modeled on similar policies adopted by the City of  
45 St. Helena and Town of Yountville, would establish the following priorities for  
46 fulfilling affordable housing opportunities in the City of Calistoga.

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1. First priority would be given to City of Calistoga employees.

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2. Second priority would be given to applicants who live *and* work in  
the City of Calistoga.

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3. Third priority would be given to applicants who live *or* work in the  
City of Calistoga.

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4. All other applicants would be given fourth priority.

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The availability of affordable housing to City employees, particularly emergency  
personnel, is important to the City's ability to respond effectively in the event of a  
natural disaster such as an earthquake, fire or flood. As a condition of  
employment, all City employees are required to assist in the protection of life and  
property during a declared emergency or natural disaster. City employees  
routinely receive specialized preparedness training in emergency management  
and coordination and are critical to effective implementation of the City's  
emergency response plans. Currently only about 25% of city emergency  
personnel, public works personnel, and other city staff live within the City of  
Calistoga, significantly reducing the staff available to respond effectively in the  
event of a natural disaster.

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Making affordable housing available to people who live or work in the City has a  
number of important benefits. Resident employees and their families help to  
sustain the social fabric of the community through school enrollment; joining local  
social, civic or religious institutions; participating in community events; and  
through local volunteerism. Local businesses will benefit through an improved  
ability to attract new employees and/or reduce employee turnover by creating the

76 opportunity to live close to work, which in turn reduces time spent commuting,  
77 saves money and improves the overall quality of life. Last but not least are  
78 longer-term environmental benefits. Making affordable housing available to  
79 people who work in the City will help to reduce traffic congestion, vehicle miles  
80 traveled/greenhouse gas emissions, and gasoline consumption.

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### 82 Application

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84 The Local Preference Policy would be applied to the following projects:

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86 1. Projects receiving a subsidy from the City's Affordable Housing Trust  
87 Fund.

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89 2. Housing units developed through the City's inclusionary housing  
90 requirements.

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92 3. Housing units required as part of an Affordable Housing Agreement  
93 with the City and/or a Development Agreement.

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95 The Local Preference Policy would also be applied to projects receiving affordable  
96 housing funds from Federal and/or State agencies to the extent permitted by law.

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### 98 Administration

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100 A lottery system will be used to select qualified applicants. An applicant  
101 qualifying for the "City Employee" preference will have four opportunities to have  
102 his or her name drawn from the lottery. An applicant qualifying for the "live and  
103 work" preference will have three opportunities to have his or her name drawn  
104 from the lottery. An applicant qualifying for the "live or work" preference will have  
105 two opportunities to have his or her name drawn from the lottery. All other  
106 applicants will have one opportunity to have their name drawn from the lottery.

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108 A lottery will be conducted for the initial occupancy of an affordable housing unit  
109 and for each subsequent sale or rental of an affordable housing unit.

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### 111 **ENVIRONMENTAL REVIEW**

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113 It has been determined that the proposed action is exempt from the California  
114 Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) which states  
115 that CEQA applies only to projects which have the potential for causing a  
116 significant effect on the environment. It can be seen with certainty that there is  
117 no possibility that the action being contemplated, adoption of a local preference  
118 policy for affordable housing, will have any impact on the environment.

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120 **RECOMMENDATION**

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122 Staff recommends that the Planning Commission adopt Planning Commission  
123 Resolution PC 2008-50 recommending to the City Council adoption of a Local  
124 Preference Policy for the sale or rental of affordable housing units that would give  
125 preference to income eligible households meeting specified criteria.

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127 **SUGGESTED MOTION**

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129 I move that the Planning Commission adopt Planning Commission Resolution PC  
130 2008-50 recommending to the City Council adoption of a Local Preference Policy  
131 for the sale or rental of affordable housing units that would establish priority for  
132 income eligible households meeting specified criteria.

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134 **ATTACHMENTS**

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- 136 1. PC Resolution 2008-50  
137 2. Draft Local Preference Policy  
138 3. Demographic Information on Napa Residents and Workers (Keyser  
139 Marston Associates; November, 2004

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