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> Alfredo Pedroza Chair

June 28, 2021

Jesse Arreguin, President Association of Bay Area Governments (ABAG) Executive Board Bay Area Metro Center 375 Beale Street, Suite 700 San Francisco, CA 94105

Re: Regional Housing Needs Allocation (RHNA) Process – Sixth Cycle

Dear President Arreguin and Board Members,

The Napa County Board of Supervisors would like to take this opportunity to thank you and your staff at ABAG for the tremendous amount of work that has gone into developing the draft RHNA numbers. Your agency has successfully completed a thorough and comprehensive process, with high levels of public engagement, conducted under extreme circumstances of pandemic, wildfire, drought, and social change. The resulting RHNA sets the stage for communities throughout the region to plan for more than 440,000 new homes over the next eight years. The RHNA is no small accomplishment and ABAG deserves significant recognition for what has been achieved.

In Napa County, nearly 95% of the unincorporated area is zoned for agriculture and open space, and has enjoyed strong protections since 1968. The 17% of the county population who live outside the cities are generally concentrated in the Coombsville, Silverado/Vichy, and Angwin/Deer Park communities. Protecting farms and wildlife has been supported by the voters repeatedly through Measures A, J, and P, to ensure that future generations continue to share in our heritage of wine growing and environmental preservation.

Under the Final RHNA Methodology and Draft Allocations approved by ABAG on May 20, 2021, unincorporated Napa County was assigned 1,013 new housing units. Implementing Napa County's Draft RHNA numbers while retaining our land use vision will be demanding, but it is a challenge that we welcome and embrace. Our most critical need as a region is to provide ample and affordable quality housing, close to jobs, schools, and services. This issue not only goes to the heart of numerous quality of life concerns such as transportation, air quality, climate change, and economic

development, but it defines who we are as a community and how far we need to strive to improve the lives of all our residents.

While we support the RHNA numbers assigned to Napa County, the Board of Supervisors has several concerns regarding the specifics of the Final RHNA Methodology. Some of our concerns were raised during hearings of the Housing Methodology Committee (HMC), although the HMC's final recommendation was developed in August and September of 2020, at a time when Napa County was battling the LNU Lightning Fire and just before the start of the Glass Fire, and implementing the Governor's Blueprint for a Safer Economy. While RHNA is a very important issue, we understandably were not able to give it the full focus of our attention while dealing with multiple disasters. Although we have concerns, Napa County will not be submitting an appeal for either the Final RHNA Methodology or the Draft Allocations for the Sixth Cycle. However, the RHNA process can be improved upon for the next housing cycle and it is in that spirit that we offer our comments.

Since 2015, Napa County has been devastated by wildfire. Over the past four years, unincorporated Napa County has lost 1,329 homes to wildfire, or nearly 11% of our entire unincorporated area housing supply in 2017. Of the 20 most destructive wildfires in California history, 15 have occurred over the past six years. Napa County is the only jurisdiction to have burned in six of those fires (Tubbs, Valley, Glass, LNU Lightning, Nuns, and Atlas). A total of 11 people died in the events.

Napa County is uniquely vulnerable to wildfire. In 2020, the LNU Lightning and Glass Fires burned over 40% of the entire County land area. When looking at the combined Federal Responsibility Area (FRA) and State Responsibility Area (SRA) as a percentage of total area, Napa has the highest percentage of fire hazard areas of any County within the Bay Area at 84%. Contrast that to the region as a whole, where the FRA and SRA make up only 63%, with three counties under 50%.

Excluding both the FRA and SRA zones leaves approximately 128.5 square miles in the Local Responsibility Area for housing within unincorporated Napa County. A total of 35.8 square miles (28%) of the LRA is located within the incorporated cities and town. That leaves a total of 92.7 square miles, or slightly under 60,000 acres available to the County to locate new housing outside of any fire hazard area within the unincorporated area. Those 60,000 acres primarily consist of vast tracts of prime farmland planted in high quality vineyards, the Napa-Sonoma Marshes Wildlife Area (owned by the State Department of Fish and Wildlife), the Napa River, and the County Airport and adjoining business park. In addition to most of the LRA consisting of wetlands and farmland, nearly all lands outside of existing communities are within one of 10 Priority Conservation Areas (PCAs) designated in Plan Bay Area 2050.

There are other constraints that have not been adequately addressed in developing the Final RHNA Methodology. As an example, 22% of Napa County is owned by State and

Federal Agencies. Along with the 5% of land located within the cities and town, the County does not have land use authority within a quarter of its jurisdiction. Another 16% of the unincorporated area is under Williamson Act contract, which prohibits any intensive residential development. As shown in the attached map, when Parks and Open Space District land is added, as well as Napa Land Trust land and other conservation easements, at least half of Napa County is legally or contractually prohibited from building new housing. As a practical land use matter, Napa County has very few options available to accommodate the draft RHNA numbers.

The Final RHNA Methodology and Draft Allocation states:

"...the Final Blueprint prioritizes housing growth in three types of growth geographies, Priority Development Areas nominated by local jurisdictions, Transit-Rich Areas with lower greenhouse gas emissions potential, and High-Resource Areas with excellent access to jobs, schools, and more. The growth geographies in the Final Blueprint also exclude areas with high wildfire risk and areas outside urban growth boundaries. Accordingly, the methodology's use of Plan Bay Area 2050 results in an allocation that promotes infill development, protects environmental and agricultural resources, and reduces the region's greenhouse gas emissions."

