

NAPA COUNTY AFFORDABLE HOUSING ORDINANCE

(Chapter 18.107 of the Napa County Code)

Summary of Key Provisions*

Trust Fund

- ❖ Establishes Affordable Housing Trust Fund where all affordable housing fees required by the ordinance are to be deposited [18.107.020]
- ❖ Trust Fund monies are administered by the housing director under the direction of the board of supervisors; the board may, if it chooses, establish an affordable housing fund advisory board [18.107.020(B), 18.107.030]
- ❖ Trust Fund monies must be used to “increase, improve or preserve” affordable housing in the county, and may also be used for reasonable administrative expenses [18.107.030 & 18.107.040]
- ❖ The housing director shall prepare an annual report for the board of supervisors that lists all monies in the housing fund, describes the source of such monies, and details any activities undertaken with the housing fund during the reporting period [18.107.030(C)]

Nonresidential Development

- ❖ Housing fees per gross square foot of new nonresidential space are charged to help mitigate the need for affordable housing in the county caused by the new development [18.107.050(A) & (B), 18.107.060]
- ❖ Fees are set by resolution of the board of supervisors based on at least the following land use categories: office, retail, warehouse, industrial, and hotel [18.107.050(A)]
- ❖ Nonresidential projects exempt from payment of housing fees include projects on public lands; projects that are the subject of an existing development agreement or that have received a vested right to proceed without fees; nonprofit projects providing food or shelter to the homeless; projects supporting no more than one employee; and any other projects exempted by resolution of the board of supervisors [18.107.050(C)]
- ❖ As an alternative to the payment of housing fees, an applicant for a nonresidential project may suggest an alternative means of compliance, such as the dedication of land or construction of affordable units, so long as such alternative will supply as much or more affordable housing [18.107.060(C)]

- ❖ Applications for nonresidential projects must include information sufficient to enable the county to determine the appropriate use category for the project or to establish employee density so that an individualized fee determination can be made [18.107.070]

Residential Development

- ❖ **Basic Inclusionary Requirement: 20 percent** of all single-family detached dwelling units, and **17 percent** of all single-family attached and common interest dwelling units, in an ownership residential project must be affordable to moderate income households [18.107.080(A)]
- ❖ Housing fees with respect to residential development projects are set by resolution of the board of supervisors based on gross square footage of residential “floor area” [18.107.090(A) & (B)]
- ❖ Rental residential projects must either: (1) pay housing fees based on the “floor area” of each rental dwelling unit; (2) be subject to an approved equivalency proposal to mitigate the impact of the rental project on the county’s affordable housing needs, or (3) make **12 percent** of all rental units in the project affordable to low income household by entering into a rent regulatory agreement with the county as required by the Costa-Hawkins Act [18.107.080(B), 18.107.090(D)(1), 18.107.110]
- ❖ Projects exempt from the residential inclusionary requirement include: farmworker housing units under 1200 square feet; deed-restricted affordable housing units; residential projects located on a Specified Priority Housing Development Site; and state density bonus units [18.107.080(E)]
- ❖ Residential projects of four or fewer dwelling units may either build one affordable unit or pay housing fees based on the “floor area” of each market-rate unit in the project [18.107.090(C)]
- ❖ For residential projects of five or more dwelling units, the basic inclusionary rules may result in a requirement that a “fractional” affordable unit be built; in such circumstances, the applicant can either build one additional affordable unit, suggest an “equivalent action” with respect to the fractional unit, or pay housing fees based on the “floor area” of the market-rate housing to which the fractional affordable unit relates [18.107.090(D)(3)]
- ❖ As an alternative to on-site construction of affordable units or payment of housing fees, an applicant for a residential project may suggest an alternative means of compliance, so long as such alternative will supply as much or more affordable housing [18.107.100]

- ❖ Residential projects that include the actual construction of affordable units are entitled to the waiver of application fees, expedited permit processing and certain other incentives [18.107.120]
- ❖ Applications for residential projects must include an affordable housing plan or other information indicating how the county's affordable housing inclusionary requirements will be met [18.107.130(A) & (B)]
- ❖ Affordable housing or rent regulatory agreements must be entered into for all affordable units built pursuant to this ordinance to ensure their continued affordability and their sale or rental only to qualified households [18.107.130(C) & 18.107.140]

Density Bonuses and Other Incentives

- ❖ details density bonuses granted pursuant to state law for residential projects of 5 or more units where affordable units (called "target units") are constructed in addition to those already required by the affordable housing terms of the ordinance [18.107.150]
 - projects containing target units affordable to low income households are granted a bonus of from 20% (for 10% target units) to 35% (for 20% target units) [18.107.150(A)(1) & (C)(2)]
 - projects containing target units affordable to very low income households are granted a bonus of from 20% (for 5% target units) to 35% (for 11% target units) [18.107.150(A)(2) & (C)(1)]
 - projects that qualify for a density bonus under more than one category must choose one category under which to proceed [18.107.150(D)(2)]
- ❖ If a density bonus is requested for a qualified residential project, that project may also be eligible for certain state-authorized incentives, such as a reduction in applicable development standards or the allowance of mixed use development; any incentive requested must result in identifiable, financially sufficient and actual cost reductions [18.107.160(A) & (B)]
 - projects containing target units affordable to low income households may be granted one incentive (for 10% target units), two incentives (for 20% target units) or three incentives (for 30% target units) [18.107.160(C)]
 - projects containing target units affordable to very low income households may be granted one incentive (for 5% target units), two incentives (for 10% target units) or three incentives (for 15% target units) [18.107.160(C)]

- The county is never required to provide a direct financial incentive pursuant to this ordinance, but may choose to do so [18.107.160(G)]
- ❖ Under certain circumstances, an applicant may seek a waiver of any development standard that will physically preclude the construction of the residential project [18.107.160(F)]
- ❖ common interest developments, projects including specified donations of land, senior citizen residential projects, projects containing a child care facility, and condominium conversions may also qualify for state density bonuses and incentives [18.107.150(A)(3), (B), (C)(3) & (F)]
- ❖ a residential project eligible for a density bonus may also qualify for a decrease in the on-site vehicular parking ratio that would otherwise be required for the project [18.107.160(E)]
- ❖ projects located on Specified Priority Housing Development Sites may apply for a density bonus and incentives either under this ordinance or under the :AH Combination District ordinance, but not both [18.107.150(D)(1) & 18.107.160(D)]
- ❖ Applicants requesting state density bonuses, incentives, parking reductions or waivers must follow a specified preliminary application and application procedure and must supply information required to substantiate their request(s) [18.107.170]
- ❖ When approving or denying requests for state density bonuses, incentives, parking reductions or waivers, the county must make certain specified findings [18.107.180(A)-(D)]

Enforcement

- ❖ Selling or renting an affordable unit or target unit to a nonqualified party or at a price above the allowed maximum, is a misdemeanor [18.107.210(A)]
- ❖ County counsel or the district attorney, as appropriate, will enforce the provisions of the ordinance [18.107.210(B)]

****This document is intended as a summary only and should not be relied upon; please refer to the full text of the ordinance for a complete description of the provisions summarized herein***