

# City of Calistoga

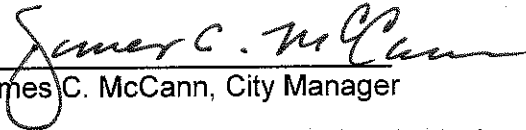
## Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** Ken MacNab, Senior Planner  
**VIA:** Charlene Gallina, Director of Planning & Building  
**DATE:** December 16, 2008  
**SUBJECT:** Affordable Housing Local Preference Policy

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**APPROVAL FOR FORWARDING:**

  
James C. McCann, City Manager

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2 **ISSUE:** Consideration of a Resolution establishing a Local Preference Policy for the sale  
3 or rental of affordable housing units that would give preference to income eligible  
4 households meeting specified criteria.

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6 **RECOMMENDATION:** Adopt Resolution.

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8 **BACKGROUND:** Over the past ten years the tourist and service industries in Napa  
9 County have grown and created new jobs for area residents. During the same period  
10 housing costs increased significantly, making much of the housing in the Napa Valley  
11 unaffordable to the workers in the community. Even with the current decline in real  
12 estate property values, housing still remains unaffordable to families with low and very  
13 incomes. The lack of housing that is affordable to a large segment of the workforce in  
14 the County prevents workers from being able to live in the County. Often, these workers  
15 commute from neighboring county's (e.g., Lake, Solano and Sonoma) where housing is  
16 more affordable. This causes traffic congestion in the Valley (where roads have been  
17 designed for more limited traffic), which in turn creates environmental and community  
18 impacts. The lack of housing affordable to the workforce in the various municipalities  
19 also impacts the ability of revenue generating businesses to attract and retain  
20 employees.

21  
22 In an effort to provide housing opportunities for all segments of the community near job  
23 opportunities, the former Napa Valley Housing Authority (NVHA) researched the

24 possibility of its member constituencies, including the City of Calistoga, adopting local  
25 preference policies for new affordable housing developments that would allow a  
26 preference for people living and/or working in the local jurisdiction in a manner that does  
27 not violate fair housing laws and ensures a fair and open selection process. To that end,  
28 the NVHA commissioned a demographic study of all Napa County jurisdictions to  
29 determine the demographic characteristics of each community, as well as the region, that  
30 could be used to show that the imposition of local preferences in selecting applicants for  
31 affordable housing units would not cause a disparate impact on protected classes under  
32 the Fair Housing Act (Attachment 3). The demographic study concluded that it is  
33 possible for Napa County jurisdictions to adopt a local preference and priority system for  
34 people who live or work in Napa County that is consistent with the Fair Housing Act.  
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36 **DISCUSSION:**

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

- 45 1. First priority would be given to City of Calistoga employees.
- 46 2. Second priority would be given to applicants who live *and* work in the City  
47 of Calistoga.
- 48 3. Third priority would be given to applicants who live *or* work in the City of  
49 Calistoga.
- 50 4. All other applicants would be given fourth priority.

51 The availability of affordable housing to City employees, particularly emergency  
52 personnel, is important to the City's ability to respond effectively in the event of a natural  
53 disaster such as an earthquake, fire or flood. As a condition of employment, all City  
54 employees are required to assist in the protection of life and property during a declared  
55 emergency or natural disaster. City employees routinely receive specialized  
56 preparedness training in emergency management and coordination and are critical to  
57 effective implementation of the City's emergency response plans. Currently only 27% of  
58 City staff required to participate in emergency disaster response lives within the City of  
59 Calistoga, which impacts the City's ability to provide an effective response in the event  
60 of a natural disaster.

61 Making affordable housing available to people who live or work in the City has a number  
62 of important benefits. Resident employees and their families help to sustain the social  
63 fabric of the community through school enrollment; joining local social, civic or religious  
64 institutions; participating in community events; and through local volunteerism. Local  
65 businesses will benefit through an improved ability to attract new employees and/or  
66 reduce employee turnover by creating the opportunity to live close to work, which in turn  
67 reduces time spent commuting, saves money and improves the overall quality of life.  
68 Last but not least are longer-term environmental benefits. Making affordable housing  
69 available to people who work in the City will help to reduce traffic congestion, vehicle  
70 miles traveled/greenhouse gas emissions, and gasoline consumption.

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

- 72 1. Projects receiving a subsidy from the City's Affordable Housing Trust Fund.
- 73 2. Housing units developed through the City's inclusionary housing requirements.
- 74 3. Housing units required as part of an Affordable Housing Agreement with the  
75 City and/or a Development Agreement.

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

78 Administration: A lottery system will be used to select qualified applicants. An applicant  
79 qualifying for the "City Employee" preference will have four opportunities to have his or  
80 her name drawn from the lottery. An applicant qualifying for the "live and work"  
81 preference will have three opportunities to have his or her name drawn from the lottery.  
82 An applicant qualifying for the "live or work" preference will have two opportunities to  
83 have his or her name drawn from the lottery. All other applicants will have one  
84 opportunity to have their name drawn from the lottery.

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

87 **PLANNING COMMISSION REVIEW:** The proposed Local Preference Policy was  
88 presented to the Planning Commission for review and comment at its regular meeting  
89 on December 10, 2008. The Planning Commission passed Resolution PC 2008-50  
90 recommending that the City Council adopt the local preference policy and suggested  
91 the following revisions:

- 92 1. The language regarding periodic updating of waiting lists in Section 8 of the  
93 policy (On-Going Application of Preference Policy) should be changed from "not  
94 less than once per year" to "as approved by the Planning and Building Director".

95 Comment: The reason for this suggested change is to provide flexibility to the non-profit  
96 or managing entity in administering the policy. Staff supports this change and  
97 recommends that the City Council accept the recommendation.

98 2. Add a preference for Calistoga Joint Unified School District employees. The  
99 preference should be conditioned on the district employee being trained and  
100 available to assist the City in responding to emergencies and/or natural disasters.  
101 It was also suggested that the District be required to participate in the financing  
102 of affordable housing units in the City. No specific ideas on how this would work  
103 were discussed.

104 Comment: Staff had considered a preference for school teachers but concluded that  
105 such a preference may not be as defensible since teachers are not required or trained  
106 to assist the City in protecting life and property in the community (school district  
107 employees are required to report in the event of an emergency, but they report to  
108 District facilities and are trained in managing emergency events at those specific  
109 facilities). Staff agrees that there are benefits to having teachers be able to live in the  
110 City but needs additional time to fully evaluate the Planning Commission's  
111 recommendation and discuss it with School District officials. Therefore, staff  
112 recommends that the City Council adopt the policy as proposed, but direct staff to  
113 explore inclusion of a preference for School District employees and return to Council at  
114 a later date with a recommended action and possible policy amendment.

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

121 **FISCAL IMPACT:** The adoption of an affordable housing local preference policy will  
122 create no direct fiscal impacts.

123 **ATTACHMENTS:**

- 124 1. Draft Local Preference Policy for the City of Calistoga  
125 2. Draft Resolution  
126 3. Demographic Information on Napa Residents and Workers (Keyser Marston  
127 Associates; November, 2004)  
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