The only Priority Development Areas (PDAs) that are designated within Napa County are located in the Cities of Napa and American Canyon; there are no PDAs within the unincorporated area. In the absence of any PDAs for the County to locate priority housing growth, logically, the County should next prioritize locating new housing in High-Resource Areas (HRAs).

On the California Tax Credit Allocation Committee (CTCAC) map of 2020 Opportunity Areas, Napa County has seven areas designated as "Highest Resource:" one consists of the Napa-Sonoma Marshes Wildlife Area; one is the City of St. Helena; and the other five are located in Moderate, High, or Very High Fire Hazard Severity Zones. An additional seven areas are designated as "High Resource" areas: one is the Town of Yountville; four are located in Moderate, High, or Very High Fire Hazard Severity Zones; and the remaining two are in the City of St. Helena.

According to the Plan Bay Area 2050 Blueprint, HRAs are defined as the Census tracts identified as High and Highest Resource in the State's Opportunity Map if they were inside a PDA or if they were near transit in a jurisdiction that designated less than 50% of its PDA-eligible land as PDAs. None of the Highest or High Resource Areas in the unincorporated area are near transit. Except for the marshes, all of the Highest or High Resource Opportunity Areas in the unincorporated area are located outside urban growth boundaries and in hillside areas where it is more difficult and expensive to develop. Groundwater is less available, greater fire protection and road access is required, slopes or soils require more engineering, there are few municipal services,

and no transit. Even more critical is the inability of landowners in hillside areas to obtain fire insurance. Companies are no longer issuing insurance within entire Zip Codes based on the threat of wildfire and are cancelling policies on homes that are outside but near wildfire zones. Promoting housing development in these areas will require even greater subsidies to build affordable homes, when there is already limited funding. The increased per unit costs of construction in these areas means that less, not more housing will be provided.

Given the extent of farming and open space in Napa County, it would be reasonable to place additional future housing in our existing unincorporated communities. Historically, Napa County has channeled urban development into the cities and town, to better protect our agricultural and environmental resources. As a result, the Land Use Map in the 2008 Napa County General Plan only identifies a dozen areas with Residential designations. Eleven of those Residential areas are located entirely or largely within Moderate, High, or Very High Fire Hazard Zones. The remaining Residential area, along with a number of small unincorporated islands, are located within the Sphere of Influence for the City of Napa. Even setting aside the threat of wildfire, two of the Residential areas are located within groundwater deficient areas, where water usage is strictly limited. Equally important, many of our Residential areas have very limited or no sewer and water systems or other municipal services.

The Final RHNA Methodology sets the standard of locating at least 40% of very-low and low-income housing units and at least 70% of moderate and above-moderate income units with access to High Opportunity Areas. This is supplemented by an Equity Adjustment, whereby additional lower-income units are allocated to 49 jurisdictions (including unincorporated Napa County) to reduce racial and economic exclusion. These are lofty and admirable aspirations, but they need to be balanced against the physical and policy constraints of local conditions.

Napa County does not have any Priority Development Areas, does not have any developable High Opportunity Areas, has 84% of our land designated as a fire hazard zone, has 22% of our land area owned by the State or Federal government, has 16% of our land under Williamson Act contract, and has the entire unincorporated area (excluding existing communities) designated within a Priority Conservation Area. To be effective, goals must be attainable, otherwise they appear rhetorical and erode the public confidence in the effectiveness of local and regional government. The RHNA process in the next housing cycle must be based on a firm foundation of land use and environmental planning that recognizes the immense diversity of the regional landscape, communities, and economies.

Napa County supports the need for a significant increase in the development of new housing throughout the Bay Area region. We believe that such housing needs to provide families and individuals the chance to improve the quality of their lives and to enrich the neighborhoods and communities where they reside. A range of housing

options need to be provided for households of all income levels, and for the variety of living arrangements to accommodate current and future generations. These are all essential goals and have been robustly incorporated into the ABAG process.

But the Final RHNA Methodology and Draft Allocation did not apply the same rigor to looking at the fundamentals necessary for balanced land use decision making. More attention needs to be spent looking at issues such as water availability, wildfire and other hazards, municipal services, environmental sensitivity, agricultural protection, and other physical constraints. The Bay Area does not have an infinite supply of developable land. As we continue to expand the regional population, more pressure will be placed on areas where there are valued existing uses (farming, open space, habitat) and/or obstacles (steep slopes, earthquake faults, sea level rise, lack of utilities). Increasingly, local government is buffeted by the intersectionality of extensive mandates from single-purpose state and regional agencies, whether related to fire protection, groundwater management, surface water quality, homelessness, public health, climate change, or transportation. The Board of Supervisors is obligated under the General Plan to weigh all of these factors and more in determining the location and intensity of new development, and cannot neglect all of these other concerns for a single issue, even if that issue is as critical as housing.

The path to expand the housing supply, provide efficient transportation and municipal services, and protect our essential agricultural and natural resources is through city-centered growth, and ABAG needs to place greater emphasis on supporting those local jurisdictions who are actively working to realize this vision. The Board of Supervisors strongly urge the Association of Bay Area Governments to take action to redefine both High Opportunity Areas and High Resource Areas, and to commit to developing an inclusive RHNA process for the seventh housing cycle that emphasizes housing, but within the broader and complex landscape of land use.

Once again, thank you for the opportunity to offer our suggestions and comments on this extremely important issue.

Sincerely,

Alfredo Pedroza, Chair

Napa County Board of Supervisors

